

<b>Position Code</b> 1.
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## POSITION DESCRIPTION

This position description serves as the official classification document of record for this position. Please complete the information as accurately as you can as the position description is used to determine the proper classification of the position.	
<b>2. Employee's Name (Last, First, M.I.)</b>	<b>8. Department/Agency</b> DNR-NATURAL RESOURCES
<b>3. Employee Identification Number</b>	<b>9. Bureau (Institution, Board, or Commission)</b>
<b>4. Civil Service Position Code Description</b> AUDITING SPECIALIST-2	<b>10. Division</b> Finance and Operations
<b>5. Working Title (What the agency calls the position)</b> Mineral Auditing Specialist	<b>11. Section</b> Minerals Management
<b>6. Name and Position Code Description of Direct Supervisor</b> GUTIERREZ, ANDREW B; DEPARTMENTAL MANAGER-3	<b>12. Unit</b> Revenue Verification
<b>7. Name and Position Code Description of Second Level Supervisor</b> FRY, MATTHEW W; STATE ADMINISTRATIVE MANAGER-1	<b>13. Work Location (City and Address)/Hours of Work</b> 525 W Allegan Street, Lansing / M-F;8-5

**14. General Summary of Function/Purpose of Position**

This position serves as the Department of Natural Resources' specialist professional authority for the design, maintenance, and implementation of audit programs governing all State-owned mineral leasing revenue streams, including oil and gas, metallic minerals, nonmetallic minerals, and underground gas storage. The position is responsible for developing comprehensive, defensible audit frameworks that ensure compliance with State leasing authority under Part 5 of the Natural Resources and Environmental Protection Act (1994 PA 451), including MCL 324.502, applicable Michigan Administrative Code leasing rules, and the terms and conditions of DNR lease instruments.

The position functions as the program owner for Michigan's mineral revenue audit systems, establishing standardized audit methodologies, compliance enforcement processes, and Notice of Noncompliance processes across all mineral programs. The position exercises independent professional judgement in audit design, compliance interpretation, financial analysis, impact analysis, and enforcement recommendation development.

The position also serves as the primary liaison between Revenue Verification Unit (RVU) and legal, regulatory, and external stakeholders, including the Department of Attorney General, Legislature, the Department of Treasury, the Michigan Public Service Commission and Department of Environment, Great Lakes, and Energy (ELGE), as well as, industry representatives and the public, ensuring audit findings, enforcement actions, and settlement recommendations are legally sound, technically defensible, and financially accurate.

In addition, this position provides audit and financial expertise supporting the integrity and development of the DNR's database, Land Ownership Tracking System (LOTS), which is used as the revenue accounting system for the mineral leasing programs.



15. Please describe the assigned duties, percent of time spent performing each duty, and what is done to complete each duty.

List the duties from most important to least important. The total percentage of all duties performed must equal 100 percent.

**Duty 1**

**General Summary:**

**Percentage: 35**

Develop, maintain, and enhance comprehensive audit programs for the Department of Natural Resources' oil and gas mineral leasing activities. This duty ensures compliance with State-owned mineral leasing authority under Part 5 of the Natural Resources and Environmental Protection Act (1994 PA 451), including MCL 324.502, applicable Michigan Administrative Code leasing rules for oil and gas (R 299.8101 through R 299.8107), and the terms and conditions of DNR lease instruments. Audit programs are designed and maintained using generally accepted government auditing standards to ensure defensible audit planning, evidence development, and reporting.

**Individual tasks related to the duty:**

- Develop, document, and maintain standardized desk and field audit methodologies specific to oil and gas operations, including step-by-step procedures, documentation requirements, sampling techniques, analytical methods, and reporting standards.
- Evaluate lessee internal controls, accounting systems, production reporting, royalty calculations, and post-production cost deductions for compliance with lease provisions and Audit Calculation Standards.
- Conduct or oversee audits of oil and gas lessees through examination of leases, division orders, remittances, production records, contracts, invoices, and supporting financial documentation.
- Identify noncompliance with statutes, administrative rules, lease terms, or agreements and prepare formal Notices of Noncompliance, including documentation of deficiencies, financial impacts, and required corrective actions.
- Review contested audit findings, evaluate additional documentation or alternative methodologies proposed by lessees, and develop recommendations for resolution or enforcement.
- Update oil and gas audit methodologies as laws, administrative rules, lease structures, or industry practices change to ensure audit programs remain current, consistent, and defensible.
- Provide technical guidance to unit staff regarding oil and gas audit procedures, compliance interpretation, and enforcement processes.

**Duty 2**

**General Summary:**

**Percentage: 20**

Develop, maintain, and enhance audit programs for metallic mineral leasing activities to ensure compliance with State leasing authority under MCL 324.502 and applicable Michigan Administrative Code leasing rules for metallic minerals (R 299.4001 through R 299.4007), as well as the terms and conditions of DNR leases and agreements.

**Individual tasks related to the duty:**

- Develop, document, and maintain standardized audit procedures tailored to metallic mineral extraction, production measurement, pricing, and revenue reporting practices.
- Conduct or oversee desk and field audits verifying reported production quantities, revenues, and payments due to the State.
- Evaluate lessee accounting records, production systems, and supporting documentation for accuracy and compliance with lease provisions.
- Identify noncompliance and prepare formal Notices of Noncompliance, including supporting analysis, financial impact calculations, and corrective action requirements.
- Review and resolve contested audit issues and recommend settlements or enforcement actions when appropriate. Maintain and update metallic audit programs as regulatory requirements, lease structures, and industry practices evolve.
- Update metallic minerals audit methodologies as laws, administrative rules, lease structures, or industry practices change to ensure audit programs remain current, consistent, and defensible.
- Provide technical expertise and training support to section staff on metallic mineral audit standards and methodologies.

**Duty 3**

**General Summary:**

**Percentage: 20**

Develop, maintain, and enhance audit programs for nonmetallic mineral leasing activities to ensure compliance with State leasing authority under MCL 324.502 and applicable Michigan Administrative Code leasing rules for nonmetallic minerals (R 299.4021 through R 299.4027), and with the terms and conditions of DNR leases.

**Individual tasks related to the duty:**

- Develop, document, and maintain standardized audit methodologies specific to nonmetallic mineral operations, including volume measurement, price verification, and revenue reporting practices.
- Conduct or oversee on-site, desk, and field audits of nonmetallic mineral lessees to verify production quantities, sales values, and remittances due to the State. Audits will include tests of transactions, verification of invoices, inquiries of company personnel and analytical review.
- Assess lessee compliance with lease provisions, reporting requirements, and payment schedules.
- Identify deficiencies and prepare formal Notices of Noncompliance, clearly documenting violations, financial impacts, and corrective action requirements.
- Review contested audit findings and support resolution through technical analysis and negotiation support.
- Update nonmetallic mineral audit methodologies as laws, administrative rules, lease structures, or industry practices change to ensure audit programs remain current, consistent, and defensible.
- Provide technical assistance to unit staff regarding nonmetallic mineral audit standards and methodologies.

**Duty 4**

**General Summary:**

**Percentage: 15**

Develop, maintain, and enhance audit programs for underground gas storage leasing activities to ensure compliance with State leasing authority under MCL 324.502 and applicable Michigan Administrative Code leasing rules for underground gas storage (R 299.4051 through R 299.4055), and with the terms and conditions of DNR underground gas storage lease agreements.

**Individual tasks related to the duty:**

- Develop, document, and maintain standardized audit procedures addressing underground gas storage operations, including verification of contractual obligations, financial reporting, and compliance requirements.
- Conduct or oversee desk and field audits reviewing lease compliance, payment accuracy, and supporting documentation.
- Evaluate lessee internal controls and recordkeeping systems supporting underground gas storage agreements.
- Identify noncompliance and prepare formal Notices of Noncompliance, including documentation of deficiencies, financial impact, and corrective action expectations.
- Review and resolve contested audit findings and support enforcement actions when voluntary compliance is not achieved.
- Update underground gas storage audit methodologies as laws, administrative rules, lease structures, and industry practices change to ensure audit programs remain current, consistent, and defensible.
- Provide technical expertise and guidance to unit staff regarding underground gas storage audit standards and methodologies.

**Duty 5**

**General Summary:**

**Percentage: 10**

Serve as the primary liaison between the RVU and legal, regulatory, and external stakeholders while providing technical leadership for enforcement actions, audit standards interpretation, revenue integrity, and system controls across all mineral leasing programs.

**Individual tasks related to the duty:**

- Coordinate with the Department of Attorney General to support legal interpretation of lease provisions, administrative rules, Notices of Noncompliance, settlements, and enforcement actions.

- Provide technical audit expertise in support of litigation, settlement negotiations, and compliance enforcement proceedings.
- Maintain liaison with regulatory agencies and other State entities, including EGLE and the Michigan Public Service Commission, to ensure audit programs reflect operational regulatory requirements and recordkeeping standards.
- Provide financial and audit expertise supporting the integrity, design, and enhancement of the Land Ownership Tracking System (LOTS) as the revenue accounting system for mineral leasing programs.
- Develop and maintain audit policies, procedures, and compliance guidance applicable across all mineral leasing programs.
- Prepare technical reports, analyses, and responses to legislative inquiries, management requests, and public information requests related to mineral leasing revenue compliance.
- Perform other complex assignments necessary to ensure the effectiveness, integrity, and legal defensibility of the Department's mineral revenue audit programs.

**16. Describe the types of decisions made independently in this position and tell who or what is affected by those decisions.**

This position independently determines audit methodologies, compliance interpretations, sampling approaches, analytical techniques, financial impact calculations, and the issuance of Notices of Noncompliance. Decisions directly affect enforcement actions, revenue recoveries, lease compliance determinations, and legal proceedings involving State mineral interests.

**17. Describe the types of decisions that require the supervisor's review.**

Final approval of enforcement actions with significant legal or financial impact, settlement agreements, litigation strategies, and major policy interpretations affecting Department-wide mineral leasing programs.

**18. What kind of physical effort is used to perform this job? What environmental conditions in this position physically exposed to on the job? Indicate the amount of time and intensity of each activity and condition. Refer to instructions.**

Stooping, bending, sitting, and computer use on a regular basis. Occasional field visits and meetings with lessees or regulatory agencies may be required.

**19. List the names and position code descriptions of each classified employee whom this position immediately supervises or oversees on a full-time, on-going basis.**

**Additional Subordinates**

20. This position's responsibilities for the above-listed employees includes the following (check as many as apply):

- |   |                                    |   |                                   |
|---|------------------------------------|---|-----------------------------------|
| N | Complete and sign service ratings. | N | Assign work.                      |
| N | Provide formal written counseling. | N | Approve work.                     |
| N | Approve leave requests.            | N | Review work.                      |
| N | Approve time and attendance.       | N | Provide guidance on work methods. |
| N | Orally reprimand.                  | N | Train employees in the work.      |

22. Do you agree with the responses for items 1 through 20? If not, which items do you disagree with and why?

Yes

23. What are the essential functions of this position?

The essential functions of this position include exercising independent professional judgment to design, maintain, and implement audit programs governing State mineral leasing revenues; interpreting statutes, administrative rules, lease instruments, and audit standards; evaluating complex financial and operational records; issuing and supporting Notices of Noncompliance; coordinating enforcement actions; and providing legally defensible audit and compliance analysis to protect State revenue interests. These functions require advanced analytical skills, professional auditing expertise, and the ability to communicate complex findings clearly in written and verbal form.

24. Indicate specifically how the position's duties and responsibilities have changed since the position was last reviewed.

25. What is the function of the work area and how does this position fit into that function?

The Revenue Verification Unit ensures the integrity, accuracy, and completeness of all mineral revenue due to the State of Michigan through auditing, compliance implementation, and financial systems oversight for all mineral leasing programs administered by the DNR.

26. What are the minimum education and experience qualifications needed to perform the essential functions of this position.

**EDUCATION:**

Possession of a bachelor's degree with at least 24 semester (36 term) credits in accounting.

**EXPERIENCE:**

**Auditing Specialist 13 - 15**

Four years of professional experience equivalent to an Auditor, including two years equivalent to an Auditor P11 or Assistant Auditor General P11, or one year equivalent to an Auditor 12 or Assistant Auditor General 12.

**Alternate Education and Experience**

**Auditing Specialist 13 - 15**

Possession of a Certificate in Public Accounting (CPA) may be substituted for one year of P11 experience.

Possession of a Certified Management Accountant certification (CMA) may be substituted for six months of P11 experience.

Possession of a Certified Internal Auditor certification or a Certified Information System Auditor certification may be substituted for one year of experience at the P11 level for positions responsible for internal auditing.

Possession of a bachelor's degree with 24 semester credits (36 term) in finance, information systems, or management may be substituted for the education for positions responsible for internal auditing.

**KNOWLEDGE, SKILLS, AND ABILITIES:**

Advanced knowledge of auditing theory, compliance enforcement, and government revenue systems.

Thorough knowledge of Michigan mineral leasing statutes, administrative rules, and lease structures.  
Ability to design and maintain complex audit programs across multiple regulated industries.  
Ability to prepare legally defensible Notices of Noncompliance and enforcement documentation.  
Ability to analyze complex financial records and contractual arrangements.  
Strong written and verbal communication skills for legal coordination and enforcement proceedings.  
Advanced computer skills, including financial systems, databases, and analytical software.

**CERTIFICATES, LICENSES,  
REGISTRATIONS:**

Certified Public Accountant license is desirable.

*NOTE: Civil Service approval does not constitute agreement with or acceptance of the desired qualifications of this position.*

***I certify that the information presented in this position description provides a complete and accurate depiction of the duties and responsibilities assigned to this position.***

\_\_\_\_\_

Supervisor Date

**TO BE FILLED OUT BY APPOINTING AUTHORITY**

Indicate any exceptions or additions to the statements of employee or supervisors.  
None.

***I certify that the entries on these pages are accurate and complete.***

\_\_\_\_\_

Appointing Authority Date

***I certify that the information presented in this position description provides a complete and accurate depiction of the duties and responsibilities assigned to this position.***

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Employee Date