



OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • audgen.michigan.gov

Doug A. Ringler, CPA, CIA
Auditor General

April 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 March 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)	
Education	Michigan Department of Education IT Systems - (per)	313-0590-24
Health and Human Services	Financial Operations - Collections - (per)	431-0211-24

- 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
Health and Human Services	Medicaid Home Help Program - (fol)	391-0708-19F

Approved Objective:

- To determine whether the Michigan Department of Health and Human Services had taken appropriate corrective measures in response to our audit report issued December 2020.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
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)	071-0164-24

Approved Objectives:

1. To express an opinion on whether the entity's financial schedules and specified column totals are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To communicate matters to third parties as required by generally accepted auditing standards.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
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)	071-0165-24

Approved Objectives:

1. To express an opinion on whether the entity's financial schedules and specified column totals are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To communicate matters to third parties as required by generally accepted auditing standards.

- 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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Estimated Audit Release Date</u>
Labor and Economic Opportunity	Self Insurers' Security Fund - Report on Internal Control, for the Calendar Year Ended December 31, 2023 - (fin)	186-0101-24	April 2024
Lifelong Education, Advancement, and Potential	Michigan Reconnect Scholarship Program - (other)	186-0824-24	April 2024
Environment, Great Lakes, and Energy	Water Resources Division: Water Withdrawal Program - (per)	761-0153-23	May 2024
Health and Human Services	Children's Protective Services - (fol)	431-1285-16F	May 2024

5. Audits Released

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Date Released</u>	<u>Number of</u>	
				<u>Material Weaknesses</u>	<u>Reportable Conditions</u>
Technology, Management, and Budget	Michigan State Employees' Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0151-24	03/07/2024	None Reported	None Reported
Technology, Management, and Budget	Michigan Judges' Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0153-24	03/07/2024	None Reported	None Reported

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 Police Retirement System, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0154-24	03/07/2024	None Reported	None Reported
Technology, Management, and Budget	Michigan Military Retirement Provisions, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	071-0158-24	03/07/2024	None Reported	None Reported
Labor and Economic Opportunity	Michigan Strategic Fund, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	185-0401-24	03/11/2024	None Reported	None Reported
Licensing and Regulatory Affairs	Michigan Liquor Control Commission Operational Processes and IT Systems - (per)	641-0162-22	03/19/2024	3	4
Military and Veterans Affairs	Michigan Veterans' Facility Authority, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	512-0101-24	03/19/2024	None Reported	1
Technology, Management, and Budget	Statewide UNIX Security Controls - (fol)	171-0563-15F	03/21/2024	0	1
Labor and Economic Opportunity	Unemployment Insurance Agency - Unemployment Compensation Fund - Single Audit Report for the Fiscal Year Ended September 30, 2023 - (con)	N/A	03/26/2024	3	0
Labor and Economic Opportunity	Self Insurers' Security Fund - Independent Auditor's Report on the Financial Statements, for the Calendar Year Ended December 31, 2023 - (fin)	186-0101-24	03/27/2024	N/A	N/A
Labor and Economic Opportunity	Michigan Economic Development Corporation, Report on Internal Control, for the Fiscal Year Ended September 30, 2023 - (fin)	815-0406-24	03/27/2024	None Reported	1
Health and Human Services	Kalamazoo Psychiatric Hospital - (fol)	391-0220-19F	03/28/2024	0	1

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,

A handwritten signature in blue ink that reads "Doug Ringler". The signature is written in a cursive style with a large, prominent "D" and "R".

Doug Ringler
Auditor General

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