



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



M. SCOTT BOWEN  
DIRECTOR

February 22, 2024

VIA E-MAIL

Rick Lowe, Chief Internal Auditor  
State Budget Office  
Office of Internal Audit Services  
111 South Capitol Avenue  
7<sup>th</sup> Floor, Romney Building  
Lansing, Michigan 48933  
lower@michigan.gov

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is our final corrective action plan to address recommendations contained within the Office of the Auditor General report of the Department of Natural Resources (DNR), Real Estate Acquisition and Disposition.

If you have any questions regarding the corrective action plan, please feel free to contact me.

Sincerely,

Jennifer Houle, Audit Liaison  
Finance and Operations Division  
517-331-7760

Rick Lowe, Chief Internal Auditor

Page 2

February 22, 2024

Attachment

cc: Senate Committee on Natural Resources and Agriculture Members  
House Committee on Natural Resources, Environment, Tourism, and Outdoor  
Recreation Members  
Senate Appropriations Subcommittee on Agriculture and Natural Resources Members  
House Appropriations Subcommittee on Agriculture and Rural Development and Natural  
Resources Members  
Senator Sarah Anthony, Senate Appropriations Committee  
Representative Angela Witwer, House Appropriations Committee  
Ms. Kathryn Summers, Senate Fiscal Agency  
Ms. Mary Ann Cleary, House Fiscal Agency  
Mr. Doug Ringler, Auditor General  
Ms. JoAnne Huls, Executive Office of the Governor  
Ms. Trish Foster, Executive Office of the Governor  
Ms. Sheila Marshall-Curtis, Executive Office of the Governor  
Mr. M. Scott Bowen, Director, DNR  
Ms. Shannon Lott, Natural Resources Deputy, DNR  
Ms. Kristin Phillips, Chief Administrative Officer, DNR  
Mr. Ed Golder, Public Information Officer, DNR  
Mr. Dan Lord, DNR  
Mr. Paul Johnson, DNR

Department of Natural Resources  
Real Estate Acquisition and Disposition (751-0155-23)  
Issued By OAG  
November 17, 2023  
Department Final Corrective Action Plan

**Summary Response Matrix**

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees		1,2		
Partially Agrees				
Disagrees				

**Final Corrective Action Plan (CAP)**

Finding Number 1

Finding Title: Improvements needed in the monitoring and reporting of land approved for disposal.

Related IT system, if applicable: N/A

**Department Response**

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

- DNR, Finance and Operations Division, Real Estate Section will report on land approved for disposal activities by including information in the annual Land Strategy Report to the state legislature. The Real Estate Section Manager will ensure the report is completed timely and contains accurate information. The final report is posted on the DNR's website and can be found here: [Sec. 52506, PA 451 of 1994 - Annual forestry report \(michigan.gov\)](#). *Planned completion date of 03/31/2024.*
- DNR, Finance and Operations Division, Real Estate Section will develop and document a monitoring process to identify and evaluate parcels not listed for sale, identify barriers to sales, and allow management to evaluate the proposed disposition for the unsold properties. Creation of the monitoring process will include input from the staff involved in the process. Resources will be developed by the Real Estate Section to ensure that the monitoring process will continue. *Planned completion date of 06/30/2024.*

Anticipated Compliance Date: 06/30/2024

Responsible Individual: Paul Johnson, Real Estate Section Manager

Finding Number 2

Finding Title: Improvements needed over LOTS access controls.

Related IT system, if applicable: LOTS

### **Department Response**

Management Views: DNR agrees and will comply.

Planned Corrective Action and Milestones:

- The DNR LOTS system owner reviewed and deleted inactive LOTS user accounts that were inactive for more than 1 year in early December 2023. On February 8, 2024, the System Owner locked user accounts that were inactive for more than 60 days. The LOTS system owner will continue to monitor user inactivity every 60 days until the LOTS system enhancement is implemented. A desk manual will be created to document the process for reviewing inactive accounts. *Estimated completion date: 6/1/2024.*
- DNR, Finance and Operations Division, Real Estate Section will develop a policy and procedure concerning the monitoring of data that has been created, modified, or deleted from LOTS. During development, areas of risk and irregularities will be considered and addressed in the policies and procedures. The policy will be shared with LOTS users and specifically with the positions that are involved in the process. *Estimated completion date: 12/31/2024.*
- DNR, Finance and Operations Division, Real Estate Section will develop policies and procedures requiring review of privileged LOTS user accounts at least semiannually, which will include the granting, removing, and editing of user permissions. During development, responsible parties, as well as roles and responsibilities, will be identified. The policy will be shared with LOTS users and specifically with the positions that are involved in the process. *Estimated completion date: 12/31/2024.*
- DNR, Finance and Operations Division, Real Estate Section will develop policies and procedures to address segregation of duties in LOTS. Power user system access will be evaluated in order to identify duties that need to be

segregated. During development, these duties will be addressed in the policy and how they will be monitored. The policy will be shared with LOTS users and specifically with the positions that are involved in the process.

*Estimated completion date: 12/31/2024.*

- The DNR LOTS system owner will work with the vendor (once identified) to develop a LOTS system enhancement to inactivate user accounts after 60 days of inactivity to comply with DTMB technical standard 1340.00.020.01. Testing and validation will be part of the process to ensure the enhancement is working as intended. *Estimated completion date: 03/31/2025.*

Anticipated Compliance Date: 03/31/2025

Responsible Individual: Paul Johnson, Real Estate Section Manager