



OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

December 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 November 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 (Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa / Review - rev / Investigative - inv) | Project Number |
|-------------------|---|-----------------------|
| 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.

| 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 |
|--|--|-----------------------|
| Technology, Management, and Budget | State Sponsored Group Insurance Fund - (fin) | 071-0143-22 |

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.

| Department | Audit Title and Type | Project Number |
|------------------------------------|-------------------------------------|----------------|
| Technology, Management, and Budget | Software License Management - (per) | 071-0527-22 |

Approved Objective:

1. To assess the sufficiency of DTMB's software license management controls.

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.

| Department | Audit Title and Type | Project Number | Estimated Audit Release Date |
|--------------------------------------|---|----------------|------------------------------|
| Environment, Great Lakes, and Energy | Flint Water Service Line Replacement Expenditures - (per) | 761-3017-21 | January 2022 |
| Health and Human Services | Medicaid Non-Emergency Transportation - (per) | 391-0715-20 | February 2022 |

Audits Released

| Department | Audit Title and Type | Project Number | Date Released | Number of | |
|----------------------------------|---|----------------|---------------|---------------------|-----------------------|
| | | | | Material Weaknesses | Reportable Conditions |
| Labor and Economic Opportunity | Unemployment Agency's Claims Processing - Establishing Pandemic Unemployment Assistance Eligibility Criteria, Unemployment Insurance Agency - (per) | 186-0319-21A | 11/18/2021 | 2 | 0 |
| Licensing and Regulatory Affairs | Liquor Purchase Revolving Fund, Michigan Liquor Control Commission - (fin) | 641-0161-21 | 11/18/2021 | 0 | 0 |

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