



STATE OF MICHIGAN
DEPARTMENT OF STATE POLICE
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

COL. EDDIE L. WASHINGTON, JR.
DIRECTOR

October 15, 2010

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

Subject: 2009 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, 2007 through September 30, 2009.

Sincerely,

Jacqueline Reese
Internal Control Coordinator

Attachments

cc Executive Office
Office of the Auditor General
House Appropriations Subcommittee
Senate Appropriations Subcommittee
House Fiscal Agency
Senate Fiscal Agency
Col. Eddie L. Washington, Jr.
Lt. Col. Kriste Kibbey Etue
Lt. Col. Gary Gorski
Lt. Col. Timothy Yungfer
Major Charles Bush
Capt. W. Thomas Sands
Capt. Monica Yesh
John Collins
Debbie Gilmore
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, 2007 through September 30, 2009

Audit Finding:

1. Internal Control Over Payroll Processing

A. OAG Recommendation: We recommend that MSP improve its internal control over the processing of payroll transactions.

B. Agency Response: MSP posted correspondence on the Intranet to all department members addressing the importance of requiring the signatures of both the employee and the supervisor on all paper time sheets to ensure the accuracy of payroll data. MSP has begun the process of auditing the roles of all timekeepers and certifiers to ensure that the roles are not assigned to the same individuals. The anticipated completion date is September 30, 2010.

2. Expenditures in Excess of Authorization

A. OAG Recommendation: We recommend that MSP prevent expenditures in excess of line-item appropriations.

B. Agency Response: MSP has implemented a reduction of expenditures and additional budget monitoring, including a weekly review of account balances during the last 6 weeks of the fiscal year. In the event that revenues are not sufficient, MSP will request supplemental budget appropriations or reduce expenditures to ensure that authorization is not exceeded in line item appropriations.

3. Public Safety Interoperable Communications Grant Program

A. OAG Recommendation: We recommend that MSP improve its internal control over the PSIC Grant Program to ensure compliance with federal laws and regulations regarding reporting.

B. Agency Response: The Emergency Management & Homeland Security Division has begun meetings to draft a procedure to verify reported amounts in the Biannual Strategy Implementation Report to the supporting documentation. The anticipated completion date for the procedure is September 30, 2010.

4. Forensic DNA Backlog Reduction Program

A. OAG Recommendation: We recommend that MSP improve its internal control to ensure that it maintains sufficient documentation to support the information reported in its semiannual progress reports for the Forensic DNA Backlog Reduction Program.

B. Agency Response: Effective with the June 30, 2010 reporting period, the Forensic Science Division is now retaining more thorough documentation to support the required performance metrics for this program. Documentation is retained both electronically and in hard copy.

5. National Motor Carrier Safety

A. OAG Recommendation: We recommend that MSP improve its internal control over the National Motor Carrier Safety program to ensure compliance with federal laws and regulations regarding reporting.

B. Agency Response: Effective with the June 30, 2010 quarterly performance report, the Traffic Safety Division changed the source of some data utilized in the performance reports from the SafetyNet system to the Automated Officer Daily System (AODS). Additionally, the assistant division commander expanded review and reconciliation procedures on the report. Supporting report data is reconciled to the report to ensure accuracy and retention of data.

6. Emergency Management Performance Grants

A. OAG Recommendation: We recommend that MSP improve its internal control over EMPG to ensure compliance with federal laws and regulations regarding reporting.

B. Agency Response: The Emergency Management & Homeland Security Division has begun meetings to draft a procedure to verify reported amounts in the Biannual Strategy Implementation Report to the supporting documentation. The anticipated completion date for the procedure is September 30, 2010.

7. Buffer Zone Protection Program

A. OAG Recommendation: We recommend that MSP improve its internal control over BZPP to ensure compliance with federal laws and regulations regarding reporting.

B. Agency Response: The Emergency Management & Homeland Security Division has begun meetings to draft a procedure to verify reported amounts in the Biannual Strategy Implementation Report to the supporting documentation. The anticipated completion date for the procedure is September 30, 2010.

AUDIT RESPONSE SUMMARY

Financial Audit Including the Provisions of the Single Audit Act Of the Michigan Department of State Police October 1, 2007 through September 30, 2009

1. Citations the agency has complied with:

No. 1
No. 2
No. 3
No. 4
No. 5
No. 6
No. 7

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

None

3. Citations the agency disagrees with:

None