

THE MANAGEMENT AND BUDGET ACT (EXCERPT)
Act 431 of 1984

18.1486 Internal auditor; appointment; member of state classified executive service; supervision; protection; duties; professional and auditing standards; report.

Sec. 486. (1) The state budget director shall appoint internal auditors as needed to audit principal departments. Each internal auditor shall be a member of the state classified executive service.

(2) Except as otherwise provided by law, each internal auditor shall report to and be under the general supervision of the state budget director.

(3) A person may not prevent or prohibit the internal auditor from initiating, carrying out, or completing any audit or investigation. The internal auditor shall be protected pursuant to the whistleblowers' protection act, 1980 PA 469, MCL 15.361 to 15.369.

(4) An internal auditor appointed by the state budget director shall:

(a) Receive and investigate any allegations that false or misleading information was received in evaluating the principal department's internal control system or in connection with the preparation of the biennial report on the system.

(b) Conduct and supervise audits relating to financial activities of the principal department's operations.

(c) Review existing activities and recommend policies designed to promote efficiency in the administration of that principal department's programs and operations as assigned by the department head.

(d) Recommend policies for activities to protect the state's assets under the control of that principal department, and to prevent and detect fraud and abuse in the principal department's programs and operations.

(e) Review and recommend activities designed to ensure that principal department's internal financial control and accounting policies are in conformance with the state budget office directives issued pursuant to sections 421 and 444.

(f) Provide a means to keep the department head fully and currently informed about problems and deficiencies relating to the administration of that principal department's programs and operations and the necessity for and progress of corrective action.

(g) Conduct other audit and investigative activities as assigned by the state budget director.

(h) Prepare biennial reports for principal departments required under section 485.

(5) Each internal auditor shall adhere to appropriate professional and auditing standards in carrying out any financial or program audits or investigations.

(6) Each internal auditor appointed by the state budget director shall report immediately to the state budget director and the principal department head if the internal auditor becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs or operations of a principal department or agencies within the department.

History: Add. 1986, Act 272, Imd. Eff. Dec. 19, 1986;—Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999;—Am. 2018, Act 389, Imd. Eff. Dec. 19, 2018.

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