



Doug A. Ringler, CPA, CIA
Auditor General

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

December 2, 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 November 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)	
Insurance and Financial Services	Office of Banking - (per)	651-0145-25
As part of our risk assessment process, we are responsible for communicating to you significant risks, which, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. Generally accepted auditing standards require us to consider management override of internal control and improper revenue recognition as significant risks relative to the following financial audits:		
Labor and Economic Opportunity	Michigan Strategic Fund - (fin)	186-0401-25
Labor and Economic Opportunity	Michigan Economic Development Corporation - (fin)	815-0406-25
Michigan Legislature	Michigan Legislative Retirement System (MLRS) - (fin)	900-0140-25
State Budget Office	State of Michigan Annual Comprehensive Financial Report - (fin)	171-0010-25
Technology, Management, and Budget	State Sponsored Group Insurance - (fin)	171-0143-25
Technology, Management, and Budget	Michigan State Employees' Retirement System - (fin)	171-0151-25
Technology, Management, and Budget	Michigan Public School Employees' Retirement System - (fin)	171-0152-25
Technology, Management, and Budget	Michigan Judges' Retirement System - (fin)	171-0153-25
Technology, Management, and Budget	Michigan State Police Retirement System - (fin)	171-0154-25
Technology, Management, and Budget	State of Michigan Deferred Compensation Funds II (401k) - (fin)	171-0156-25
Technology, Management, and Budget	State of Michigan Deferred Compensation Funds I (457) - (fin)	171-0157-25
Technology, Management, and Budget	Michigan Military Retirement Provisions- (fin)	171-0158-25

- 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
Labor and Economic Opportunity	Michigan Strategic Fund - (fin)	185-0401-25

Status Update:

We intend to issue a disclaimer opinion on MSF's discretely presented component units opinion unit as a majority of these component units did not obtain an audit of their financial statements.

- 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
Education and Technology, Management, and Budget	Selected Michigan Department of Education IT Systems - (per)	313-0590-24	January 2025

5. Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Education	Virtual Learning in Traditional Public Schools - (fol)	313-0224-16F	11/08/2024	1	1
Health and Human Services	Medicaid Home Help Program - (fol)	391-0708-19F	11/08/2024	0	1
Licensing and Regulatory Affairs	Selected Activities Within the Bureau of Construction Codes - (fol)	641-0240-20F	11/13/2024	2	0
Health and Human Services	Partnership. Accountability. Training. Hope. (PATH) Program Deferrals - (per)	491-3302-24	11/21/2024	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,



Doug Ringler
Auditor General

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