



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Report Number:
271-0265-09

Emergency 9-1-1 Fund

*Michigan Department of State Police and
Department of Treasury*

October 1, 2006 through September 30, 2008

Released:
February 2010

A financial audit determines if the financial schedules are fairly presented; considers internal control over financial reporting; and determines compliance with requirements material to the financial schedules. This financial audit of the Emergency 9-1-1 Fund was required by Act 32, P.A. 1986, as amended.

Financial Schedules:

Auditor's Report Issued

We issued an unqualified opinion on the Emergency 9-1-1 Fund's financial schedules.

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Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Findings 1 and 2). We consider Finding 1.a. to be a material weakness.

The Michigan Department of State Police (MSP) and Department of Treasury internal control procedures did not ensure the proper recording of revenue and expenditures (Finding 1).

MSP and the Department of Treasury should develop additional procedures for the collection of 9-1-1 service charges. In addition, MSP and the Department of Treasury should continue to request statutory changes related to the collection

of 9-1-1 service charges from service suppliers. (Finding 2)

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**Noncompliance and Other Matters
Material to the Financial Schedules**

We did not identify any instances of noncompliance or other matters applicable to the financial schedules that are required to be reported under *Government Auditing Standards*.

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Background:

The Fund was created in 1999 to provide funding to implement Act 32, P.A. 1986, as amended, known as the Emergency 9-1-1 Service Enabling Act, and to implement the Federal Communications Commission's (FCC's) wireless emergency service order. The wireless emergency service order provides for enhanced 9-1-1 service to identify the location and telephone number of a mobile telephone caller. As of May 2008, all Michigan

counties were compliant with the FCC's wireless emergency service order. Legislation revised the Act in fiscal year 2007-08 to provide for the ongoing costs of operating, maintaining, upgrading, and other reasonable and necessary expenditures for Michigan's 9-1-1 system. These costs are supported by 9-1-1 service charges collected by service suppliers from service users and remitted to the Emergency 9-1-1 Fund or directly to counties.

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Agency Response:

Our audit report contains 2 findings and 3 corresponding recommendations. MSP's and the Department of Treasury's preliminary responses indicate that they agree with the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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