

## EXECUTIVE DIGEST

# MICHIGAN DEPARTMENT OF STATE POLICE

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### INTRODUCTION

This report contains the results of our financial audit\*, including the provisions of the Single Audit Act, of the Michigan Department of State Police (MSP) for the period October 1, 1995 through September 30, 1997.

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### AUDIT PURPOSE

This financial audit of MSP was conducted as part of the constitutional responsibility of the Office of the Auditor General and is required on a biennial basis by Act 251, P.A. 1986, to satisfy the requirements of the Single Audit Act of 1984 and federal Office of Management and Budget Circular A-128, *Audits of State and Local Governments*.

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### BACKGROUND

MSP's mission\* is to provide leadership, coordination, and delivery of law enforcement and support services for the safety and protection of people and property. The director of MSP is appointed by and serves at the discretion of the Governor. The director is charged with the responsibilities of establishing a highway patrol, cooperating with peace officers for the purposes of prevention and discovery of crimes, apprehending criminals, and preserving law and order throughout the State.

MSP had 2,144 enlisted and 991 civilian employees as of September 30, 1997. MSP expenditures and operating

transfers out totaled approximately \$350 million in fiscal year 1996-97.

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**AUDIT OBJECTIVES  
AND CONCLUSIONS**

**Audit Objective:** To assess the adequacy of the MSP's internal control structure\*, including applicable administrative controls related to the management of federal financial assistance programs.

**Conclusion:** Our assessment of the internal control structure did not disclose any material weaknesses\*. However, we noted reportable conditions\* relating to incompatible user class\* combinations, controls over the Advanced Purchasing and Inventory Control System\* (ADPICS), controls over cash receipts\*, and monitoring of subrecipients\* (Findings 1 through 4).

In addition, our assessment indicated that MSP was in substantial compliance with the requirements set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws* pertaining to its systems of internal accounting and administrative controls.

**Audit Objective:** To assess MSP's compliance with both State and federal laws and regulations that could have a material effect on either MSP's financial schedules or any of its major federal financial assistance programs.

**Conclusion:** Our assessment of MSP's compliance with laws and regulations did not disclose any instances of noncompliance that could have a material effect on MSP's financial schedules or any of its major federal financial assistance programs.

**Audit Objective:** To audit MSP's financial schedules for the fiscal years ended September 30, 1997 and September 30, 1996.

**Conclusion:** We expressed an unqualified opinion on the financial schedules for the fiscal years ended September 30, 1997 and September 30, 1996.

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**AUDIT SCOPE**

Our audit scope was to examine the financial and other records of the Michigan Department of State Police for the period October 1, 1995 through September 30, 1997. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit objective for the assessment of the internal control structure included an evaluation of MSP's implementation of the requirements for establishing and maintaining systems of internal accounting and administrative control, as set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws*.

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**AGENCY RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our audit report includes 4 findings and corresponding recommendations. The agency's preliminary response indicated that it agreed with all of the findings and recommendations.

MSP had complied or partially complied with 5 of the 6 prior audit recommendations included within the scope of our current audit.