



# OAG

Office of the Auditor General

## Report Summary

### *Report on Internal Control, Compliance, and Other Matters*

### *State of Michigan Annual Comprehensive Financial Report (SOMACFR)*

### *State Budget Office*

### *Fiscal Year Ended September 30, 2024*

**Report Number:**  
**171-0010-25**

**Released:**  
**June 2025**

Generally accepted government auditing standards require an auditor to report on internal control over financial reporting; compliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the financial statements; and other matters coming to the attention of the auditor during the completion of a financial audit. We are issuing this report in conjunction with our independent auditor's report on the *SOMACFR* dated April 25, 2025.

| <b>Findings Related to Internal Control, Compliance, and Other Matters</b>  | <b>Material Weakness</b> | <b>Significant Deficiency</b> | <b>Agency Preliminary Response</b> |
|---|--------------------------|-------------------------------|------------------------------------|
| The Department of Treasury (Treasury) did not establish a liability estimation methodology to record unearned corporate income tax revenues or complete a more thorough analysis to comprehensively support its position the liability is not measurable ( <a href="#">Finding 1</a> ). | X                        |                               | Disagrees                          |
| The Statewide Integrated Governmental Management Applications (SIGMA) Operations and Support, within the State Budget Office, should continue to improve internal control over the State's vendor file to help reduce the risk of fraudulent payments ( <a href="#">Finding 2</a> ).    |                          | X                             | Agrees                             |
| Treasury should continue to enhance its internal control to help prevent, or detect and correct, misstatements and help ensure the reasonableness and accuracy of tax accruals ( <a href="#">Finding 3</a> ).   |                          | X                             | Agrees                             |
| Various State agencies did not have sufficient internal control to help ensure the accuracy of all accounting information recorded in the <i>SOMACFR</i> ( <a href="#">Finding 4</a> ).   |                          | X                             | Agrees                             |

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