



STATE OF MICHIGAN
DEPARTMENT OF STATE POLICE
LANSING

RICK SNYDER
GOVERNOR

COL. KRISTE KIBBEY ETUE
DIRECTOR

March 14, 2013

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

Subject: 2012 Performance Audit –Office of Highway Safety Planning
Secondary Road Patrol and Traffic Accident Prevention Program
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 performance audit for the Office of Highway Safety Planning – Secondary Road Patrol and Traffic Accident Prevention Program of the Michigan State Police for the period October 1, 2009 through July 31, 2012.

Sincerely,

Signature Redacted

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
Mr. Michael Prince

H:\OAG\OHSP\Performance Audit 2012\Final plan cover letter

AUDIT RESPONSE SUMMARY

Performance Audit of the Office of Highway Safety Division of the Michigan Department of State Police For The Period 10/1/09 Through 7/31/12

1. Citations the agency has complied with:

No. 1

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

A. Will comply:

No. 2: Target date- April 15, 2013

B. Budget consideration:

No. 3: Statute does not provide funding.

3. Citations the agency disagrees with:

None

FINAL PLAN

**To The Performance Audit
Of The
Office of Highway Safety Planning
Secondary Road Patrol and Traffic Accident Prevention Program
Michigan Department of State Police**

For The Period 10/1/09 Through 7/31/12

Audit Finding:

1. Allocation Methodology

A. OAG Recommendation

We recommend that MSP pursue legislation to establish a methodology to allocate SRP funds to county sheriff departments.

B. Agency Response

While authority for amending the existing law continues to rest solely with the Legislature, OHSP requested guidance from the Attorney General's office for an interpretation of P.A. 416 to determine if OHSP has authority to make changes to the funding formula without legislative action. A response from the Attorney General's office stated "...there is no authority for the OHSP to alter the formula prescribed in section 77(4)." OHSP has also brought this issue to the attention of the Executive Director of the Michigan Sheriff's Association (MSA), who plays a central role with the legislature regarding any modifications to P.A. 416. The MSA continues to be opposed to any legislative changes to the funding formula in this statute. OHSP has also shared the audit findings with each county sheriff.

2. Monitoring

A. OAG Recommendation

We recommend that OHSP improve its monitoring of county sheriff departments receiving funds from SRP.

B. Agency Response

OHSP has modified the internal policy on documentation to require that a general ledger be submitted with each quarterly cost statement (payment request). This will allow for more effective review of grantees' expenses on an on-going basis. A letter was sent on December 13, 2012 to the sheriffs informing them of this change, which is effective with the first quarterly payment in fiscal year 2013. OHSP is also in the process of reviewing its internal monitoring policy to try to

improve efficiency of the monitoring process within the parameter of the limited funding that is available for administration of this program.

3. Impact and Cost Effectiveness Study

A. OAG Recommendation

We recommend that OHSP perform an impact and cost-effectiveness study of State, county, and local road patrol and traffic accident prevention efforts.

B. Agency Response

The agency agrees that a study is called for by the Act, however, there is not adequate funding in the SRP administration budget to fund a study.