STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING

GRETCHEN WHITMER
GOVERNOR

LIESL EICHLER CLARK
DIRECTOR

April 5, 2019

VIA E-MAIL

Mr. Rick Lowe, Director
Office of Internal Audit Services
State Budget Office
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is a summary identifying our response and corrective action plan to address recommendations contained within the Office of the Auditor General's audit report of the Department of Environmental Quality's (DEQ) Clean Michigan Initiative Environmental Protection Programs.

Questions regarding the summary or corrective action plan should be directed to Ms. Amy Epkey, Administration Deputy Director, at 517-284-5002; or epkeya@michigan.gov.

Sincerely,

Liesl Eichler Clark
Director
517-284-6700

Enclosure
cc/enc: Senate Appropriations Subcommittee on Natural Resources and Environmental Quality Members
House Appropriations Subcommittee on Natural Resources and Environmental Quality Members
Mr. Chris Harkins, Director, Senate Fiscal Agency
Ms. Mary Ann Cleary, Director, House Fiscal Agency
Mr. Doug Ringler, Auditor General, Office of the Auditor General
Ms. Tricia L. Foster, Director, DTMB
Mr. Greg Bird, Legislative Director, Governor's Office
Ms. Emily Laidlaw, Policy Director, Governor's Office
Ms. Abbey Frazier, Senate Fiscal Agency
Mr. Austin Scott, House Fiscal Agency
Mr. Aaron B. Keatley, Chief Deputy Director, DEQ
Ms. Amy Epkey, Administration Deputy Director, DEQ
Ms. Susan Leeming, DEQ
Ms. Teresa Seidel, DEQ
Ms. Lisa Root, DEQ

Department of Environmental Quality
Summary of Agency Response to Recommendations
OAG Performance Audit of the Clean Michigan Initiative Environmental Protection Programs
October 1, 2015 through September 30, 2017

Audit recommendation the agency complied with:

The Department of Environmental Quality (DEQ) has posted an updated fiscal year 2017 Consolidated Report online and will evaluate the process for developing future reports.

Audit recommendation the agency agrees with and will comply:

Finding #1
DEQ should strengthen its reporting process to ensure the accuracy of all Clean Michigan Initiative (CMI) project activity presented in its annual report to the Legislature, which would help ensure that the Legislature has the information it needs to provide CMI program oversight.

OAG Recommendation: We recommend that DEQ strengthen its reporting process to ensure the accuracy of all CMI project activity presented in its annual report to the Legislature.

DEQ Response: The DEQ continues its effort to strengthen the reporting process used to provide information for the Consolidated Report and is developing and implementing new procedures to assist with accurately reporting all elements required by statute/legislation. Additional reviews of query results with program staff have been implemented to ensure accuracy. Additional reviews of the final report prior to publication are being implemented to ensure numbers and information are accurate and assembled correctly prior to publication. This process is expected to take additional time beyond the statutorily required deadline due to the complexity and multiple systems used to pull the data.

Audit recommendations the agency disagrees with:

None.