



OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

October 2, 2023

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 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.

Audit Title and Type

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

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

Department	Audit Title and Type	Project Number
None		

- 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
Labor and Economic Opportunity	Michigan Strategic Fund - Financial Report for the Fiscal Year Ended September 30, 2023 - (fin)	185-0401-24
	Michigan Economic Development Corporation - Financial Report for the Fiscal Year Ended September 30, 2023 - (fin)	815-0406-24

Approved Objectives:

- To express an opinion on whether the entity's financial statements are fairly presented in accordance 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.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	State Sponsored Group Insurance Fund - Financial Report for the Fiscal Year Ended September 30, 2023 - (fin)	171-0143-24

Approved Objectives:

1. To express an opinion on whether the entity's financial statements are fairly presented in accordance 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.

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, 2023, 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
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Unemployment Insurance Agency - Unemployment Compensation Fund - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Unemployment Insurance Agency - Contingent Fund - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Unemployment Insurance Agency - Obligation Trust Fund - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
Transportation	Mackinac Bridge Authority - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
Treasury	Bureau of State Lottery - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Michigan Education Savings Program - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Michigan Education Trust, Plans B, C, and D - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	State Building Authority - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Michigan Finance Authority - Financial Report for the Fiscal Year Ended September 30, 2023 - (con)	NA

Approved Objectives:

1. To express an opinion on whether the entity's financial statements are fairly presented in accordance 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.

Department	Audit Title and Type	Project Number
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund - Single Audit Report Report for the Fiscal Year Ended September 30, 2023 - (con)	NA
	Unemployment Insurance Agency - Unemployment Compensation Fund - Single Audit Report for the Fiscal Year Ended September 30, 2023 - (con)	NA

Approved Objectives:

1. To express an opinion on the entity's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Agency's major federal programs.
2. To issue a report on internal control over compliance in accordance with the Uniform Guidance.
3. To express an opinion on the schedule of expenditures of federal awards in relation to the basic financial statements as a whole.

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
Health and Human Services	Partnership, Accountability, Training, Hope (PATH) Program Deferrals - (per)	431-3302-23	November 2023
Labor and Economic Opportunity	Unemployment Insurance Agency's Fraud and Investigation Activities - (per)	186-0320-22	November 2023
Transportation	Construction Contractor Claims Process - (per)	591-0422-23	November 2023
Transportation	Use of Transportation Related Funding - (per)	591-0105-23	November 2023

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	Michigan Cyber Civilian Corps - (fol)	071-0519-19F	09/12/2023	0	0
Technology, Management, and Budget	MiLogin - (fol)	071-0570-18F	09/15/2023	0	1
Technology, Management, and Budget	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (fin)	071-0165-23	09/19/2023	0	0
Technology, Management, and Budget	Reporting of Higher Education Institutional Data Inventory (HEIDI) Data - (per)	331-0300-23	09/27/2023	0	2

State Police	Michigan Justice Training Fund - (fin)	551-0101-23	09/28/2023	1	0
Technology, Management, and Budget	Employee Benefits Division's Postemployment Life Insurance Benefit Schedule of Employer Allocations for the year ended September 30, 2022 - (fin)	071-0168-23	09/28/2023	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