



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

August 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 a new audit phase during July 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)	
Licensing and Regulatory Affairs	Cannabis Regulatory Agency - (per)	641-0433-22

- 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
None		

- 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.

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 as of July 31, 2022.
- To report EGLE's expenditures of the Flint water service line replacement appropriations.

Department	Audit Title and Type	Project Number
Labor and Economic Opportunity	Michigan State Housing Development Authority - Financial Report for the Fiscal Year Ended June 30, 2022 - (con)	NA

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
Licensing and Regulatory Affairs	Michigan Liquor Control Commission IT Systems - (per)	641-0162-22

Approved Objectives:

1. To assess the sufficiency of MLCC's and DTMB's interface controls over selected liquor systems.
2. To assess the sufficiency of MLCC's and DTMB's security and user access controls over selected liquor systems.
3. To assess the sufficiency of MLCC's efforts to comply with selected State laws, regulations, and policies for the sale and distribution of spirit products.

Department	Audit Title and Type	Project Number
State Budget Office	State of Michigan Annual Comprehensive Financial Report (SOMACFR) - Financial Audit for the Fiscal Year Ended September 30, 2022 - (fin)	071-0010-23

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.

- 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	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	August 2022
State Budget Office	State of Michigan Single Audit - (sa)	000-0100-22	September 2022

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	Software License Management - (per)	071-0527-22	07/08/2022	2	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, flowing style.

Doug Ringler
Auditor General

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