



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF STATE POLICE
EAST LANSING



COL. PETER C. MUNOZ
DIRECTOR

September 24, 2008

Mr. Douglas Ringler, Director
Office of Internal Audit Services
State Budget Office
P.O. Box 30026
Lansing, Michigan 48909

Subject: Financial Audit
Final Plan and Audit Response Summary

Dear Mr. Ringler:

The State of Michigan, Financial Management Guide, Part VII, Chapter 4, Section 100, requires each department to submit a plan addressing audit citations and recommendations made by the Office of the Auditor General.

Attached are the final plan and audit response summary for the financial audit, including the provisions of the single audit act, for the Michigan State Police for the period October 1, 2005 through September 30, 2007.

Sincerely,

Jacqueline Reese
Audit Manager

Attachments

cc Executive Office
Office of the Auditor General
House Appropriations Subcommittee
Senate Appropriations Subcommittee
House Fiscal Agency
Senate Fiscal Agency
Megan Mohr, SBO
Lt. Col. Kriste Kibbey Etue
Shawn Sible

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FINAL PLAN

Financial Audit Including the Provisions of the Single Audit Act Of the Michigan Department of State Police October 1, 2005 through September 30, 2007

Audit Finding:

1. Expenditures in Excess of Authorization

- A. **OAG Recommendation:** We recommend that MSP implement internal control to prevent expenditures in excess of line-item appropriations.
- B. **Agency Response:** MSP implemented a reduction in expenditures and additional budget monitoring. In the event that revenues are not sufficient, supplemental budget appropriations will be requested or additional expenditure reductions will be implemented to ensure that overall department expenditures are not in excess of appropriations.

2. OMB Circular A-133 Subrecipient Audit Requirements

- A. **OAG Recommendation:** We recommend that MSP improve its internal control to ensure that its subrecipients comply with the audit requirements of OMB Circular A-133. We again recommend that MSP issue management decisions on subrecipients' audit findings within the time frame required by OMB Circular A-133.
- B. **Agency Response:** MSP will improve its methodology and processes to obtain subrecipient audit reports with findings related to MSP grants and to issue management decisions within the time frame identified by OMB Circular A-133.

AUDIT RESPONSE SUMMARY

Financial Audit Including the Provisions of the Single Audit Act Of the Michigan Department of State Police October 1, 2005 through September 30, 2007

1. Citations the agency has complied with:

No. 1

2. Citations the agency agrees with and will comply with:

No. 2 Target date September 30, 2009

3. Citations the agency disagrees with:

None

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**Michigan Department of State Police
 Corrective Action Plan
 October 1, 2005 through September 30, 2007
 As of May 28, 2008**

FINDINGS RELATED TO THE FINANCIAL SCHEDULES

Finding Number:	551-08-01
Finding Title:	Expenditures in Excess of Authorizations
Management Views:	The Michigan Department of State Police (MSP) agrees with this finding.
Corrective Action Plan:	MSP has implemented a reduction in expenditures and additional budget monitoring. In the event that revenues are not sufficient, supplemental budget appropriations will be requested or additional expenditure reductions will be implemented to ensure that overall department expenditures are not in excess of appropriations.
Anticipated Completion Date:	September 2008
Responsible Individual:	Melanie Oudsema, Chief Accountant, Budget and Financial Services Division (BFSD)

FINDINGS RELATED TO FEDERAL AWARDS

Finding Number:	551-08-02
Finding Title:	Subrecipient Monitoring
Management Views:	MSP agrees with this finding.
Corrective Action Plan:	MSP will improve its methodology and processes to obtain subrecipient audit reports with findings related to MSP grants and to issue management decisions within the time frame identified by OMB Circular A-133.

Anticipated Completion Date:	Fiscal year 2008-2009
Responsible Individual:	Doug Spitzley, Account Manager, BFSD