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Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

April 1, 2021

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 March 2021. 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)	
Health and Human Services	Long Term Care Ombudsman - (per)	391-0571-21
Licensing and Regulatory Affairs	Storage Tanks and Tank Test Program - (per)	641-0436-21
Natural Resources	State Parks Concessions and Leases - (per)	751-0135-21
State	Bureau of Elections - (per)	231-0235-21

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.

Department	Audit Title and Type	Project Number
Health and Human Services	Aging and Adult Services Agency - (fol)	391-0645-18F

Approved Objective:

1. To determine whether the Michigan Department of Health and Human Services had taken appropriate corrective measures in response to our audit report issued October 2019.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Michigan Public School Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0164-21

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	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0165-21

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	Employee Benefits Division's Postemployment Life Insurance Benefit Schedule of Employer Allocations for the year ended September 30, 2020 - (rev)	071-0168-21

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.

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	Self-Insurers' Security Fund - Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended December 31, 2020 - (fin)	186-0101-21	April 2021
Technology, Management, and Budget	Statewide Contracting Practices for Commodities and Professional Services, Central Procurement Services - (per)	071-0142-19	May 2021

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Michigan Liquor Control Commission, Opinion on Financial Statements and Internal Control Report, for the Fiscal Years Ended September 30, 2019 and September 30, 2018 - (fin)	641-0161-20	03/01/2021	0	0
Environment, Great Lakes, and Energy	Clean Michigan Initiative Environmental Protection Programs - (per)	761-0217-20	03/04/2021	0	1
Technology, Management, and Budget	Michigan State Employees' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2020 - (fin)	071-0151-21	03/05/2021	0	0
Lottery	Bureau of State Lottery, Opinion on Financial Statements and Internal Control Report, for the Fiscal Years Ended September 30, 2020 and September 30, 2019 - (con)	NA	03/05/2021	NA	NA
Labor and Economic Opportunity	Unemployment Insurance Agency - Unemployment Compensation Fund, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2020 - (con)	NA	03/15/2021	NA	NA
Labor and Economic Opportunity	Unemployment Insurance Agency - Obligation Trust Fund, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2020 - (con)	NA	03/15/2021	NA	NA
Labor and Economic Opportunity	Unemployment Insurance Agency - Contingent Fund, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2020 - (con)	NA	03/15/2021	NA	NA

Audits Released Con't

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2020 - (con)	NA	03/15/2021	NA	NA
Treasury	Michigan Education Trust - Plan D, Report on Internal Control, for the Fiscal Year Ended September 30, 2020 - (fin)	271-0283-21	03/18/2021	0	1
Treasury	Michigan Education Trust - Plans B and C Report on Internal Control, for the Fiscal Year Ended September 30, 2020 - (fin)	271-0284-21	03/18/2021	0	1
Labor and Economic Opportunity and State Budget Office	Michigan State Housing Development Authority - (sa)	000-0800-21	03/19/2021	0	2
Education	Office of Educator Excellence - (per)	313-0140-18	03/23/2021	3	0
Transportation	Use of Warranties - (per)	591-0320-20	03/23/2021	2	1
Transportation	Mackinac Bridge Authority, Opinion on Financial Statements and Report on Internal Control, for the Fiscal Year Ended September 30, 2020 - (fin)	591-0210-21	03/31/2021	0	1
Technology, Management, and Budget	Michigan Public School Employees' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2020 - (fin)	071-0152-21	03/31/2021	0	0
Technology, Management, and Budget	Michigan Judges' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2020 - (fin)	071-0153-21	03/31/2021	0	1
Technology, Management, and Budget	Michigan State Police Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2020 - (fin)	071-0154-21	03/31/2021	0	1

Audits Released Con't

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	Michigan Military Retirement Provisions, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2020 - (fin)	071-0158-21	03/31/2021	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