



# OAG

Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

June 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 May 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)	
Agriculture and Rural Development	Grain Dealers Program - (per)	791-0240-21
Civil Rights	Selected Activities Within the Problem Resolutions Process - (per)	151-0200-21
Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-21
Health and Human Services	PATH SSI Deferrals - (per)	431-3302-21
Labor and Economic Opportunity	Unemployment Agency's Claims Processing - (per)	186-0319-21
Labor and Economic Opportunity and Technology, Management, and Budget	Michigan Integrated Data Automated System (MIDAS) - (per)	186-0593-21
State	Office of Investigative Services, Business Compliance and Regulation Division - (per)	231-0270-21
Technology, Management, and Budget	Master System List - (per)	071-0530-21
Transportation	Aggregate Prequalification Process - (per)	591-0420-21
Transportation	Vendor Procurement Program - (per)	591-0421-21

**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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund - (fin)	641-0161-21

**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>
State Police	Michigan Justice Training Fund - (fin)	551-0101-21

**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	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation (FY 2019-2020) - (rev)	071-0030-21

**Approved Objective:**

1. To obtain limited assurance that there are no material modifications that should be made to the Statement of Revenue Subject to Constitutional Limitation - Legal Basis for it to be in compliance with the applicable sections of the *Michigan Compiled Laws* and Michigan Constitution.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2019-2020) - (rev)	071-0031-21

**Approved Objective:**

1. To obtain limited assurance that there are no material modifications that should be made to the Statement of the Proportion of Total State Spending from State Sources Paid to Local Units of Government - Legal Basis for it to be in compliance with the applicable sections of the *Michigan Compiled Laws* and Michigan Constitution.

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>
None			

## Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
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	05/11/2021	0	1
Labor and Economic Opportunity	Homeownership Programs - (per)	186-0205-20	05/19/2021	0	3
State	Office of Investigative Services, Enforcement Division - (per)	231-0234-20	05/25/2021	0	4
State Budget Office	Report on Internal Control, Compliance, and Other Matters - State of Michigan Annual Comprehensive Financial Report - Fiscal Year Ended September 30, 2020 - (fin)	071-0010-21	05/28/211	0	7

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