



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Real Estate Acquisition and Disposition*

### *Department of Natural Resources (DNR)*

**Report Number:**  
751-0155-23

**Released:**  
November 2023

DNR is authorized by Section 324.503 of the *Michigan Compiled Laws* to acquire, dispose, exchange, and accept gifts of land on behalf of Michigan citizens. As of July 2023, DNR managed 4.6 million acres so current and future generations can use and enjoy the State's natural and cultural resources. The Real Estate Section (RES) within DNR was established to conduct acquisitions and dispositions of land, including the purchase of land, the exchange of land, the sale of surplus State-owned land managed by DNR, and the granting of easements across State-managed land. RES is also responsible for maintaining the deeds for all 4.6 million acres within the Land Ownership Tracking System (LOTS).

Audit Objective			Conclusion
Objective 1: To assess the sufficiency of DNR's administration of land acquisitions.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective 2: To assess the sufficiency of DNR's administration of land dispositions.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
As of July 13, 2023, DNR had not listed 1,344 parcels (over 6,800 acres) for sale that were approved for disposal between 2005 and 2023 ( <a href="#">Finding 1</a> ).		X	Agrees

Audit Objective			Conclusion
Objective 3: To assess the effectiveness of selected application access controls over LOTS.			Not effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DNR's lack of access controls over LOTS could result in a failure to detect inappropriate modification or deletion of the State's deeds or mineral rights ( <u>Finding 2</u> ).	X		Agrees

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Phone: (517) 334-8050

Office of the Auditor General  
201 N. Washington Square, Sixth Floor  
Lansing, Michigan 48913

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

**Laura J. Hirst, CPA**  
Deputy Auditor General