



OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • audgen.michigan.gov

Doug A. Ringler, CPA, CIA
Auditor General

June 1, 2020

Dear Governor Whitmer, Senators, and Representatives:

This letter provides information regarding the status of our audit projects that either began or transitioned into new audit phases during May 2020. Please refer to our website's [Work in Progress](#) for a complete listing of ongoing projects. We would be pleased to discuss with you any interests or areas of concern you have with any of our ongoing projects.

Planning Phase - These are new projects. Typical activities include conducting: the audit entrance meeting; a preliminary survey to identify the audited entity's core activities; assessments of risks and corresponding controls to identify potential program or process improvements or deficiencies; interviews with management and staff, development of detailed audit objectives, and many other tasks.

Department	Audit Title and Type		Project Number
	(Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa / Review - rev / Investigative - inv)		
Environment, Great Lakes, and Energy	Clean Michigan Initiative Environmental Protection Program - (per)		761-0217-20
State	Office of Investigative Services, Enforcement Division - (per)		231-0234-20
Technology, Management, and Budget	Data Classification - (per)		071-0514-20
Treasury	Offers in Compromise Program - (per)		271-0145-20

Audits Terminated - For these projects, after completing the planning phase, we concluded that significant risk did not exist to warrant additional use of audit resources or that extenuating circumstances supported the termination of the project. When appropriate, we issued a Preliminary Survey Summary to reflect this conclusion, distributed copies to management and select legislative members, and posted the summaries on our website.

Department	Audit Title and Type	Project Number
None		

Audit Fieldwork - Typical activities include: additional management and staff interviews; detailed testing of financial transactions, case files, information systems, and other documentation which support the entity's operations; status updates with management and staff; and other tasks.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Health and Human Services	Adult Protective Services - (per)	431-2601-20

Approved Objectives:

1. To assess whether MDHHS's Centralized Intake Division appropriately assigned APS complaints for investigation and/or referred the complaints to other agencies in accordance with applicable requirements.
2. To assess whether MDHHS appropriately investigated assigned complaints of adult abuse, neglect, and/or exploitation in accordance with applicable requirements.
3. To assess whether MDHHS provided appropriate training for the assignment and investigation of APS complaints in accordance with applicable requirements.
4. To assess the sufficiency of MDHHS's efforts to evaluate the effectiveness of APS activities to protect vulnerable adults.
5. To assess the effectiveness of selected MDHHS and DTMB security and access controls over Michigan Adult Integrated Management System (MiAIMS).

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
State Budget Office	State of Michigan Comprehensive Annual Financial Report (SOMCAFR) - Financial Audit for the Fiscal Year Ended September 30, 2020 - (fin)	071-0010-21

Approved Objectives:

1. To express an opinion on whether the entity's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To issue a report on internal control over financial reporting and on compliance and other matters in accordance with generally accepted government auditing standards

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation (FY 2018-2019) - (rev)	071-0030-20

Approved Objective:

1. To obtain limited assurance that there are no material modifications that should be made to the Statement of Revenue Subject to Constitutional Limitation – Legal Basis for it to be in compliance with the applicable sections of the *Michigan Compiled Laws* and Michigan Constitution.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2018-2019) - (rev)	071-0031-20

Approved Objective:

1. To obtain limited assurance that there are no material modifications that should be made to the Statement of the Proportion of Total State Spending From State Sources Paid to Local Units of Government - Legal Basis for it to be in compliance with the applicable sections of the *Michigan Compiled Laws* and Michigan Constitution.

Please note that some projects, particularly financial audits and follow-up reports, operate from pre-established audit objectives and, therefore, move directly to the audit fieldwork stage.

Report Preparation - Typical activities include: preparing the draft audit report, discussion of draft findings with the audited entity, receipt of the entity's preliminary responses to findings, and other tasks.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Estimated Audit Release Date</u>
Labor and Economic Opportunity	Adult Education - (per)	186-0720-18	August 2020

Audits Released

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Date Released</u>	<u>Number of</u>	
				<u>Material Weaknesses</u>	<u>Reportable Conditions</u>
Technology, Management, and Budget	Information Technology Fund and Information Technology Billings - (per/fin)	071-0137-19	05/08/2020	0	1
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - State of Michigan Comprehensive Annual Financial Report - Fiscal Year Ended September 30, 2019 - (fin)	071-0010-20	05/12/2020	1	8

We report this information to you on a monthly basis, and we correspond with auditee management and staff regularly as our projects transition through the various stages referenced above.

Please contact me or Laura Hirst, Deputy Auditor General, at (517) 334-8050 if you have questions regarding this summary or wish to discuss specific audit projects.

Sincerely,



Doug Ringler
Auditor General

c: Agency Audit Liaisons
SBO-Office of Internal Audit Services