



STATE OF MICHIGAN  
JOCELYN BENSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

April 6, 2020

Richard Lowe, Director  
Office of Internal Audit Services  
George W. Romney Building  
111 South Capitol Avenue, 8<sup>th</sup> Floor  
Lansing, MI 48933

Dear Mr. Lowe:

In accordance with the State of Michigan Financial Management Guide, Part VII, and Part 2, Section 229 of P.A. 56 of 2019, attached is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Michigan Department of State, Office of Hearings and Administrative Oversight, covering the period January 1, 2017 through May 31, 2019.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 241-1385.

Sincerely,

Signature Redacted

Gena Hyde, Director  
Information Security and Control Division  
Michigan Department of State

Enclosures

c: Honorable Gretchen Whitmer, Executive Office  
Honorable Jocelyn Benson, Secretary of State  
Doug Ringler, CPA, CIA, Auditor General  
Chris Kolb, State Budget Director  
Melissa Smiley, MDOS, Chief of Staff  
Mike Brady, MDOS, Chief Legal Director  
Adam Reames, MDOS, Legislative Policy Director  
Senator Jim Stamas, Chair, Senate Appropriations  
Representative Shane Hernandez, Chair, House Appropriations  
Christopher Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency

**Michigan Department of State**  
**Performance Audit of the Office of Hearings and Administrative Oversight**  
**Summary of Agency Responses to Recommendations**  
**January 1, 2017 through May 31, 2019**

The Auditor had three recommendations for the Office of Hearings and Administrative Oversight.

1. Audit Recommendation the agency complied with:  
Recommendation Number 3
  
2. Audit Recommendations the agency agrees with and will comply:
  - a. Will comply:  
Recommendation Number 1 and 2
  - b. Will partially comply:  
N/A
  
3. Audit Recommendation the agency disagrees with:  
None

**Michigan Department of State**  
**Performance Audit of the Office of Hearings and Administrative Oversight**  
**Agency Final Responses**  
**January 1, 2017 through May 31, 2019**

**RECOMMENDATION #1**

Manufacturer and service center oversight process needs improvement.

**ANTICIPATED ACTION:** Will Comply

**DESCRIPTION OF ANTICIPATED ACTION:**

The Office of Hearings and Administrative Oversight (OHAO) has already begun implementing the following controls to comply with the audit recommendation:

- OHAO created a new manufacturer renewal application to allow manufacturers to recertify their devices when they renew. The annual renewal application also includes OHAO's review for valid insurance policies. In addition, with the implementation of Customer and Automotive Records System (CARS), OHAO is now able to track manufacturer and service center applications and renewals.
- OHAO contacted all manufacturers and requested that breath alcohol ignition interlock device (BAIID) service centers not approved by OHAO be immediately removed from websites and BAIID service be discontinued until the application has been resubmitted and approved by OHAO.
- In addition, OHAO created a form that attests that the manufacturer provided the mechanic with training required for its BAIID. Both the manufacturer and mechanic must sign this form and keep it in plain view at the service center. These forms must be in place during the pre-approval inspection, and a review of these onsite forms will be included in all inspections.
- The Department implemented pre-approval inspections of service centers to verify the service center complies with the law and appropriate security measures are in place prior to granting approval.

**Anticipated Compliance Date: May 2020**

## **RECOMMENDATION #2**

Timeliness of potential violation reviews needs improvement.

**ANTICIPATED ACTION:** Will Comply

### **DESCRIPTION OF ANTICIPATED ACTION:**

- OHAO implemented a tracking mechanism within Ignition Interlock System (IIS) to ensure manufacturers are complying with the five-day reporting requirement.
- OHAO will develop policies and procedures establishing a target timeframe for review of the Ignition Interlock System reports.
- OHAO will evaluate its resources and consider seeking legislation to pursue alternative funding sources for additional staff.

**Anticipated Compliance Date: May 2020**

## **RECOMMENDATION #3**

Access controls over IIS need improvement.

**ANTICIPATED ACTION:** Complied

### **DESCRIPTION OF ANTICIPATED ACTION:**

- The OHAO security administrator and the BAIID Specialist implemented a monitoring program to ensure the removal of user access within 72 hours when accounts are no longer required, users are terminated or transferred, or user privileges change.
- OHAO implemented a process to document its review of security reports by adding initials and dates to the security report prior to saving the document.
- The Ignition Interlock System was enhanced to automatically disable inactive user accounts after 60 days. This software enhancement was implemented in production on 01/10/2020.

**Anticipated Compliance Date: Complied**