



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

September 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 August 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>
Labor and Economic Opportunity	Community Colleges Skilled Trades Equipment Program - (per)	186-0440-20

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>
Technology, Management, and Budget	IT Contract Change Notices - (per)	071-0509-20

Approved Objective:

1. To assess the effectiveness of the State's efforts to ensure the reasonableness of change notices related to IT contracts.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Monitoring of IT Contracts - (per)	071-0510-20

Approved Objective:

1. To assess the sufficiency of the State's efforts to ensure that IT contract deliverables were received and that selected requirements were met.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Transportation	Negotiation of Consultant Contracts - (per)	591-0211-20

Approved Objective:

1. To assess the sufficiency of MDOT's negotiation efforts to obtain fair and reasonable pricing when procuring consultant contracts.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Treasury	Offers in Compromise Program - (per)	271-0145-20

Approved Objective:

1. To assess the effectiveness of Treasury's efforts to administer the Offers in Compromise Program.

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>
State Budget Office	COVID - 19 Expenditures Report 2 - (per)	000-2000-20B	September 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>
Education	Virtual Learning in Traditional Public Schools - (per)	313-0224-16	08/13/2020	3	3

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