



STATE OF MICHIGAN
DEPARTMENT OF STATE POLICE
LANSING

RICK SNYDER
GOVERNOR

COL. KRISTE KIBBEY ETUE
DIRECTOR

November 14, 2012

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

Subject: 2011 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, 2009 through September 30, 2011.

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. Kriste Kibbey Etue
Lt. Col. Daniel Atkinson
Lt. Col. Gary Gorski
Mr. Shawn Sible
Capt. Harold Love
Capt. Gregoire Michaud
Capt. W. Thomas Sands
Ms. Stephanie Horton

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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, 2009 through September 30, 2011

Audit Finding:

1. 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 subrecipient monitoring.

B. Agency Response: The Emergency Management & Homeland Security Division (EMHSD) has updated procedures to include Davis Bacon Act requirements in applicable grant agreements and to ensure documentation is submitted with payroll reimbursement requests for construction projects.

2. Forensic DNA Backlog Reduction Program

A. OAG Recommendation: We recommend that MSP establish internal control over the Forensic DNA Backlog Reduction Program to ensure compliance with federal regulations and grant program guidelines regarding reporting.

B. Agency Response: The Forensic Science Division will be implementing additional procedures to ensure that sufficient documentation is maintained and to verify that the data in performance and financial reports matches the supporting documentation.

3. National Motor Carrier Safety

A. OAG Recommendation: We again 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, 2012 quarterly performance report, the Commercial Vehicle Enforcement Division implemented additional procedures to ensure that sufficient documentation is maintained and to verify the data in performance reports to the supporting documentation.

4. Emergency Management Performance Grants

A. OAG Recommendation: We recommend that MSP improve its internal control over the Emergency Management Performance Grants Program to ensure compliance with federal laws and regulations regarding allowable costs/cost principles.

B. Agency Response: The Emergency Management & Homeland Security Division has implemented additional procedures to ensure that time sheets are appropriately approved. The Human Resources Division will be running exception reports and providing notification to supervisors regarding time sheet approvals.

5. OMB Circular A-133 Subrecipient Audit Requirements

A. OAG Recommendation: We recommend that MSP improve its internal control to ensure that it complies with federal laws and regulations regarding subrecipient monitoring.

B. Agency Response: MSP entered into a memorandum of understanding with the Michigan Department of Education for it to provide administrative subrecipient monitoring services to MSP. The memorandum of understanding was effective October 1, 2011.

AUDIT RESPONSE SUMMARY

**Financial Audit
Including the Provisions of the Single Audit Act
Of the
Michigan Department of State Police
October 1, 2009 through September 30, 2011**

1. Citations the agency has complied with:

No. 1
No. 3
No. 5

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

No. 2 Original target date September 30, 2012. Procedure written.
Updated target date December 31, 2012 for implementation.
No. 4 Original target date September 30, 2012. Procedure written.
Updated target date December 31, 2012 for implementation.

3. Citations the agency disagrees with:

None