

~~Letter No. 3-96~~  
~~Audits~~

May 1,



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

**NUMBERED LETTER 1996-03 (Revised)**

~~TO: City, Village and Township Clerks~~

~~FROM: Richard L. Baldermann CPA~~  
~~Administrator~~

~~Local Audit~~ Issued By: Community Engagement and Finance  
Division (CEFD)

RE: Bureau of Local Government and School Services

Effective Date: May 1, 1996 (Revised DRAFT DATE)

1996-03 Public Act 146 of 1996

Intended Audience: City, Village and Township Clerks

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**Summary:** Public Act 146 of 1996 was signed by the Governor on March 24, 1996. The act amends Public Act 2 of 1968 and changes the population requirement relating to audits for local units of government as defined in that act. ~~The amendment to Section 5 is as follows:~~

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The amendment to Section 5 is as follows:

Sec. 5.(1)- A local unit having a population of less than 4,000 shall obtain an audit of its financial records, accounts, and procedures not less frequently than biennially. However, if any audit under this subsection discloses a material deviation by the local unit from generally accepted accounting practices or from applicable rules and regulations of a state department or agency or discloses any fiscal irregularity, defalcation, misfeasance, nonfeasance, or malfeasance, the Michigan Department of Treasury may require an audit to be conducted in the next year.

(2) A local unit having a population of 4,000 or more shall obtain an annual audit of its financial records, accounts, and procedures.

The amendment applies to fiscal years ending March 31, 1996, and after.

This amendment does not preclude a local unit of government with a population under 4,000 from having an annual audit and the Michigan Department of Treasury strongly **recommends** annual audits.

We request that this notification be made available to ~~any~~ authorities in your local unit of government.

If you need further assistance, please call (517) ~~373-3227~~[373-3227335-7469](tel:373-3227335-7469) or write our office: Michigan Department of Treasury, ~~Local Audit and Finance Division~~[CEFD](#), P.O. Box 30728, Lansing, Michigan 48909-8228, ~~or email us at~~ [TreasLocalGov@michigan.gov](mailto:TreasLocalGov@michigan.gov).

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<sup>i</sup> [May 1, 1996 – Original letter](#)

[\(Revised DRAFT DATE\) – This numbered letter was updated with formatting changes, no major content edits.](#)