



# 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

May 1, 2023

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 April 2023. 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)	
Agriculture and Rural Development	Livestock Markets Program - (per)	791-0211-23
Education and State Police	Pupil Transportation - (per)	313-0212-23
Environment, Great Lakes, and Energy	Water Resources Division, Water Withdrawal Program - (per)	761-0153-23
Health and Human Services	State Child Abuse and Neglect Prevention Board (Children Trust Michigan) - (per)	431-0178-23
Treasury	Analysis of Business Tax Credit Forwards - (other)	271-0241-23

- 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
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
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Michigan Liquor Control Commission - (fin)	641-0161-23

**Approved Objectives:**

- 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.
- To issue a report on internal control over financial reporting and on compliance and other matters in accordance with generally accepted government auditing standards.

We will include an emphasis of matter in our opinion informing the reader that the financial statements of the fund do not purport to, and do not, present fairly the financial position of the State of Michigan as of September 30, 2022, the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Department	Audit Title and Type	Project Number
State Budget Office	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation (FY 2021-2022) - (rev)	071-0030-23

**Approved Objective:**

- To obtain limited assurance that there are no material modifications that should be made to the Statement of Revenue Subject to Constitutional Limitation – Legal Basis for it to be in compliance with the applicable sections of the Michigan Compiled Laws and Michigan Constitution.

Department	Audit Title and Type	Project Number
State Budget Office	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2021-2022) - (rev)	071-0031-23

**Approved Objective:**

- To obtain limited assurance that there are no material modifications that should be made to the Statement of the Proportion of Total State Spending from State Sources Paid to Local Units of Government – Legal Basis for it to be in compliance with the applicable sections of the Michigan Compiled Laws and Michigan Constitution.

- 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
Military and Veterans Affairs	Michigan Veterans' Facility Authority - Report on Internal Control, Compliance and Other Matters - (fin)	511-0101-23	May 2023

## 5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Agriculture and Rural Development	Farm Produce Insurance Authority - Financial Report for the Fiscal Year Ended December 31, 2022 - (con)	N/A	04/01/2023	N/A	N/A
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Michigan Liquor Control Commission - Report on Internal Control, Compliance and Other Matters - (fin)	641-0161-22	04/25/2023	0	0
Military and Veterans Affairs	Michigan Veterans' Facility Authority - Independent Auditor's Report on the Financial Statements - (fin)	511-0101-23	04/27/2023	N/A	N/A
Labor and Economic Opportunity	Self Insurers' Security Fund - Report on Internal Control, Compliance and Other Matters, for the Calendar Year Ended December 31, 2022 - (fin)	186-0101-23	04/28/2023	0	0
Labor and Economic Opportunity	Michigan Strategic Fund, Report on Internal Control, Compliance and Other Matters, for the Fiscal Year Ended September 30, 2022 - (fin)	186-0401-23	04/28/2022	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