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Auditor General

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March 1, 2024

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 February 2024. 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)	
Military and Veterans Affairs	Michigan Veteran's Facility Authority - (per)	512-0150-24
Natural Resources	Parks and Recreation Division (Trails/Pathways) - (per)	751-0115-24
State	Bureau of Customer Service - (per)	231-0333-24
Technology, Management, and Budget	Information Technology Contracting - (per)	171-0510-24

- 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
Education	Virtual Learning in Traditional Public Schools - (fol)	313-0224-16F

**Approved Objective:**

- To determine whether the Michigan Department of Education had taken appropriate corrective measures in response to our audit report issued August 2020.

Department	Audit Title and Type	Project Number
Licensing and Regulatory Affairs	Selected Activities Within the Bureau of Construction Codes - (fol)	641-0240-20F
<b>Approved Objective:</b>		
1. To determine whether the Michigan Department of Licensing and Regulatory Affairs had taken appropriate corrective measures in response to our audit report issued October 2021.		

- 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
Labor and Economic Opportunity	Michigan Strategic Fund, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	185-0401-24	March 2024
Labor and Economic Opportunity	Michigan Economic Development Corporation, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	815-0406-24	March 2024
Technology, Management, and Budget	Michigan Public School Employees' Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0152-24	March 2024
Technology, Management, and Budget	Michigan Judges' Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0153-24	March 2024
Technology, Management, and Budget	Michigan State Police Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0154-24	March 2024
Technology, Management, and Budget	Michigan Military Retirement Provisions, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0158-24	March 2024
Technology, Management, and Budget	Statewide UNIX Security Controls - (fol)	171-0563-15F	March 2024
Health and Human Services	Kalamazoo Psychiatric Hospital - (fol)	391-0220-19F	April 2024
Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-23	April 2024
State Budget Office	State of Michigan Annual Comprehensive Financial Report, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0010-24	April 2024
Health and Human Services	Interstate Compact Programs: Interstate Compact on the Placement of Children - (per)	431-0273-23	May 2024

## 5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	State of Michigan 401K Plan, Report on Internal Control, for the Fiscal Year Ended September 30, 2023- (fin)	071-0156-24	02/06/2024	None Reported	None Reported
Technology, Management, and Budget	State of Michigan 457 Plan, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0157-24	02/06/2024	None Reported	None Reported
Military and Veterans Affairs	Michigan Veterans' Facility Authority, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	512-0101-24	02/08/2024	N/A	N/A
Legislature	Michigan Legislative Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	900-0140-24	02/09/2024	None Reported	None Reported
Lottery	Bureau of State Lottery Annual Comprehensive Financial Report, Opinion on Financial Statement and Report on Internal Control, for the Fiscal Years Ended September 30, 2023 and 2022 - (con)	N/A	02/09/2024	1	None Reported
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund - Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2023 - (con)	N/A	02/16/2024	None Reported	None Reported
Labor and Economic Opportunity	Unemployment Insurance Agency - Compensation Fund - Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2023 - (con)	N/A	02/16/2024	1	2
Labor and Economic Opportunity	Unemployment Insurance Agency - Contingent Fund - Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2023 - (con)	N/A	02/16/2024	None Reported	1

## 5. Audits Released Con't

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	Michigan State Employees' Retirement System, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0151-24	02/21/2024	N/A	N/A
Technology, Management, and Budget	Michigan Judges' Retirement System, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0153-24	02/21/2024	N/A	N/A
Technology, Management, and Budget	Michigan State Police Retirement System, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0154-24	02/21/2024	N/A	N/A
Technology, Management, and Budget	Michigan Military Retirement Provisions, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0158-24	02/21/2024	N/A	N/A
Labor and Economic Opportunity	Michigan Economic Development Corporation, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	815-0406-24	02/23/2024	N/A	N/A
Technology, Management, and Budget	Michigan Public School Employees' Retirement System, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0152-24	02/23/2024	N/A	N/A
Labor and Economic Opportunity	Michigan Strategic Fund, Opinion on Financial Statements, for the Fiscal Year Ended September 30, 2023 - (fin)	185-0401-24	02/27/2024	N/A	N/A
State Budget Office	State of Michigan Annual Comprehensive Financial Report, Opinion on Financial Statements for the Fiscal Year Ended September 30, 2023 - (fin)	071-0010-24	02/28/2024	N/A	N/A

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