



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

December 27, 2023

**Request for Improvement
of Deficiencies -
Corrective Action Plan**

Fiscal Year: 2022

Municipality Code: 151070

Report ID Number: 151710

Sent Via Email

Hayes Township

treasurerhayestownshipmi@gmail.com

Dear Governing Body:

The Community Engagement and Finance Division has received the audit report for the fiscal year referenced above. It is the responsibility of this division to administer certain State statutes. Consequently, your audit has been reviewed to determine compliance with budgeting, accounting, auditing, and statutory compliance related activities. This review has identified issues that we believe need your attention.

Please note the following issues corresponding to response(s) on the auditing procedures report:

- Actual expenditures exceeded the amounts authorized in the budget. Please describe actions being taken to prevent budget variances.
- There were reported deficiencies included with the audit report. Additional deficiencies in your report are usually found in the form of comments and recommendations located toward the end of the report. Describe the corrective action taken to eliminate each of these deficiencies.
- **The board or council did not approve all disbursements prior to payment as required by charter or statute. Please provide descriptions of unauthorized disbursements as well as the amount of the unauthorized disbursement. Please provide the most recent board minutes showing the approval of expenditures.**
- There is non-compliance with guidance issued by the Community Engagement and Finance Division of the Department of Treasury. Please provide an explanation.
- Bank reconciliations were not performed timely. Provide a bank reconciliation for the last month reconciled for the account(s) in question.

The matter(s) described above are either violations of state statute or are deficiencies of the local unit that may impede the local unit's ability to comply with state statute.

Additional deficiencies in your report are usually found in the form of comments and recommendations located toward the end of the report or may be filed separately. The plan should identify each Auditing Procedure Report question listed above, each

additional deficiency, the corrective action to be taken, the supporting documentation requested, if any, and the date in which the action is to be implemented.

Therefore, within **30 days** from the date of this letter, please submit to us a detailed Corrective Action Plan to resolve the above-mentioned matter(s), including other deficiencies noted in your audit report. To submit your Corrective Action Plan, visit the department's online filing site at Michigan.gov/localfinancialreporting and select the File Online Reports tab. You must request local unit user access if one does not already exist. We do not accept hard-copy or emailed responses. Please combine multiple documents as only one document can be uploaded.

Failure to respond within 30 days or an inability to demonstrate that corrective action has been implemented may result in one or more of the following:

- Denial of subsequent year qualified status under Public Act 34 of 2001, the Revised Municipal Finance Act (possibly preventing your municipality the ability to borrow money);
- Subject the local unit to an audit and/or review performed by Department of Treasury auditors at the expense of the local unit.

Please contact the audit review staff at LAFD_Audits@michigan.gov if you have any questions.

Sincerely,



Cary Jay Vaughn, CPA, CGFM
Local Audit and Finance Division