



OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

July 3, 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 June 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)	
Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-23
Natural Resources	Real Estate Acquisition and Disposition - (per)	751-0155-23

- 2. Audits Terminated** - For these projects, after completing the planning phase, we concluded significant risk did not exist to warrant additional use of audit resources or 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		

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 some projects, particularly financial audits and follow-up reports, operate from pre-established audit objectives and, therefore, move directly to the audit fieldwork stage.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
State Budget Office	State of Michigan Annual Comprehensive Financial Report (SOMACFR) - Financial Audit for the Fiscal Year Ended September 30, 2023 - (fin)	071-0010-24

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	IT Equipment Surplus and Salvage - (fol)	071-0515-19F

Approved Objective:

1. To determine whether the Michigan Department of Technology, Management, and Budget had taken appropriate corrective measures in response to our audit report issued January 2020.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Transportation	State Agencies' Use of Transportation-Related Funding - (per)	591-0105-23

Approved Objectives:

1. To assess the appropriateness of selected State agencies' charges to transportation funds.
2. To assess selected State agencies' compliance with contractual and reporting requirements for transportation-related funding.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Transportation	Construction Contractor Claims Process - (per)	591-0422-23

Approved Objective:

1. To assess the sufficiency of MDOT's efforts to administer the construction contractor claim process.

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>
None			

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
State Budget Office	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation (FY 2021-2022) - (rev)	071-0030-23	06/26/2023	0	0
State Budget Office	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2021-2022) - (rev)	071-0031-23	06/26/2023	0	0
Education	Fingerprinting and Criminal Conviction Monitoring of Public School Contracted Staff - (per)	313-0640-21	06/27/2023	4	0
State Budget Office	State of Michigan Single Audit - (sa)	000-0100-23	06/30/2023	15	51
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund, Single Audit Report for the Fiscal Year Ended September 30, 2022 - (con)	N/A	06/30/2023	0	1
Labor and Economic Opportunity	Unemployment Insurance Agency - Unemployment Compensation Fund Single Audit Report for the Fiscal Year Ended September 30, 2022 - (con)	N/A	06/30/2023	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