



October 3, 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 September 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 (Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa / Review - rev / Investigative - inv)	Project Number
None		

- 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
Civil Rights	Selected Activities Related to Complaint Intake and Investigation Timeliness - (per)	151-0200-22

Approved Audit Objective Removal:

As it related to the objective to assess the sufficiency of MDCR's efforts to provide training for staff engaged in receiving and/or investigating civil rights complaints, we determined there is a lack of available criteria and limited documentation available for review to allow us to form a conclusion on this objective.

Department	Audit Title and Type	Project Number
State Budget Office	Statewide Single Audit - (sa)	000-0100-23

Approved Objective:

1. A single audit determines whether the financial statements are presented fairly and considers internal control over financial reporting and on compliance and other matters.
2. In addition, the single audit evaluates the State's compliance with laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs.

Department	Audit Title and Type	Project Number
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Unemployment Insurance Agency - Unemployment Compensation Fund - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Unemployment Insurance Agency - Contingent Fund - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Unemployment Insurance Agency - Obligation Trust Fund - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
Transportation	Mackinac Bridge Authority - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
Treasury	Bureau of State Lottery - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Michigan Education Savings Program - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Michigan Achieving a Better Life Experience - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Michigan Education Trust, Plan D - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Michigan Education Trust, Plans B & C - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	State Building Authority - Financial Report for the Fiscal Year Ended September 30, 2022 - (con)	NA
	Michigan Finance Authority - Financial Report for the Fiscal Year Ended September 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.

- 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
State	Customer and Automotive Records System (CARS), Vehicle Portion - (per)	231-0592-22	October 2022
Technology, Management, and Budget	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0165-22	October 2022
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	October 2022
Licensing and Regulatory Affairs	Camp Licensing, Bureau of Community and Health Systems - (per)	641-0453-22	November 2022
Technology, Management, and Budget	Enterprise Data Warehouse - (fol)	071-0520-14F	November 2022
Transportation	Real Estate Services Section - (fol)	591-0172-17F	November 2022
Labor and Economic Opportunity	Unemployment Agency's Claims Processing - (per)	186-0319-21	December 2022
Transportation	Use of Warranties - (fol)	591-0320-20F	December 2022

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Health and Human Services	Comprehensive Health Care Program - Oversight and Encounter Claim Integrity - (fol)	391-0702-17F	09/09/2022	1	0
Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-21	09/21/2022	0	1
Health and Human Services	Child Care Fund - (fol)	431-1400-19F	09/27/2022	0	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,

A handwritten signature in black 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