

Office of the Auditor General

Financial Audit Including Report on Internal Control, Compliance, and
Other Matters

Emergency 9-1-1 Fund

Michigan Department of State Police and Department of Treasury

Fiscal Years Ended September 30, 2016 and September 30, 2015

State of Michigan Auditor General
Doug A. Ringler, CPA, CIA

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

Article IV, Section 53 of the Michigan Constitution



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Office of the Auditor General

Report Summary

Financial Audit Including Report on Internal Control, Compliance, and Other Matters

Report Number:
271-0265-17

Emergency 9-1-1 Fund

Michigan Department of State Police and Department of Treasury

Released:
November 2017

Fiscal Years Ended September 30, 2016 and September 30, 2015

The Emergency 9-1-1 Fund was created in 1999 to provide funding to implement Public Act 32 of 1986, as amended, known as the Emergency 9-1-1 Service Enabling Act, and to implement the Federal Communications Commission's wireless emergency service order. The Act was subsequently amended to provide for the ongoing costs of operating, maintaining, and upgrading Michigan's 9-1-1 system. The Fund is administered by the Michigan Department of State Police and the Department of Treasury. The Act requires this financial audit.

Auditor's Report Issued

UNMODIFIED OPINION

MODIFIED OPINION

We issued an unmodified opinion on the Fund's financial schedules to reflect that they were fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Findings Related to Internal Control, Compliance, and Other Matters	Material Weakness	Significant Deficiency	Agency Preliminary Response
Treasury's 9-1-1 database did not provide an accurate record of collections from suppliers and retailers (remitters), limiting its ability to identify delinquent remitters (<u>Finding #1</u>).		X	Agrees

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Doug A. Ringler, CPA, CIA
Auditor General

November 16, 2017

Mr. Jeff Troyer, Chair
State 9-1-1 Committee
Kalamazoo County Consolidated Dispatch Authority
1903 W. Michigan Avenue
Kalamazoo, Michigan
and
Colonel Kriste Kibbey Etue, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Mr. Nick A. Khouri, State Treasurer
Richard H. Austin Building
Lansing, Michigan

Dear Mr. Troyer, Colonel Etue, and Mr. Khouri:

This is our financial audit report on the Emergency 9-1-1 Fund, Michigan Department of State Police and Department of Treasury, for the fiscal years ended September 30, 2016 and September 30, 2015. This financial audit is required by Public Act 32 of 1986, as amended.

Treasury provided the preliminary response to the recommendation at the end of our fieldwork. The *Michigan Compiled Laws* and administrative procedures require an audited agency to develop a plan to comply with the recommendations and to submit it within 60 days of the date above to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler
Auditor General

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INDEPENDENT AUDITOR'S REPORT AND FINANCIAL SCHEDULES



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Doug A. Ringler, CPA, CIA
Auditor General

Independent Auditor's Report on the Financial Schedules
and Other Reporting Required by *Government Auditing Standards*

Mr. Jeff Troyer, Chair
State 9-1-1 Committee
Kalamazoo County Consolidated Dispatch Authority
1903 W. Michigan Avenue
Kalamazoo, Michigan
and
Colonel Kriste Kibbey Etue, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Mr. Nick A. Khouri, State Treasurer
Richard H. Austin Building
Lansing, Michigan

Dear Mr. Troyer, Colonel Etue, and Mr. Khouri:

Report on the Financial Schedules

We have audited the accompanying financial schedules of the Emergency 9-1-1 Fund, Michigan Department of State Police and Department of Treasury, for the fiscal years ended September 30, 2016 and September 30, 2015 and the related notes to the financial schedules as listed in the table of contents.

Management's Responsibility for the Financial Schedules

Management is responsible for the preparation and fair presentation of these financial schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial schedules referred to in the first paragraph present fairly, in all material respects, the restricted financing sources and the sources and disposition of authorizations of the Emergency 9-1-1 Fund for the fiscal years ended September 30, 2016 and September 30, 2015 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial schedules present only the restricted financing sources and the sources and disposition of authorizations for the Emergency 9-1-1 Fund's accounts. Accordingly, these schedules do not purport to, and do not, constitute a complete financial presentation of either the Fund or the State's General Fund as of September 30, 2016 and September 30, 2015 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Sincerely,



Doug Ringler
Auditor General
October 18, 2017

EMERGENCY 9-1-1 FUND
Michigan Department of State Police and Department of Treasury
Schedule of Restricted Financing Sources
Fiscal Years Ended September 30

	2016	2015
FINANCING SOURCES		
Tax revenue (Note 2):		
9-1-1 service charges	\$ 29,051,262	\$ 28,081,543
Miscellaneous revenues:		
Common cash earnings - Nonoperating	40,388	12,704
Refund of prior year expenditure		40,488
Total revenues	\$ 29,091,650	\$ 28,134,735

The accompanying notes are an integral part of the financial schedules.

EMERGENCY 9-1-1 FUND
Michigan Department of State Police and Department of Treasury
Schedule of Sources and Disposition of Authorizations
Fiscal Years Ended September 30

	<u>2016</u>	<u>2015</u>
SOURCES OF AUTHORIZATIONS (Note 3)		
Balances carried forward	\$ 8,083,179	\$ 7,483,603
Restricted financing sources	<u>29,091,650</u>	<u>28,134,735</u>
 Total	 <u><u>\$ 37,174,829</u></u>	 <u><u>\$ 35,618,338</u></u>
 DISPOSITION OF AUTHORIZATIONS (Note 3)		
Expenditures:		
Local exchange providers	\$ 1,772,665	\$ 1,978,075
Counties - Equal distributions	9,584,617	9,269,678
Counties - Per capita distributions	14,377,623	13,904,583
Public safety answering points - Training	1,755,444	1,763,554
State Police administration of the regional dispatch center	610,126	187,034
State Police administration of the 9-1-1 office	1,108,262	305,862
Department of Treasury Emergency 9-1-1 administration		126,374
Total expenditures	<u>\$ 29,208,736</u>	<u>\$ 27,535,159</u>
Balances carried forward:		
Restricted revenues - Authorized (Note 3)		
Local exchange providers	\$ 5,302,506	\$ 4,809,495
Public safety answering points - Training	1,682,885	1,692,917
Restricted revenues - Not authorized or used (Note 3)		
State Police administration of the regional dispatch center	727,557	789,572
State Police administration of the 9-1-1 office	253,145	791,195
Total balances carried forward	<u>\$ 7,966,093</u>	<u>\$ 8,083,179</u>
 Total	 <u><u>\$ 37,174,829</u></u>	 <u><u>\$ 35,618,338</u></u>

The accompanying notes are an integral part of the financial schedules.

NOTES TO THE FINANCIAL SCHEDULES

Note 1

Significant Accounting Policies

a. Reporting Entity

The accompanying financial schedules report the results of the financial transactions of the Emergency 9-1-1 Fund, administered by the Michigan Department of State Police (MSP) and the Department of Treasury (Treasury), for the fiscal years ended September 30, 2016 and September 30, 2015. The financial transactions of the Fund are accounted for as a restricted subfund within the State's General Fund and are reported on in the *State of Michigan Comprehensive Annual Financial Report (SOMCAFR)*.

The notes accompanying these financial schedules relate directly to the Emergency 9-1-1 Fund. The *SOMCAFR* provides more extensive disclosures regarding the State's significant accounting policies; budgeting, budgetary control, and legal compliance; pension benefits; and other postemployment benefits.

The Fund was created in 1999 to provide funding to implement Public Act 32 of 1986, as amended, known as the Emergency 9-1-1 Service Enabling Act, and to implement the Federal Communications Commission's (FCC's) wireless emergency service order. The wireless emergency service order provides for enhanced 9-1-1 service to identify the location and telephone number of a mobile telephone caller. All Michigan counties have been in compliance with the FCC's wireless emergency service order since May 2008. The Act was subsequently amended to provide for the ongoing costs of operating, maintaining, and upgrading Michigan's 9-1-1 system*.

The Act established the Emergency 9-1-1 Service Committee within MSP to provide oversight, including developing Statewide standards, determining county and public safety answering point* (PSAP) eligibility for funding, notifying service suppliers* of 9-1-1 service charges*, recommending changes in 9-1-1 service charges and distribution percentages, and collecting and reporting data to the Legislature. In June 2008, the Emergency 9-1-1 Service Committee changed its name to the State 9-1-1 Committee. Treasury collects the 9-1-1 service charges and expends the funds as required in the Act. Public Act 260 of 2012 repeals the Act effective December 31, 2021.

* See glossary at end of report for definition.

b. Measurement Focus, Basis of Accounting, and Presentation

The financial schedules contained in this report are presented using the current financial resources measurement focus and the modified accrual basis of accounting, as provided by accounting principles generally accepted in the United States of America. Under the modified accrual basis of accounting, revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred; however, certain expenditures related to long-term obligations are recorded only when payment is due and payable.

The accompanying financial schedules present only the restricted financing sources and the sources and disposition of authorizations for the Emergency 9-1-1 Fund's accounts. Accordingly, these financial schedules do not purport to, and do not, constitute a complete financial presentation of either the Fund or the State's General Fund in conformity with accounting principles generally accepted in the United States of America.

Note 2

Schedule of Restricted Financing Sources

Public Act 32 of 1986, as amended, provides for 9-1-1 service charges to be collected by service suppliers and sellers* from service users* and prepaid consumers*, respectively, and remitted to the Emergency 9-1-1 Fund. The Act imposes 9-1-1 service charges on service users and prepaid consumers of all communication devices, which generally include local telephone, cellular telephone, wireless communication, and interconnected voice over Internet devices that can access emergency services by dialing 9-1-1.

The Act provides for a \$0.19 monthly 9-1-1 service charge on all communication devices, except prepaid wireless. These 9-1-1 service charges are collected from service users by service suppliers and remitted to the Emergency 9-1-1 Fund quarterly.

The Act was amended by Public Act 433 of 2012 to provide for a prepaid wireless 9-1-1 surcharge* of 1.92% per retail transaction*. The prepaid wireless 9-1-1 surcharges are collected from prepaid consumers by sellers and remitted to the Emergency 9-1-1 Fund monthly. Prior to January 2013, prepaid wireless surcharges were remitted using the same method as other communication devices.

* See glossary at end of report for definition.

Note 3

Schedule of Sources and Disposition of Authorizations

The various elements of the schedule of sources and disposition of authorizations are defined as follows:

- a. Balances carried forward: Authorizations for restricted revenues - authorized and restricted revenues - not authorized or used that were not spent as of the end of the prior fiscal year. These authorizations are available for expenditure in the current fiscal year for the purpose of the carry-forward without additional legislative authorization, except for the restricted revenues - not authorized or used.
- b. Restricted financing sources: Collections of restricted revenues used to finance programs as detailed in Public Act 32 of 1986, as amended. In general, these financing sources are authorized for expenditure up to the amount of revenue recorded. Any amounts not expended at year-end are carried forward to the next fiscal year as restricted revenues - authorized and restricted revenues - not authorized or used.
- c. Expenditures: Public Act 32 of 1986, as amended, provides for the revenue collected in the Emergency 9-1-1 Fund to be distributed to local exchange providers* (7.75%), counties on an equal basis (40% of 82.5%), counties on a per capita basis (60% of 82.5%), PSAPs (6.0%), MSP for a regional dispatch center (1.88%), MSP for administration and the 9-1-1 coordinator (1.87%), and Treasury for administration (\$150,000) through September 30, 2015:
 - (1) Local exchange providers: These expenditures are payments for reimbursement of costs related to wireless emergency service.
 - (2) Counties - Equal distributions: These expenditures are each county's share of the 9-1-1 service charges collected by Treasury and distributed on an equal basis to all counties that had a final 9-1-1 plan* in place. The counties then distribute the funds to the PSAPs within their service district to operate Michigan's 9-1-1 system.
 - (3) Counties - Per capita distributions: These expenditures are each county's share of the 9-1-1 service charges collected by Treasury and distributed based on the county populations to all counties that have a final 9-1-1 plan in place. The counties then distribute the funds to the PSAPs within their service district to operate Michigan's 9-1-1 system.

* See glossary at end of report for definition.

- (4) Public safety answering points - Training: These expenditures are payments to PSAPs for training personnel assigned to 9-1-1 centers. The submission of a request for funds and approval by the State 9-1-1 Committee are required before funds can be distributed to the PSAPs.
 - (5) State Police administration: These expenditures are costs incurred by MSP to administer the Act, maintain the office of the State 9-1-1 coordinator, and operate a regional dispatch center.
 - (6) Department of Treasury Emergency 9-1-1 administration: These expenditures are administrative costs incurred by Treasury as authorized by Public Act 113 of 2013 from revenues not distributed to local exchange providers through September 30, 2015.
- d. Restricted revenues - Authorized: Revenues that, by statute (Public Act 32 of 1986, as amended), are restricted and authorized for use to a particular program or activity. Generally, these revenues may be expended upon receipt without additional legislative authorization.
 - e. Restricted revenues - Not authorized or used: Revenues that, by statute (Public Act 32 of 1986, as amended), are restricted for use to a particular program or activity. Generally, the expenditure of the restricted revenues is subject to annual legislative appropriation.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE



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Doug A. Ringler, CPA, CIA
Auditor General

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Mr. Jeff Troyer, Chair
State 9-1-1 Committee
Kalamazoo County Consolidated Dispatch Authority
1903 W. Michigan Avenue
Kalamazoo, Michigan
and
Colonel Kriste Kibbey Etue, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Mr. Nick A. Khouri, State Treasurer
Richard H. Austin Building
Lansing, Michigan

Dear Mr. Troyer, Colonel Etue, and Mr. Khouri:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial schedules of the Emergency 9-1-1 Fund, Michigan Department of State Police and Department of Treasury, for the fiscal years ended September 30, 2016 and September 30, 2015 and the related notes to the financial schedules and have issued our report thereon dated October 18, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial schedules, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial schedules, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial schedules will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, as described in Finding #1, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial schedules are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Emergency 9-1-1 Fund's Response to Finding

The Fund's preliminary response to the finding identified in our audit is included in the body of our report. The Fund's response was not subjected to the auditing procedures applied in the audit of the financial schedules and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Doug Ringler
Auditor General
October 18, 2017

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FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

FINDING #1

Treasury needs to improve its 9-1-1 database to ensure the accuracy of remitter collection records.

The 9-1-1 database did not provide an accurate record of collections from suppliers and retailers (remitters*), limiting its ability to identify delinquent remitters.

Treasury is responsible for processing payments received from telecommunication suppliers (suppliers) and prepaid wireless telecommunication service sellers (retailers). Treasury records daily batch payments received in total in the Michigan Administrative Information Network* (MAIN). Detail from each remittance form, including the remitter, the amount due, and the amount paid, is recorded in the database, a subsidiary record for the Emergency 9-1-1 Fund.

Section 18.1485 of the *Michigan Compiled Laws* requires each department to establish and maintain an internal accounting and administrative control system using generally accepted accounting principles*, including recordkeeping procedures and internal control* techniques that are effective and efficient.

We noted:

- a. The database could not properly account for multiple remittances for a single amount due. This resulted in the overstatement of revenue due and received in the database.

We identified one remitter that made electronic funds transfer (EFT) payments of \$1,432 and \$2,000 to satisfy the August 2016 filing period surcharge due of \$3,432. The database recorded the total amount due and the total amount remitted of \$3,432 for each partial EFT payment received.

- b. The automated match function of the database was not effective, and the database did not allow for a manual match of EFT payments. Consequently, the database could not be relied upon to identify amounts due but not yet received.

EFT payments are typically made prior to the submission of the associated remittance form to Treasury. Upon receipt of both the payment and remittance form, the database performs an electronic "match" that creates the payment record. If the account number, filing period, or amount paid differs between the remittance form and the EFT, the database cannot perform the electronic match.

Since our prior audit, Treasury had developed various workarounds to reconcile the revenue collected between MAIN and the database; however, they still did not address Emergency 9-1-1 Fund revenues received but erroneously recorded as other revenue sources.

* See glossary at end of report for definition.

MSP's State 9-1-1 Office is responsible for ensuring that the suppliers and retailers are paying revenue and that those amounts are reasonable based on trend analyses performed. However, because the database was not complete and accurate, its use by MSP to identify and follow up with remitters who had not paid is limited.

RECOMMENDATION

We recommend that Treasury improve the database to ensure an accurate record of collections from remitters.

**AGENCY
PRELIMINARY
RESPONSE**

Treasury provided us with the following response:

Treasury agrees that improvements to the 9-1-1 database are necessary to ensure an accurate record of collections from remitters.

Treasury previously requested information technology (IT) hours to improve the database in 2015. At that time, the request was approved and the hours were utilized to make improvements to the database. In March of 2017, additional hours were requested to make further improvements to the database. The requested system improvements included changes necessary to ensure accurate record collections from remitters. However, due to budgetary and resource constraints, this request was denied. Treasury will continue to pursue IT resources and work to improve the database. Additionally, a manual work around has been put in place to help ensure an accurate record of collections from remitters is recorded.

**PRIOR AUDIT
FOLLOW-UP**

Following is the status of the reported finding from our October 2016 financial audit of the Emergency 9-1-1 Fund, Michigan Department of State Police and Department of Treasury (271-0265-16):

<u>Prior Audit Finding Number</u>	<u>Topic Area</u>	<u>Current Status</u>	<u>Current Finding Number</u>
1	Need to update 9-1-1 database with revenue reported in MAIN.	Rewritten	1

GLOSSARY OF ABBREVIATIONS AND TERMS

9-1-1 service charge	The charge that is required to be collected by a service supplier from a service user.
9-1-1 system	A system for providing a 9-1-1 service, which allows service users to reach a PSAP by dialing 9-1-1.
deficiency in internal control over financial reporting	The design or operation of a control that does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
EFT	electronic funds transfer.
FCC	Federal Communications Commission.
final 9-1-1 plan	A plan prepared by one or more counties for implementing a 9-1-1 system in a specified 9-1-1 service district with final modifications, if necessary, from the tentative 9-1-1 plan.
financial audit	An audit that is designed to provide reasonable assurance about whether the financial schedules of an audited entity are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.
generally accepted accounting principles	A technical accounting term that encompasses the conventions, rules, guidelines, and procedures necessary to define accepted accounting practice at a particular time; also cited as "accounting principles generally accepted in the United States of America."
internal control	A process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
local exchange provider	A provider of basic local exchange service, which means the provision of an access line and usage within a local calling area for the transmission of high quality two-way interactive switched voice or data communication.

material misstatement	A misstatement in the financial schedules that causes the schedules to not present fairly the financial position or the changes in financial position, and, where applicable, cash flows thereof, in accordance with the applicable financial reporting framework.
material weakness in internal control over financial reporting	A deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial schedules will not be prevented, or detected and corrected, on a timely basis.
Michigan Administrative Information Network (MAIN)	The State's automated administrative management system that supports accounting, purchasing, and other financial management activities.
modified opinion	A qualified opinion, an adverse opinion, or a disclaimer of opinion.
MSP	Michigan Department of State Police.
prepaid consumer	A person who purchases prepaid wireless telecommunications services in a retail transaction.
prepaid wireless 9-1-1 surcharge	The fee that is required to be collected by a seller from a prepaid consumer.
public safety answering point (PSAP)	A communications facility operated on a 24-hour basis assigned the responsibility by a public agency or county to receive 9-1-1 calls and to dispatch public safety response services.
remitter	A seller who remits a prepaid wireless 9-1-1 surcharge or a service supplier who remits a 9-1-1 service charge to the Department of Treasury.
retail transaction	The purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.
seller	A person who sells prepaid wireless telecommunications to another person.
service supplier	An individual, a corporation, a partnership, an association, a governmental entity, or any other legal entity providing a communications service to a service user in this State.

service user	An individual, a corporation, a partnership, an association, a governmental entity, or any other legal entity receiving a communications service (such as local telephone service or cellular telephone service).
significant deficiency in internal control over financial reporting	A deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
SOMCAFR	<i>State of Michigan Comprehensive Annual Financial Report.</i>
unmodified opinion	The opinion expressed by the auditor when the auditor, having obtained sufficient appropriate audit evidence, concludes that the financial schedules are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.



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