



OAG
Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

May 2, 2022

Dear Governor Whitmer, Senators, and Representatives:

This letter provides information regarding the status of our audit projects that either began or transitioned into a new audit phase during April 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.

- 1. 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)	
Environment, Great Lakes, and Energy	Clean Michigan Initiative - Environmental Protection Program - (per)	761-0217-22
Labor and Economic Opportunity - Unemployment Agency	Unemployment Insurance Agency Fraud Procedures - (per)	186-0320-22
Licensing and Regulatory Affairs	Michigan Liquor Control Commission IT Systems - (per)	641-0162-22
State and Technology, Management, and Budget	Customer and Automotive Records System (CARS), Vehicle Portion - (per)	231-0592-22

- 2. 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
Health and Human Services	Division of Emergency Medical Services and Trauma - (per)	391-0268-19

In March 2020 we ceased communication with the division because it needed to devote its resources to the State's COVID-19 pandemic response. Therefore, a significant portion of the data and information obtained during our field work is no longer reflective of current operations and conditions. We will consider the Division in our future audit plans.

- 3. 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. 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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Health and Human Services	Children's Protective Services Investigations - (fol)	431-1285-16F

Approved Objective:

1. To determine whether the Michigan Department of Health and Human Services had taken appropriate corrective measures in response to our audit report issued September 2018.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Legislature	Michigan Independent Citizens Redistricting Commission - (fin)	900-0160-22

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Michigan Liquor Control Commission - (fin)	641-0161-22

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Military and Veterans Affairs	Michigan Veterans Facility Authority - (fin)	511-0101-22

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Employee Benefits Division's Postemployment Life Insurance Benefit Schedule of Employer Allocations for the year ended September 30, 2021 - (rev)	071-0168-22

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	Enterprise Data Warehouse - (fol)	071-0520-14F

Approved Objective:

- To determine whether the Michigan Department Technology, Management, and Budget had taken appropriate corrective measures in response to our audit report issued August 2014.

- 4. 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	Software License Management - (per)	071-0527-22	June 2022

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Labor and Economic Opportunity	Michigan Strategic Fund, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2021 - (fin)	186-0401-22	04/05/2022	0	0
Agriculture and Rural Development	Farm Produce Insurance Authority - Financial Report for the Fiscal Year Ended December 31, 2021 - (con)	NA	04/13/2022	NA	NA
Licensing and Regulatory Affairs	Aboveground and Underground Storage Tank Programs - (per)	641-0436-21	04/15/2022	2	2
Technology, Management, and Budget	Michigan State Employees' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2021 - (fin)	071-0151-22	04/28/2022	1	0
Technology, Management, and Budget	Michigan Public School Employees' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2021 - (fin)	071-0152-22	04/28/2022	0	1

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,

A handwritten signature in blue ink that reads "Doug Ringler". The signature is written in a cursive style with a large, prominent "D" and "R".

Doug Ringler
Auditor General

c: Agency Audit Liaisons
SBO-Office of Internal Audit Services