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Office of the Auditor General

Report Summary

*Performance Audit
Aboveground and Underground Storage
Tank Programs
Storage Tank Section (STS), Bureau of Fire
Services (BFS)
Department of Licensing and Regulatory
Affairs (LARA)*

**Report Number:
641-0436-21**

**Released:
April 2022**

LARA's STS is responsible for administering the Aboveground Storage Tank (AST) and Underground Storage Tank (UST) Programs in accordance with the Fire Prevention Code, Public Act 207 of 1941, and Part 211 of the Natural Resources and Environmental Protection Act, Public Act 451 of 1994, respectively. STS inspects ASTs containing flammable compressed gas, liquefied petroleum gas, flammable liquid, or combustible liquid and inspects USTs containing petroleum-based, hazardous, or other regulated substances. STS expended \$3.3 million during fiscal year 2020. As of April 2, 2021, STS had 25 employees.

| Audit Objective | | | Conclusion |
|--|--------------------|----------------------|-----------------------------|
| Objective 1: To assess the sufficiency of STS's efforts to conduct storage tank inspections. | | | Sufficient, with exceptions |
| Findings Related to This Audit Objective | Material Condition | Reportable Condition | Agency Preliminary Response |
| As of May 1, 2021, 25% of tanks were overdue for a triennial inspection (Finding 1). | X | | Agrees |
| Of the reinspections we reviewed, 50% were completed 1 day to 689 days late, and tanks were not red-tagged at 78% of the facilities with outstanding violations (Finding 2). | X | | Agrees |
| STS lacked a process to ensure timely removal of red tags from tanks at 214 storage tank facilities (Finding 3). | | X | Agrees |

| Audit Objective | | | Conclusion |
|---|--------------------|----------------------|-----------------------------|
| Objective 2: To assess the effectiveness of select LARA security and access controls over Accela. | | | Moderately effective |
| Findings Related to This Audit Objective | Material Condition | Reportable Condition | Agency Preliminary Response |
| We identified issues related to assigning, disabling, and removing user access and oversight of system controls. As of April 30, 2021, 3 former State employees had access to storage tank and inspection data for 15 days to 365 days after their departure date (<u>Finding 4</u>). | | X | Agrees |

| Audit Objective | | | Conclusion |
|--|--------------------|----------------------|-----------------------------|
| Objective 3: To assess the effectiveness of STS's efforts to ensure the accuracy of its data in BFS's statutory reports. | | | Effective |
| Findings Related to This Audit Objective | Material Condition | Reportable Condition | Agency Preliminary Response |
| None reported. | Not applicable. | | |

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