



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

March 9, 2017

Rick Lowe, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, MI 48913

Dear Mr. Lowe,

In accordance with the State of Michigan, Financial Management Guide, Part VII, the following is our corrective action plan to address recommendations contained within the Office of the Auditor General's Financial Audit Including Report on Internal Control, Compliance, and Other Matters of the Emergency 9-1-1 Fund, Report Number 271-0265-16, for Fiscal years ended September 30, 2015 and September 30, 2014. The Emergency 9-1-1 Fund is administered by the Michigan Department of State Police and the Department of Treasury.

1. Audit recommendations the agency complied with:

Treasury needs to update its 9-1-1 database with revenue reported in MAIN

We recommend that Treasury establish internal control to ensure the accuracy of Fund revenue.

Agency Plan:

The Department of Treasury agrees that it is responsible to ensure the accuracy of fund revenue. Treasury will work to improve the internal controls over the fund.

During the monthly reconciliation process between MAIN and the 9-1-1 database, Treasury, Office of Revenue and Tax Analysis will communicate differences to Tax Processing for altering the database. Changes will be made to the database as long as they comply with Treasury policy. MAIN and the 9-1-1 database have been reconciled for October and November and the items to be updated have been communicated to Tax Processing. This monthly reconciliation process will continue as we move forward.

Also, regarding the ability to collect revenue, the Emergency 9-1-1 Service Enabling Act (Act 32 of 1986) does not fall under the Revenue Act (Act 122 of 1941). Treasury does not have the authority within the Revenue Act to enforce the fee or impose penalties. This limits the ability of collection efforts.

2. Audit recommendations the agency agrees with and will comply: None
3. Audit recommendations the agency disagrees with: None

Should you have any questions regarding the corrective action plan, please contact Suzie Nichols at 517-241-4650 or at NicholsS4@michigan.gov.

Sincerely,

Signature Redacted

Joseph L. Elelek, Chief Deputy State Treasurer

Cc: Dick Posthumus, Executive Office
Wendy Wisniewski, Executive Office
Doug Ringler, Office of the Auditor General
Rob VerHeulen, House Appropriations Sub-committee
Jim Stamas, Senate Appropriations Sub-committee
Lee Chatfield, House Standing Committee
Arlan Meekhof, Senate Standing Committee
Mary Ann Cleary, House Fiscal Agency
Ellen Jeffries, Senate Fiscal Agency
Nick Khouri, Treasury
Bruce Hanses, Treasury
Mike Williams, Office of Internal Audit Services
Suzie Nichols, Treasury