



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



M. SCOTT BOWEN
DIRECTOR

March 31, 2026

VIA E-MAIL

Jessica Thomas, Chief Internal Auditor
State Budget Office
Office of Internal Audit Services
111 South Capitol Avenue
7th Floor, Romney Building
Lansing Michigan 48933
SBO-Office-of-Internal-Audit@michigan.gov

Dear Ms. Thomas:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is our final corrective action plan to address recommendations contained within the Office of the Auditor General report of the Department of Natural Resources (DNR), State Park Concessions, Leases, and Operating Agreements.

If you have any questions regarding the corrective action plan, please feel free to contact me.

Sincerely,

Brian W. Schimke

Brian W. Schimke, Audit Liaison
Finance and Operations Division
517-855-1649

Jessica Thomas, Chief Internal Auditor

Page 2

March 31, 2026

Enclosure

cc: Senate Committee on Natural Resources and Agriculture Members
House Committee on Natural Resources and Tourism Members
Senate Appropriations Subcommittee on Agriculture and Natural Resources
Members
House Appropriations Subcommittee on Agriculture and Rural Development and
Natural Resources Members
Senator Sarah Anthony, Senate Appropriations Committee
Representative Ann Bollin, House Appropriations Committee
Ms. Kathryn Summers, Senate Fiscal Agency
Ms. Mary Ann Cleary, House Fiscal Agency
Ms. JoAnne Huls, Executive Office of the Governor
Ms. Tricia Foster, Executive Office of the Governor
Ms. Shelia Marshall-Curtis, Executive Office of the Governor
Mr. Doug Ringler, Office of the Auditor General
Mr. Scott Bowen, Director, DNR
Ms. Shannon Lott, Natural Resources Deputy, DNR
Ms. Kristin Phillips, Chief Administrative Officer, DNR
Mr. Ed Golder, DNR
Mr. Dan Lord, DNR
Ms. Kristen Kosick, DNR

Department of Natural Resources
 State Park Concessions, Leases, and Operating Agreements Audit (751-0135-21F)
 Issued By OAG
 January 13, 2026
 Department Final Corrective Action Plan

Summary Response Matrix

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees	2	1		
Partially Agrees				
Disagrees				

Final Corrective Action Plan (CAP)

Finding Number 1

Finding: The Division did not sufficiently monitor concession operations to ensure compliance with contractual requirements.

Related IT system, if applicable: N/A

Department Response

Management Views: Department of Natural Resources (DNR) agrees and will comply.

Planned Corrective Action and Milestones:

- DNR, Parks and Recreation Division, the Commercial Services and Land Use Program Administrators (CSLUPA) will continue meeting monthly with unit managers with a concession during the concession operating season. A large focus of the meeting is to continuously improve the Concessions and Lease program by reviewing and answering questions and receiving updates on the status of monthly inspections. Reminder/status emails will continue to be sent to unit managers in which a monthly concession inspection report has not yet been received. In addition to these actions, district supervisors will again include, in their employees’ annual performance plan, a specific objective requiring the completion of the monthly concession inspection reports.
Planned completion date of 4/30/2026.
- DNR, Parks and Recreation Division, will update the concession contract language to re-enforce language requiring watercraft rentals to be registered with the Secretary of State and registration (MC) numbers remain legible, in compliance with State law. Failure to comply with these requirements will result in an inability to operate and/or citations, and/or immediate contract termination. Additionally, the monthly concession inspection report will be updated to specifically address the issues identified in the audit involving registration numbers (MC).
Planned completion date of 12/31/2025.
- DNR, Parks and Recreation Division, concession contract language will be updated to re-enforce the requirement for posting signage identifying non-Coast Guard approved flotation devices to denote the items are not lifesaving devices. Failure to comply with

these requirements will result in an inability to operate and/or citations, and/or immediate contract termination. Additionally, the monthly concession inspection report will be updated to specifically address the issues identified in the audit involving the requirement for posting signage identifying non-Coast Guard approved flotation devices. *Planned completion date of 12/31/2025.*

- DNR, Parks and Recreation Division, concession operators will be notified of violations involving specific concessions (the camp store and waterslide) for failing to adhere to contractual hours of operation and failure to obtain advanced departmental approval to be closed during these hours of operation. Additionally, the monthly concession inspection report will be updated to specifically address the issues identified in the audit involving failure to adhere to contractually prescribed hours of operation. *Planned completion date of 12/31/2025.*
- DNR, Parks and Recreation Division, guidance will be issued to specific concession operators (firewood sales) outlining procedures involving bulk firewood and re-enforcing the language citing alternate packaging/carrying sources must be provided for unbundled firewood. Additionally, the monthly concession inspection report will be updated to specifically address the issues identified in the audit involving failure to adhere to safety requirements for stacking firewood. *Planned completion date of 12/31/2025.*
- DNR, Parks and Recreation Division, will renew efforts to repair the structural integrity and/or advance potential future capital outlay considerations for a specific concession operator (horse-riding and stables) identified in the audit. The purpose of these efforts is to address some areas of the horse-riding stable that were identified in the audit as a potential safety hazard. *Planned completion date of 10/30/2026.*

Actual Compliance Date: 11/30/2026

Responsible Individual: Kristen Kosick, Parks and Recreation Division, Chief

Finding Number 2

Finding: The Division had not established sufficient internal control over its management of required contract documentation to reduce the risk of contract noncompliance.

Related IT system, if applicable: N/A

Department Response

Management Views: N/A – Complied

Planned Corrective Action and Milestones:

- N/A - Remediated

Anticipated Compliance Date: N/A - Complied

Responsible Individual: Kristen Kosick, Parks and Recreation Division, Chief