



OAG

Office of the Auditor General

Report Summary

Performance Audit

Adult Education Program (AEP)

Adult Education (AE)

Department of Labor and Economic Opportunity

Report Number:
186-0720-18

Released:
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AEP provides an opportunity for adults to improve or achieve education levels equivalent to those of high school graduates. Instruction is tailored to meet the individual needs of adult students. Standardized tests identify existing skill levels, appropriate instruction, and academic gains. Approximately 30,000 students were enrolled in AEP as of June 30, 2018. Federal expenditures totaled \$13.2 million and State expenditures totaled \$27.0 million during fiscal year 2018.

Audit Objective			Conclusion
Objective #1: To assess the appropriateness of AE's funding to eligible fiscal agents and providers.			Appropriate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of AE's efforts to monitor AEP.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
We identified AEP expenditures of \$1.9 million that were not separately accounted for, not supported, or unallowable and \$230,000 that we could not verify because the provider refused access to its records (<u>Finding #1</u>).		X	Agrees

Findings Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
We identified 9 providers that did not maintain documentation to support participant success and eligibility; 2 providers that may have used uncertified teachers; and 1 provider, with 130 participants, that refused access to its records (<u>Finding #2</u>).		X	Agrees
Fiscal agents did not provide documentation to support the competitive bidding process, allocation of funding, and sufficient oversight of its providers (<u>Finding #3</u>).		X	Agrees

Audit Objective		Conclusion	
Objective #3: To assess AE's compliance with selected laws and regulations.		Complied	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

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Office of the Auditor General
201 N. Washington Square, Sixth Floor
Lansing, Michigan 48913

Doug A. Ringler, CPA, CIA
Auditor General

Laura J. Hirst, CPA
Deputy Auditor General