



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



DANIEL EICHINGER
DIRECTOR

August 5, 2022

VIA E-MAIL

Rick Lowe, Chief Internal Auditor
State Budget Office
Office of Internal Audit Services
111 South Capitol Avenue
7th Floor, Romney Building
Lansing, Michigan 48933
lower@michigan.gov

Dear Mr. Lowe:

In accordance with the State of Michigan, [Financial Management Guide, Part VII](#), enclosed is our final corrective action plan to address recommendations contained within the Office of the Auditor General report of the Department of Natural Resources, Parks and Recreation Division.

If you have any questions regarding the corrective action plan, please feel free to contact me.

Sincerely,

Erik Eklund, Chief
Finance and Operations Division
517-284-2958

Enclosure

cc: Senate Committee on Natural Resources Members
House Committee on Natural Resources Members
Senate Appropriations Subcommittee on Natural Resources and Environment, Great
Lakes and Energy Members
House Appropriations Subcommittee on Agriculture and Rural Development and Natural
Resources Members
Christopher Semrinec, Senate Fiscal Agency
Austin Scott, House Fiscal Agency
Doug Ringler, Office of Attorney General
Maria Martinez, Executive Office of the Governor
Daniel Eichinger, Director, DNR
Shannon Lott, Natural Resources Deputy, DNR
Mark Hoffman, Chief Administrative Officer, DNR
Taylor Ridderbusch, Legislative Liaison, DNR
Ed Golder, DNR
Ron Olson, DNR

Department of Natural Resources
 State Park Concessions, Leases, and Operating Agreements (751-0135-21)
 Issued By OAG
 May 17, 2022
 Department Final Corrective Action Plan

Summary Response Matrix

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees	3, 5, 7	6, 8	1, 2, 4	-
Partially Agrees				
Disagrees				

Final Corrective Action Plan (CAP)

Finding Number 1

Finding Title: Improved concession monitoring needed

Related IT system, if applicable: N/A

Department Response

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

Corrective action steps that have been or will be implemented include:

- DNR has hired a second lease and concession manager to improve concession monitoring. *Completion date of 1/31/2022.*
- DNR is currently developing training for field staff to ensure compliance with policies. DNR is also developing better materials and training for field staff to use during site audits. *Planned completion date of 1/31/2023.*
- DNR will provide training to field staff. *Planned completion date of 3/17/2023.*

Anticipated Compliance Date: 3/17/2023

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 2

Finding Title: Improved contract management needed

Related IT system, if applicable: N/A

Department Response

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

Corrective action steps that have been or will be implemented include:

- DNR has implemented various changes to improve contract management including hiring a second lease and concession manager to increase program oversight. In addition, DNR has begun transitioning contract management from Microsoft Excel spreadsheets to Microsoft Lists. DNR is also moving all current files into electronic formats for easier collection, storage, retrieval, and management. *Completion date of 6/30/2022.*
- DNR will research contract management software options to streamline the contracting process of collecting data, executing contracts, and storing materials to provide better organization and efficiency. *Planned completion date of 3/17/2023.*

Anticipated Compliance Date: 3/17/2023

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 3

Finding Title: Access controls over CRS need improvement

Related IT system, if applicable: Central Reservation System

Department Response

Management Views: DNR agrees and has complied.

Planned Corrective Action and Milestones:

Corrective action steps that have been implemented include:

- DNR has implemented the principle of least privilege concerning user access to CRS, thereby reducing the number of super users to only those positions that require that level of privileged access. *Completion date of 2/10/2022.*
- DNR is periodically reviewing the appropriateness of active user accounts to determine if user access is no longer required. *Completion date of 6/30/2022.*

Anticipated Compliance Date: 6/30/2022

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 4

Finding Title: Improved segregation of duties over cash receipts needed
Related IT system, if applicable: Central Reservation System

Department Response

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

Corrective action steps that have been or will be implemented include:

- Pertinent DNR staff have completed training on invoicing through the Michigan Cashiering and Receivable System (MiCaRS) – a revenue control application that allows users to invoice, record, correct, and report State revenue. *Completion date of 12/13/2021.*
- Staff will receive training on existing policies concerning segregation of duties to ensure proper controls are followed when handling cash receipts in State parks. *Planned completion date of 3/17/2023.*
- DNR staff are using MiCaRS to invoice and the remittance address directs payments to the Lansing cashier's office. *Completion date of 11/1/2021.*

Anticipated Compliance Date: 3/17/2023

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 5

Finding Title: Improved controls over revenue tracking needed
Related IT system, if applicable: Central Reservation System

Department Response

Management Views: DNR agrees and has complied.

Planned Corrective Action and Milestones:

Corrective action steps that have been implemented include:

- DNR has implemented a process of utilizing CRS notes to determine the proper fiscal year for concession payments receipted in October. During the year-end closing process, receivables are established to record the revenue in the proper fiscal year. To account for payments receipted outside CRS, the process changes implemented in September 2021 to invoice concessionaries and lease / operating agreement vendors via MiCaRS should result in accurate recording of revenue from that date forward. DNR is developing a tracking system in Microsoft Lists to assist with real-time tracking and reporting throughout the lifecycle of the agreements. *Completion date of 1/1/2022.*

Anticipated Compliance Date: 1/1/2022

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 6

Finding Title: Improved controls over revenue collection needed

Related IT system, if applicable: Central Reservation System

Department Response

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

Corrective action steps that have been or will be implemented include:

- Pertinent DNR staff have completed training on invoicing through MiCaRS. DNR staff will process invoices for payments and late fees with collections remitted to the DNR cashier office in Lansing. DNR will ensure revenue collection aligns with the information stored in Microsoft Lists. *Planned completion date of 3/17/2023.*

Anticipated Compliance Date: 3/17/2023

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 7

Finding Title: Valuable consideration should be quantified

Related IT system, if applicable: N/A

Department Response

Management Views: DNR agrees and has complied.

Planned Corrective Action and Milestones:

Corrective action steps that have been implemented include:

- DNR has updated its process to ensure that valuable consideration is expressly provided in every lease document. *Completion date of 1/1/2022.*

Anticipated Compliance Date: 1/1/2022

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief

Finding Number 8

Finding Title: Improvements over the concession contract awarding process needed
Related IT system, if applicable: N/A

Department Response

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

Corrective action steps that have been or will be implemented include:

- DNR will update its policy and process relating to selecting, scoring, and awarding concession contracts. *Planned completion date of 12/1/2022.*
- Pertinent DNR Staff will receive training on the updated policy and process for selecting, scoring, and awarding concession contracts. *Planned completion date of 3/17/2023.*

Anticipated Compliance Date: 3/17/2023

Responsible Individual: Michael Desnoyer, Administrative Services Section Chief