



OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

August 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 July 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)	
Technology, Management, and Budget	Security of Mobile Devices - (per)	071-0555-24

- 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		

- 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 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
Agriculture and Rural Development	Livestock Markets Program - (per)	791-0211-23

Approved Objectives:

- To assess the effectiveness of MDARD's licensing of Livestock Markets Program licensees.
- To assess the sufficiency of MDARD's efforts to monitor the Livestock Markets Program licensees.
- To assess the sufficiency of MDARD's efforts to ensure the accuracy of the Livestock Markets Program data.

Department	Audit Title and Type	Project Number
Corrections	Richard A. Handlon Correctional Facility - (per)	471-0215-23
Approved Objective:		
1. To assess the facility's compliance with selected policies and procedures related to safety and security.		

Department	Audit Title and Type	Project Number
Corrections	Ionia Correctional Facility - (per)	471-0233-23
Approved Objective:		
1. To assess the facility's compliance with selected policies and procedures related to safety and security.		

Department	Audit Title and Type	Project Number
Corrections	Offender Success Vocational Program - (per)	471-0311-23
Approved Objectives:		
1. To assess the sufficiency of OSA's efforts to evaluate the employment outcomes of offenders completing vocational programs.		
2. To assess the effectiveness of OSA's administration of vocational program enrollments.		
3. To assess the sufficiency of OSA's efforts to promote employment opportunities.		

Department	Audit Title and Type	Project Number
Environment, Great Lakes, and Energy	Water Resources Division: Water Withdrawal Program - (per)	761-0153-23
Approved Objectives:		
1. To assess the sufficiency of WRD's administration of the Water Withdrawal Program.		
2. To assess the sufficiency of WRD's efforts to monitor the Water Withdrawal Program.		
3. To assess the effectiveness of select EGLE security and access controls over the Water Withdrawal Assessment Tool and the Water Use Reporting database.		

Department	Audit Title and Type	Project Number
Environment, Great Lakes, and Energy and Labor and Economic Opportunity	Brownfield Redevelopment Financing Program - (per)	186-0420-23
Approved Objectives:		
1. To assess the effectiveness of the Brownfield Redevelopment Financing Program to increase the taxable value of eligible Brownfield properties.		
2. To assess the effectiveness of EGLE's and MSF's efforts to administer the Program.		
3. To assess EGLE's and MSF's compliance with statutory reporting requirements.		

Department	Audit Title and Type	Project Number
Health and Human Services	Kalamazoo Psychiatric Hospital - (fol)	391-0220-19F
Approved Objective:		
1. To determine whether the Michigan Department of Health and Human Services had taken appropriate corrective measures in response to our audit report issued July 2020.		

Department	Audit Title and Type	Project Number
Health and Human Services	Michigan State Disbursement Unit - (per)	431-0142-23
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of OCS's efforts to ensure the accurate receipt and timely disbursement of child support remittances by the MiSDU vendor. 2. To assess the effectiveness of OCS's efforts in monitoring the accuracy and completeness of the bank accounts used to record child support financial activities. 		

Department	Audit Title and Type	Project Number
Health and Human Services	State Child Abuse and Neglect Prevention Board (Children Trust Michigan) - (per)	431-0178-23
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess Children Trust Michigan's (CTM) compliance with selected child abuse and neglect prevention laws, regulations, rules, and procedures. 2. To assess the sufficiency of CTM's internal control to safeguard the auction event inventory and proceeds. 		

Department	Audit Title and Type	Project Number
Health and Human Services	Interstate Compact on the Placement of Children - (per)	431-0273-23
Approved Objective:		
<ol style="list-style-type: none"> 1. To assess the sufficiency of MDHHS's efforts to ensure the safe placement of children across state lines and comply with required time frames for certain interstate placement activities. 		

Department	Audit Title and Type	Project Number
Health and Human Services	Partnership, Accountability, Training, Hope (PATH) Program Deferrals - (per)	431-3302-23
Approved Objective:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of MDHHS's processes to defer SSI and non-SSI applicants from the PATH Program. 		

Department	Audit Title and Type	Project Number
Labor and Economic Opportunity	Michigan Community Revitalization Program, Michigan Strategic Fund - (per)	186-0431-23
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the sufficiency of MSF's awarding process for the Michigan Community Revitalization Program. 2. To assess the sufficiency of MSF's monitoring efforts over Michigan Community Revitalization Program projects' satisfaction of established milestones. <p>The approved audit objectives for the performance audit of MCRP (186-0431-23) replace the previously approved audit objectives for the performance audit of the 21st Century Jobs Trust Fund (CJTF) Programs and Investment Fund Programs (186-0410-22) contained in the monthly report dated November 1, 2022. We determined that an audit of MCRP, a single program funded under the 21st CJTF and Investment Fund, allows for more timely report issuance given available audit resources.</p>		

Department	Audit Title and Type	Project Number
Labor and Economic Opportunity	Michigan State Housing Development Authority – Financial/Single Report for the Fiscal Year Ended June 30, 2023 - (con)	N/A

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.
3. The single audit evaluates MSHDA'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
Natural Resources	Real Estate Acquisition and Disposition - (per)	751-0155-23

Approved Objectives:

1. To assess the sufficiency of DNR's administration of land acquisitions.
2. To assess the sufficiency of DNR's administration of land dispositions.
3. To assess the effectiveness of selected application access controls over Land Ownership Tracking System.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Statewide UNIX Security Controls - (fol)	071-0563-15F

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 December 2015.

Department	Audit Title and Type	Project Number
Transportation	AASHTOWare Project Construction and Materials - (per)	591-0591-23

Approved Objectives:

1. To assess the effectiveness of selected APCM access controls.
2. To assess the effectiveness of MDOT and DTMB's efforts to implement controls over APCM interfaces.
3. To assess the effectiveness of MDOT and DTMB's efforts to implement change controls over the APCM and data.
4. To assess the sufficiency of MDOT's efforts to ensure the accuracy of construction records within APCM.

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
Technology, Management, and Budget	Reporting of Higher Education Institutional Data Inventory (HEIDI) Data - (per)	331-0300-23	September 2023
Technology, Management, and Budget	Michigan Cyber Civilian Corps - (fol)	071-0519-19F	September 2023
Technology, Management, and Budget	MiLogin - (fol)	071-0570-18F	September 2023

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 - (fin)	071-0164-23	07/31/2023	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,



Doug Ringler
Auditor General

c: Agency Audit Liaisons
SBO-Office of Internal Audit Services