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Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

September 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 August 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)	
Corrections	Staffing Analysis - (per)	471-0615-23

- 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
Agriculture and Rural Development	Fruit and Vegetable Inspection Program - (per)	791-0241-22

- 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
Health and Human Services	Selected Community Health-Related IT Systems - (per)	391-0593-22

Approved Objective:

- To assess the sufficiency of MDHHS's and DTMB's security and user access controls over selected community health IT systems.

Department	Audit Title and Type	Project Number
Labor and Economic Opportunity	Michigan Strategic Fund - (fin)	186-0401-23
	Michigan Economic Development Corporation - (fin)	186-0406-23

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.

Department	Audit Title and Type	Project Number
Legislature	Michigan Legislative Retirement System - (fin)	900-0140-23
Technology, Management, and Budget	Michigan State Employees' Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0151-23
	Michigan Public School Employees' Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0152-23
	Michigan Judges' Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0153-23
	Michigan State Police Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0154-23
	Michigan Military Retirement Plan Financial Statement Audit and Report on Internal Controls - (fin)	071-0158-23
	State of Michigan 401k Plan Financial Statement Audit and Report on Internal Controls - (fin)	071-0156-23
	State of Michigan 457 Plan Financial Statement Audit and Report on Internal Controls - (fin)	071-0157-23

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.

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- 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
Health and Human Services	Comprehensive Health Care Program - Oversight and Encounter Claim Integrity - (fol)	391-0702-17F	September 2022
State Budget Office	COVID - 19 Expenditures Report 6 - (per)	000-2000-20F	September 2022
Environment, Great Lakes, and Energy	Clean Michigan Initiative Environmental Protection Programs - (per)	761-0217-22	October 2022
Health and Human Services	Child Care Fund - (fol)	431-1400-19F	October 2022
Natural Resources	The Michigan History Center - (per)	751-2600-21	October 2022
Technology, Management, and Budget	Physical Security Controls - (fol)	071-0500-15F	October 2022

Transportation	Aggregate Quality Process - (per)	591-0420-21	October 2022
Corrections	Women's Huron Valley Correctional Facility	471-0241-17F	November 2022
	Women's Huron Valley Correctional Facility - Medical, Dental, and Optical Services - (fol)	471-0301-19F	

5. Audits Released

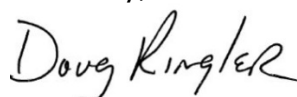
Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	Michigan Public School Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0164-22	08/02/2022	0	0
Labor and Economic Opportunity	Michigan State Housing Development Authority Single Audit - (sa)	000-0800-22	08/05/2022	0	7
Legislature	Michigan Independent Citizens Redistricting Commission - (fin)	900-0160-22	08/26/2022	0	0
State Budget Office	State of Michigan Single Audit - (sa)	000-0100-22	08/30/2022	22	42
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund, Single Audit Report for the Fiscal Year Ended September 30, 2021 - (con)	N/A	08/30/2022	0	1
Labor and Economic Opportunity	Unemployment Insurance Agency - Unemployment Compensation Fund Single Audit Report for the Fiscal Year Ended September 30, 2021 - (con)	N/A	08/30/2022	3	0

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.

This communication is intended solely for the information and use of the Governor, the Legislature, and, if appropriate, management and is not intended to be, and should not be, used by anyone other than these specified parties.

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