



OAG

Office of the Auditor General

Report Summary

Performance Audit
Statewide Integrated Governmental
Management Applications (SIGMA) -
Selected Security and Application Controls
State Budget Office

Report Number:
171-0595-25

Released:
March 2026

SIGMA is an enterprise resource planning solution for the State of Michigan and is managed by the State Budget Office (SBO) SIGMA team. SIGMA consists of several modules which standardize Statewide accounting activities, procurement and vendor management, time and expense processes, budgeting processes, payment processing, cost accounting, bids and grant opportunities, and financial reporting. As of June 2025, SIGMA had approximately 283,300 active vendors, 52,200 State employees completing biweekly time and travel entries, and 11,400 core application users with access to complete financial, budget, procurement, human resource, and reporting functions. In fiscal years 2024 and 2025, SIGMA processed \$86.4 billion and \$91.1 billion in expenditures, respectively, and \$88.6 billion and \$91.8 billion in revenues, respectively.

Audit Objective			Conclusion
Objective 1: To assess the effectiveness of SBO's efforts to ensure completeness and accuracy of selected vendor data within SIGMA.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
SBO does not have sufficient processes to identify and disable inactive vendor accounts. As of August 25, 2025, 131,596 (46%) of 287,510 active vendors had not received a payment since at least October 3, 2017 (Finding 1).		X	Agrees
An Internal Revenue Service (IRS) taxpayer identification number match was not completed for 6 (10%) of 61 sampled newly registered vendors, which may increase the risk of potential improper payments and fraudulent vendors (Finding 2).		X	Agrees
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Miscellaneous vendors could be further scrutinized to improve the accuracy of the procurement and vendor payment processes (Observation 1).	Not applicable for observations.		

Audit Objective			Conclusion
Objective 2: To assess the sufficiency of selected SBO SIGMA access controls.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Explanations and support were not sufficiently documented for 9 (75%) of 12 agencies who moved transactions past one or more levels of defined approval paths before the transaction was finalized (<u>Finding 3</u>).		X	Agrees
SIGMA application level access was not revoked promptly for 6 (10%) of 60 sampled terminated users, increasing the risk of unauthorized access, use, and modification of SIGMA data (<u>Finding 4</u>).		X	Agrees

Audit Objective			Conclusion
Objective 3: To assess the sufficiency of selected SBO SIGMA workflow controls.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
SBO should periodically reevaluate SIGMA transaction codes without required workflows or compensating controls to prevent modified transactions from being inadvertently processed without the appropriate approvals (<u>Finding 5</u>).		X	Agrees

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