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July 13, 2009

Mr. John O'Brien, Division Director
Genesee County Drain Commissioner Office
Division of Surface Water Management
G-4608 Beecher Road
Flint, MI 48532

Dear John:

I noticed the guest editorial written by Ms. Pamela Turner, Interim Director of the Detroit Water and Sewerage Department, regarding Genesee County Drain Commissioner's "on time" audits for 2007 and 2008. I thought it would be helpful to put some of the comments into perspective.

As you know, the *American Institute of Certified Public Accountants* recently adopted several, very stringent auditing standards, which require much greater communication to those charged with governance with regard to internal control issues. The standards are designed to ensure that governing bodies are aware of items, and are able to take action early before they become a more serious problem.

The guest editorial mentioned one item from the Drain Commissioner's 2007 audit and one from the 2008 audit.

It is noteworthy that the issue mentioned in the 2007 audit was NOT mentioned in the 2008 audit, simply because the Drain Commissioner instructed his staff to correct the issue, and the staff in fact remedied the situation in the following year. The issue was no longer a potential problem due to the responsible action of the Drain Commissioner.

The item mentioned in the 2008 audit is strictly an accounting issue. The accounting software used by the GCDC staff for billing had become outdated. As a result, the monthly reconciliation between the individual subsidiary records and the control general ledger account were not being performed during the year. However, it should be noted that the records were reconciled without problem during the preparation for the 2008 audit. The same document that Ms. Turner refers to also indicates that The Division has purchased a new accounts receivable module to replace the prior billing software and that the new module should correct the situation. Again, because the Drain Commissioner took immediate action to improve the controls of the Division in reaction to the comments resulting from the audit are a strong indicator that the auditing standards are having the desired effect of being a catalyst for improvement.

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Based on my experience, GCDC is in the upper echelon of organizations having good controls. Having only one item mentioned as a deficiency in an operation with over \$40 million of revenue, serving numerous local units in the County, issuing debt, handling construction as well as the operation and maintenance of water and wastewater systems is quite an accomplishment.

I would be pleased to discuss the items in this letter if further clarification would be helpful. Thanks for the opportunity to be of service.

Very truly yours,

PLANTE & MORAN, PLLC



Leslie J. Pulver

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