

EXECUTIVE DIGEST

MACKINAC ISLAND STATE PARK COMMISSION

INTRODUCTION

This report, issued in April 2000, contains the results of our performance audit* of the Mackinac Island State Park Commission, Department of Natural Resources.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency* .

BACKGROUND

The Mackinac Island State Park Commission, Department of Natural Resources, consists of seven members appointed by the Governor. Its responsibilities are provided for in Sections 324.76503 - 324.78306 of the *Michigan Compiled Laws* and the Executive Organization Act of 1965 (Act 380, P.A. 1965), being Sections 16.101 - 16.608 of the *Michigan Compiled Laws*. The Commission is responsible for operating three historic parks: Mackinac Island State Park, Fort Michilimackinac State Park in Mackinaw City, and Mill Creek State Historic Site located west of the City of Cheboygan.

The Commission's historic park operations are accounted for in an enterprise fund. The financial transactions of the enterprise fund for fiscal year 1998-99 resulted in revenue

totaling \$3,711,535, expenses totaling \$2,557,478, and transfers totaling \$945,870 to reimburse General Fund appropriations.

The Legislature also appropriates General Fund/general purpose funds and some restricted revenue for park operations and historical facilities. Appropriated expenditures for the Commission, some of which were funded by the transfers from the enterprise fund, were \$2,757,820 for fiscal year 1998-99.

The Commission appoints a director to administer its day-to-day operations. As of September 30, 1999, the Commission had 38 full-time and part-time permanent employees and 30 seasonal employees hired through the civil service system. It also had 14 full-time non-civil service contractual employees. In addition, the Commission hired 59 seasonal non-civil service employees (guides, cashiers, etc.) during the summer.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness and efficiency of the Commission's management practices related to personnel, leases, and procurement of services and supplies.

Conclusion: The Commission's management practices were effective and efficient. We did not note any reportable conditions* .

Noteworthy Accomplishments: Since our prior audit, the Commission has improved the effectiveness of its business practices by establishing procedures to routinely update lease rates and obtain competitive bids for procurement of services and supplies.

Audit Objective: To assess the effectiveness of the Commission in preserving the three historic parks that it operates.

Conclusion: The Commission was effective in preserving the three historic parks that it operates. We did not note any reportable conditions.

Noteworthy Accomplishments: The Commission's parks were among the first museums ever accredited by the American Association of Museums. The parks were accredited in 1973 and were reaccredited in 1986 and 1997.

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of the Mackinac Island State Park Commission. Our audit was conducted in accordance with *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 methodology included the testing of records primarily covering the period October 1, 1997 through September 30, 1999.

We evaluated the Commission's procedures for hiring employees, establishing lease rates, and obtaining bids and selecting vendors. Also, we toured the parks, observed how the Commission stored and preserved artifacts, and reviewed the latest American Association of Museums evaluation report.

PRIOR AUDIT
FOLLOW-UP

The Commission had complied with all 7 of the prior audit recommendations included within the scope of our current audit.