

# Stick to the high road...and the facts

Midwestern Governmental Audit Forum  
November 13, 2024  
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State of Michigan Auditor General

# Session Overview

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The Team.

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The public's trust in government.

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What do the “experts” say?

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Suggestions to help instill trust in auditors.

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Who are we trying to reach?

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Some of my favorite sayings.

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Suggestions to help build stronger relationships.

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Questions.



University of Michigan  
football coach Bo  
Schembechler once said:

*“No man is more important than  
The Team. No coach is more  
important than The Team. The  
Team, The Team, The Team, and  
if we think that way, all of us,  
everything that you do, you take  
into consideration what effect  
does it have on my Team?”*



Well, I say....



We have an Office.  
It is all about the Office,  
the Office,  
the Office.

Btw, who is that? Canva.com (an AI generated picture) thinks  
it is an Auditor General...Ouch.



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Protecting the  
Office's reputation,  
integrity, objectivity,  
image... is the Team.



# Reputation

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Warren Buffet says: *“It takes 20 years to build a reputation and 5 minutes to ruin it. If you think about that, you will do things differently.”*





# But, what to do about...

Michigan's top watchdog slammed as 'partisan hack' by Democratic party chair

**Whitmer calls for 28% cut to Office of Auditor General**

**Emails reveal Michigan auditor general helped write GOP draft requesting 2020 election audit**

**'He's doing their bidding': Critics say Republicans use auditor general for partisan attacks**

ICYMI: Auditor General Doug Ringler Used State Watchdog Office To Meddle In '20 Election Results

**State auditor and human services agency at odds on ability to keep kids safe**

# Gallup polling.

As of April 2024, 22% of Americans say they trust the government in Washington to do what is right “just about always” (2%) or “most of the time” (21%).

How much trust and confidence do you have in the government of the state where you live when it comes to handling state problems -- a great deal, a fair amount, not very much or none at all?

	Great deal	Fair amount	Not very much	None at all	No opinion
	%	%	%	%	%
2023 Sep 1-23	19	40	23	17	*
2022 Sep 1-16	18	39	24	19	*
2021 Sep 1-17	18	39	24	19	*
2020 Aug 31-Sep 13	21	39	24	16	*
2019 Sep 3-15	20	43	26	11	*

And how much trust and confidence do you have in the local governments in the area where you live when it comes to handling local problems -- a great deal, a fair amount, not very much or none at all?

	Great deal	Fair amount	Not very much	None at all	No opinion
	%	%	%	%	%
2023 Sep 1-23	18	49	22	11	*
2022 Sep 1-16	21	46	24	8	1
2021 Sep 1-17	21	45	21	13	*
2020 Aug 31-Sep 13	24	47	20	9	*
2019 Sep 3-15	24	47	21	8	1



# Hey ChatGPT: Can government auditors be trusted?

I asked the  
expert

“Government auditors generally strive to be trustworthy, as they play a critical role in promoting accountability and transparency in public finances. Most auditors adhere to professional standards and ethical guidelines designed to maintain objectivity and integrity.

However, trust can vary based on factors like the political climate, the level of independence they have from government influence, and the effectiveness of oversight mechanisms. When audits are conducted transparently and findings are publicly available, it can enhance trust. Engaging with the audit process and advocating for accountability can also help build public confidence in their work.”

# Hey ChatGPT: What's the most important characteristic of a government auditor?

And then I  
tried.

“The most important characteristic of a government auditor is **objectivity**. Objectivity ensures that auditors can evaluate financial information and compliance without bias or influence from external pressures. This is crucial for producing accurate, credible reports that stakeholders can trust.”

It also mentioned integrity, analytical skills, and strong communication abilities.

# What would the Dr. say??!!



In a world of numbers, both big and small,  
A government auditor must heed this call:  
Be fair and be just, let integrity shine,  
For trust is the treasure, and it's truly divine!

Never let bias sneak into your review,  
And don't let your friendships influence what's true.  
Don't twist any figures, or hide what you find,  
For honest reporting is what's truly kind!

Avoid conflicts of interest, keep motives pure,  
And always remember, the truth is the cure.  
Don't skip on the details, keep notes nice and neat,  
For transparency's key, and that's really sweet!

So be bold and be brave, in your auditing quest,  
For a trustworthy auditor is truly the best!

## Suggestions to help instill trust in auditors

- Strong policies against political activism.
- Be open with audit plans (we share ours).
- Take time to help ensure auditees understand the audit process.
- Impactful entrance meetings.
- Use agreed-upon criteria.
- Thorough audit due process.



# Words from 1965

- Karney Brasfield, formerly a CPA and partner in charge of the Washington office of one of the country's largest C.P.A. firms, Touche, Ross, Bailey and Smart.

“The [Michigan’s] constitutional provisions are simple but adequate. The effectiveness of the function will depend on (1) the creativeness and the competence of the appointed auditor and his staff and (2) the development of a constructive environment for the work of the auditor general’s efforts. It makes no difference which one of these factors we list first or second – both are vital to success of the effort.”

## More from 1965

“As in most situations involving human relations, the problem is simple – it is the solution that is difficult. But the point involved is fairly obvious. If the auditor general permits partisan viewpoints to influence his own efforts – whether unduly friendly to or unduly critical of the executive branch or of a program – he immediately sacrifices the support among members of the body he serves and could find himself in the position of serving the minority.”





# Who are we trying to reach?

- Legislators who can be term limited and trying to do something impactful before term ends?
- Program staff with generational changes to improve the future?
- The public who wants accountability?





# Legislators

“It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees. It is meant to be the eyes and the voice, and to embody the wisdom and will of its constituents.” – Woodrow Wilson

# Legislators



# Agency or Program Staff

- On the ground experts.
- Likely really know what's going on.
- Often want auditors to help tell their story or fix known programs.
- Challenges when senior management does not want to admit errors exist.
- Can be a tremendous resource in the right control environment.
- Ask them what they would say about the program's operations.
- Favorite question – what should I have asked you but did not?

# The public...oh, the public

Vast range of  
understanding of  
government  
operations.

Length of report and  
too much jargon is a  
detriment to helping  
them.

Want to know  
government is working  
right for them.

Perhaps the biggest  
challenge to accepting  
the facts.

Important to earn their  
trust and support. Do  
so by acting in a way  
they can respect.

A source of a lot of  
tips, but.....





# Speak to the masses.

- People on the extremes have already made up their minds.
- You cannot compete with social media influencers whose intentions are to deceive.
- Fake news sites propped up by political parties and advocacy groups.

Do auditors have to worry  
about defamation?

- The act of making untrue statements (Spoken – Slander, Written – Libel) about another which damages his/her reputation.
- Accusers must show the defamation was made with malicious intent and was not just fair comment.
- Knowing the information was false or being so reckless they should have known the information was incorrect.
- A few cases occurring against auditors.

Some of my favorite quotes to get me through this job.



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Don't get caught up  
in the theatre.


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Don't get into a war of word with someone who  
buys ink by the barrel.

State audit offices likely do not have communication teams nor the audience to compete with  
and counter those with alternative views or misinformation.



Lower your voice and  
strengthen your  
argument

(Lebanese proverb)



# The Yellow Book is here to help.

Sections 6.59 (financial) 7.57 (attestation) 9.52 (performance):

“When the audited entity’s comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, the auditors should evaluate the validity of the audited entity’s comments. If the auditors disagree with the comments, they should explain in the report their reasons for disagreement. Conversely, the auditors should modify their report as necessary if they find the comments valid and supported by sufficient, appropriate evidence.”



Finding 1 Agency Preliminary Response and Auditor's Comments to Agency Preliminary Response

This section contains MDHHS's preliminary response to the follow-up conclusion for Finding 1 and our auditor's comments providing further clarification and context where necessary.

**Overall Auditor's Comment**

MDHHS indicates in its agency preliminary response it disagrees with our conclusion and in some cases our classification of existing Findings as material or reportable. In accordance with auditing standards, we evaluated MDHHS's comments and determined the additional information provided did not warrant a change to the conclusions or classification of existing Findings as described below.

**Finding 1: Improvement needed to ensure that investigations are commenced in a timely manner.**

MDHHS provided us with the following response:

AGENCY PRELIMINARY RESPONSE	AUDITOR'S COMMENTS TO AGENCY PRELIMINARY RESPONSE
<i>MDHHS disagrees that compliance with the prior audit recommendation was not achieved and disagrees that the finding should remain a material condition.</i>	We clearly indicate within our follow-up conclusion the reasons supporting our determination MDHHS only partially complied with the 2018 audit recommendation. Also, materiality is based on the auditor's judgment and evaluation of test results, and we clearly indicate within our follow-up conclusion the reasons why we conclude a material condition remains.
<i>MDHHS has exceeded the department's Modified Implementation, Sustainability, and Exit Plan (MISEP) commencement performance standards (section 5.2) that were approved by the U.S. District Court for the Eastern District of Michigan. MDHHS was required to commence all investigations of a report of child abuse or neglect within the time frames required by state law. The designated performance standard was 95% and MDHHS achieved and exceeded that metric.</i>	MDHHS's claim that it has exceeded MISEP commencement performance standards based on its new policy may be technically correct. However, it is also misleading because, based on our testing, MDHHS did not complete any investigative activities to assess child safety for nearly 40% of sampled investigations, and even when it identified alleged child victims were in imminent danger, did not meet its own established time frame to check on child safety 8% of the time.

*MDHHS is an agency devoted to an important and challenging mission: Keeping kids safe and families together. Our caseworkers balance these goals 24/7, sometimes in difficult conditions, as they investigate nearly 70,000 child abuse allegations per year. The department promised and delivered significant reforms and progress. In the last five years, MDHHS enacted these changes:*

Another  
opportunity to  
provide  
facts...and  
professionally  
disagree.

# Use of Observations

- Typically, Findings without criteria.
- Discuss issues needing fixed, not necessarily an agency error.
- Suggest actions not required by existing statute.
- Can be need to new or revised legislation.
- Matters of legislative interest.
- Would we be remiss if not mentioning it?



# Approaches to earn reader trust

Include positive agency actions within background info

Use auditor's comment as another opportunity to provide facts.

Stay away from inflammatory words.

Explain in the finding why its material, tell what could happen if issue not fixed (cause & effect).

Individualize finding elements if it will help. Provide agency justifications in the finding.

Use examples of exceptions to provide context.



# The Famous Questions Slide....



**Doug A. Ringler, C.P.A., C.I.A.**  
Auditor General

# Leaving you with this:

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“You will continue to suffer if you have an emotional reaction to everything that is said to you. True power is sitting back and observing things with logic. True power is restraint. If words control you that means everyone else can control you. Breathe and allow things to pass” --- Warren Buffet.

