



# OAG

Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

November 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 October 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.

**Audit Title and Type**

(Performance - per / Financial - fin / Follow-up - fol /

Contracted - con / Single - sa / Review - rev / Investigative - inv)

**Department**

**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.

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>
Labor and Economic Opportunity	21st Century Jobs Trust Fund Programs and Investment Fund Programs - (per)	186-0410-22

**Approved Objectives:**

1. To assess the sufficiency of MSF's awarding processes for select 21st Century Jobs Trust Fund and Investment Fund programs.
2. To assess the sufficiency of MSF's monitoring efforts for select 21st Century Jobs Trust Fund and Investment Fund programs.
3. To assess the sufficiency of MSF's efforts to evaluate the economic development impact of select 21st Century Jobs Trust Fund and Investment Fund programs.
4. To assess MSF's compliance with selected statutory reporting requirements for the 21st Century Jobs Trust Fund and Investment Fund programs.

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>
Licensing and Regulatory Affairs	Cannabis Regulatory Agency - (per)	641-0433-22

**Approved Objectives:**

1. To assess the sufficiency of CRA's enforcement activities.
2. To assess the sufficiency of CRA's licensing activities.
3. To assess the effectiveness of CRA's administration of the Michigan Medical Marijuana Program.
4. To assess CRA's compliance with legislative reporting requirements.
5. To assess the effectiveness of select LARA and/or CRA security and access controls over systems utilized by CRA.

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>
Military and Veterans Affairs	Michigan Veterans' Facility Authority - (fin)	511-0101-23
Technology, Management, and Budget	State Sponsored Group Insurance Fund - Financial Report for the Fiscal Year Ended September 30, 2022 - (fin)	071-0143-23

**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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Estimated Audit Release Date</u>
State Budget Office	Flint Emergency Expenditures - (fol)	000-2021-21F	November 2022
State Police and Treasury	Emergency 9-1-1 Fund - (fin)	271-0265-22	November 2022

**5. Audits Released**

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Date Released</u>	<u>Number of</u>	
				<u>Material Weaknesses</u>	<u>Reportable Conditions</u>
Environment, Great Lakes, and Energy	Clean Michigan Initiative Environmental Protection Programs - (per)	761-0217-22	10/20/2022	0	0
State	Customer and Automotive Records System (CARS), Vehicle Portion - (per)	231-0592-22	10/20/2022	0	1
Transportation	Real Estate Services Section - (fol)	591-0172-17F	10/21/2022	0	0
Technology, Management, and Budget	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and Other Post Employment Benefit Amounts by Employer - (rev)	071-0165-22	10/31/2022	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.

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