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Office of the Auditor General

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Auditor General

June 3, 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 May 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)	
Health and Human Services	Shawono Center - (per)	491-0275-24
Natural Resources	Forest Resources Division and Forest Development Fund - (per)	751-0152-24

- 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 Cyber Schools - (fol)	313-0225-18F

Approved Objective:

- To determine whether the Michigan Department of Education had taken appropriate corrective measures in response to our audit report issued September 2021.

Department	Audit Title and Type	Project Number
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Michigan Liquor Control Commission - (fin)	641-0161-24

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 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 ended in accordance with accounting principles generally accepted in the United States of America.

Department	Audit Title and Type	Project Number
Lifelong Education, Advancement, and Potential	Communication with Child Development and Care Program Providers Regarding Client Eligibility and Associated Payments - (per)	313-0298-24

Approved Objective:

1. To assess the effectiveness of MiLEAP's efforts to provide information to CDC providers regarding client eligibility and the associated payments.

Department	Audit Title and Type	Project Number
Natural Resources	DNR Motorized and Non-Motorized Trails - (per)	751-0115-24

Approved Objectives:

1. To assess the effectiveness of DNR's administration of the Off-Road Vehicle Trail Improvement Fund.
2. To assess the effectiveness of DNR's administration of the Snowmobile Trail Improvement Fund.
3. To assess the sufficiency of DNR's monitoring of selected nonmotorized trails.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	IT Contracting - (per)	171-0510-24

Approved Objectives:

1. To assess the sufficiency of DTMB's monitoring of IT contracts.
2. To assess the sufficiency of the design of DTMB's controls over the IT contract termination process.
3. To assess the sufficiency of DTMB's compliance with select State laws, regulations, and policies related to IT procurement.
4. To assess the sufficiency of DTMB's controls to ensure the independence of those involved in the IT contracting process.

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
State Budget Office	2023 Statewide Single Audit - (sa)	000-0100-24	June 2024
Technology, Management, and Budget	Security Using Mobile Devices - (per)	171-0555-24	July 2024
Transportation	Highway Work Zone Safety and Mobility - (per)	591-0167-24	July 2024

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Environment, Great Lakes, and Energy	Water Withdrawal Program, Water Resources Division - (per)	761-0153-23	05/16/2024	3	2
Labor and Economic Opportunity	Self-Insurers' Security Fund - Report on Internal Control, for the Calendar Year Ended December 31, 2023 - (fin)	186-0101-24	05/24/2024	None Reported	1
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Opinion on Financial Statements and Internal Control Report - (fin)	641-0161-23	05/30/2024	None Reported	1
Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-23	05/31/2024	None Reported	2

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