



OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • audgen.michigan.gov

Doug A. Ringler, CPA, CIA
Auditor General

April 1, 2022

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 2022. 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)	
Licensing and Regulatory Affairs	Licensing and Inspections of Homes for the Aged - (per)	641-0452-22

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
Environment, Great Lakes, and Energy	Flint Water Service Line Replacement Expenditures - (per)	761-3017-22

Approved Objectives:

- To determine the appropriateness of EGLE's administrative process to issue payments or reimbursements for the Flint water service line replacements.
- To determine the appropriateness of EGLE's expenditure of the Flint water service line replacement appropriations.

Department	Audit Title and Type	Project Number
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)	071-0164-22

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	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0165-22

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.

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
Technology, Management, and Budget	State of Michigan Annual Comprehensive Financial Report - Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2021 - (fin)	071-0010-22	April 2022

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
State	Bureau of Elections - (per)	231-0235-21	03/04/2022	1	3
Health and Human Services	Medicaid and Children's Health Insurance Program Client Eligibility Determinations - (per)	391-0710-19	03/11/2022	3	10
Health and Human Services	Medicaid Non-Emergency Medical Transportation Services - (per)	391-0715-20	03/16/2022	2	2
Labor and Economic Opportunity and Unemployment Insurance Agency	Personnel Management Processes During COVID-19 Pandemic, Unemployment Insurance Agency - (per)	186-0310-21	03/18/2022	4	2

Audits Released, *continued*

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Labor and Economic Opportunity	Michigan Economic Development Corporation, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2021 - (fin)	186-0406-22	03/25/2022	0	0
Transportation	Negotiation of Consultant Contracts - (per)	591-0211-20	03/30/2022	0	1
Labor and Economic Opportunity	Self-Insurers' Security Fund - Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2021 - (fin)	186-0101-22	03/31/2022	0	0
Treasury	State Building Authority Financial Report for the Fiscal Year Ended September 30, 2021 - (con)	NA	03/31/2022	NA	NA

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