



OAG

Office of the Auditor General

Report Summary

*Performance Audit
Flint Water Service Line Replacement
Expenditures
Department of Environment, Great Lakes,
and Energy (EGLE)*

**Report Number:
761-3017-21**

**Released:
December 2021**

Public Act 340 of 2016 requires the Office of the Auditor General (OAG) to conduct a final audit of the City of Flint's use of the \$25 million appropriated for water service line removal by January 1, 2020. Our audit report released in October 2019 addressed the final audit requirement. Also, on March 28, 2017, a U.S. district judge approved a settlement agreement that required the State to allocate \$87 million and set aside an additional \$10 million in reserves to pay for the replacement of residential lead and galvanized water service lines in the City of Flint. The settlement agreement required the State to request the OAG to conduct annual "financial" and performance audits of EGLE's administration of the payments or reimbursements described in paragraph 23 of the agreement. This performance audit addresses these requirements and is our fourth report on the expenditures of these funds.

Audit Objective			Conclusion
Objective 1: To determine the appropriateness of EGLE's administrative process to issue payments or reimbursements for the Flint water service line replacements.			Appropriate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective 2: To determine the appropriateness of EGLE's expenditure of the Flint water service line replacement appropriations as of July 31, 2021.			Appropriate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective 3: To report EGLE's expenditures of the Flint water service line replacement appropriations.			Information provided
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	
Exhibits Related to This Audit Objective			
<u>Exhibit 1</u> - Allocations Required by the Settlement Agreement <u>Exhibit 2</u> - Expenditures of Appropriations - EGLE <u>Exhibit 3</u> - Expenditures of Appropriations - Department of Treasury <u>Exhibit 4</u> - Expenditures of Appropriations - Michigan Department of Health and Human Services <u>Exhibit 5</u> - Summary of Replacements and Excavations by Phase <u>Exhibit 6</u> - Summary of Replacements and Excavations by Zip Code <u>Exhibit 7</u> - Summary of the City of Flint's Contractors			

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