



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

August 3, 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 July 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.

<u>Department</u>	<u>Audit Title and Type</u> (Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa / Review - rev / Investigative - inv)	<u>Project Number</u>
None		

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Education	Section 31a Program for At-Risk Pupils - (per)	313-0160-19

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>
Education	Criminal Conviction Monitoring of Public School Contracted Employees - (per)	313-0640-20

Approved Objective:

1. To assess the effectiveness of MDE's efforts to ensure that public school contracted employees are fingerprinted and monitored for criminal convictions.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Health and Human Services	Children's Trust Fund - (per)	431-0178-20

Approved Objectives:

1. To assess CTF's compliance with selected child abuse and neglect prevention laws, regulations, rules, and procedures.
2. To assess the sufficiency of CTF's internal control to safeguard the Pam Posthumus Signature Auction Event inventory and proceeds.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Labor and Economic Opportunity and Environment, Great Lakes, and Energy	Brownfield Redevelopment Financing Program - (per)	186-0420-20

Approved Objectives:

1. To assess the effectiveness of the Program to increase the taxable values of eligible Brownfield properties.
2. To assess the effectiveness of EGLE and MSF's efforts to administer the Program.
3. To assess EGLE and MSF's compliance with statutory reporting requirements.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Licensing and Regulatory Affairs	Selected Activities within the Bureau of Construction Codes - (per)	641-0240-20

Approved Objectives:

1. To assess the sufficiency of BCC's efforts to conduct inspections.
2. To assess the sufficiency of BCC's efforts to process permit requests.
3. To assess the sufficiency of BCC's efforts to resolve complaints in a timely manner.
4. To assess BCC's compliance with statutory reporting requirements.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Labor and Economic Opportunity	Single Audit of the Michigan State Housing Development Authority for the Fiscal Year Ended June 30, 2020 - (sa)	000-0800-21

Approved Objectives:

1. A single audit determines whether the financial statements are presented fairly and considers internal control over financial reporting and on compliance and other matters.
2. In addition, the single audit evaluates MSHDA's compliance with laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
State Budget Office	Flint Emergency Expenditures - (per)	000-2020-21

Approved Objectives:

1. To determine the appropriateness of State agencies' expenditure of the Flint declaration of emergency appropriations.
2. To report State agencies' expenditures of the Flint declaration of emergency appropriations.

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>
Health and Human Services	Medicaid Home Help Program - (per)	391-0708-19	October 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>
Health and Human Services	Kalamazoo Psychiatric Hospital - (per)	391-0220-19	07/28/2020	3	3
State Budget Office	Flint Emergency Expenditures - (per)	000-2020-20	07/31/2020	0	1

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