

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, 2021 and September 30, 2020

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.

The auditor general may make investigations pertinent to the conduct of audits.

Article IV, Section 53 of the Michigan Constitution



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Report Summary

*Financial Audit Including Report on Internal Control, Compliance, and Other Matters
Emergency 9-1-1 Fund
Michigan Department of State Police (MSP)
and Department of Treasury (Treasury)
Fiscal Years Ended September 30, 2021 and
September 30, 2020*

Report Number:
271-0265-22

Released:
November 2022

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 MSP and 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 MSP's ability to identify delinquent remitters (Finding 1).		X	Agrees

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Doug A. Ringler, CPA, CIA
Auditor General

November 18, 2022

Mr. Jeff Troyer, Chair
State 9-1-1 Committee
Kalamazoo County Consolidated Dispatch Authority
7040 Stadium Drive
Kalamazoo, Michigan

Ms. Rachael Eubanks, State Treasurer
Richard H. Austin Building
Lansing, Michigan

Colonel Joseph Gasper, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Mr. Dan Scripps, Chair
Michigan Public Service Commission
P.O. Box 30221
Lansing, Michigan

Dear Mr. Troyer, Colonel Gasper, Ms. Eubanks, and Mr. Scripps:

This is our report on the financial audit including the report on internal control, compliance, and other matters of the Emergency 9-1-1 Fund, Michigan Department of State Police and Department of Treasury, for the fiscal years ended September 30, 2021 and September 30, 2020. 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 to the State Budget Office upon completion of an audit. Within 30 days of receipt, the Office of Internal Audit Services, State Budget Office, 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,

Doug Ringler
Auditor General

TABLE OF CONTENTS

EMERGENCY 9-1-1 FUND

	<u>Page</u>
Report Summary	1
Report Letter	3
Independent Auditor's Report on the Financial Schedules and Other Reporting Required by <i>Government Auditing Standards</i>	8
Emergency 9-1-1 Fund Financial Schedules	
Schedule of Restricted Financing Sources	12
Schedule of Sources and Disposition of Authorizations	13
Notes to the Financial Schedules	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	20
Findings, Recommendations, and Agency Preliminary Responses	
1. Treasury needs to improve its 9-1-1 database to ensure the accuracy of remitter collection records.	24
Prior Audit Follow-Up	26
Glossary of Abbreviations and Terms	27

INDEPENDENT AUDITOR'S REPORT



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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
7040 Stadium Drive
Kalamazoo, Michigan

Ms. Rachael Eubanks, State Treasurer
Richard H. Austin Building
Lansing, Michigan

Colonel Joseph Gasper, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Mr. Dan Scripps, Chair
Michigan Public Service Commission
P.O. Box 30221
Lansing, Michigan

Dear Mr. Troyer, Colonel Gasper, Ms. Eubanks, and Mr. Scripps:

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, 2021 and September 30, 2020 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, 2021 and September 30, 2020 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, present a complete financial presentation of either the Fund or the State's General Fund as of September 30, 2021 and September 30, 2020 in accordance 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 17, 2022 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 solely 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 the effectiveness of the Fund's 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 17, 2022

EMERGENCY 9-1-1 FUND FINANCIAL SCHEDULES

EMERGENCY 9-1-1 FUND
Michigan Department of State Police
Department of Treasury

Schedule of Restricted Financing Sources
Fiscal Years Ended September 30

	<u>2021</u>	<u>2020</u>
FINANCING SOURCES		
Tax revenue (Note 2):		
9-1-1 service charges	\$42,973,597	\$42,805,672
Miscellaneous revenues:		
Common cash earnings - Nonoperating	35,961	256,790
Refund of prior year expenditure	<u>533</u>	<u>21,385</u>
Total revenues	<u><u>\$43,010,091</u></u>	<u><u>\$43,083,848</u></u>

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

EMERGENCY 9-1-1 FUND
Michigan Department of State Police
Department of Treasury

Schedule of Sources and Disposition of Authorizations
Fiscal Years Ended September 30

	2021	2020
SOURCES OF AUTHORIZATIONS (Note 3)		
Balances carried forward	\$25,621,329	\$17,250,517
Restricted financing sources	43,010,091	43,083,848
 Total	 \$68,631,420	 \$60,334,365
 DISPOSITION OF AUTHORIZATIONS (Note 3)		
Expenditures:		
Local exchange providers	\$12,683,859	\$ 7,872,486
Counties - Equal distributions	9,620,341	9,520,583
Counties - Per capita distributions	14,430,863	14,282,211
Public safety answering points - Training	2,022,545	2,161,144
Administration of the 9-1-1 office	963,326	661,533
Regional dispatch center support	171,200	215,079
Total expenditures	\$39,892,134	\$34,713,035
Balances carried forward:		
Restricted revenues - Authorized (Note 3):		
Local exchange providers	\$24,661,523	\$21,873,359
Public safety answering points - Training	1,918,222	1,903,807
Restricted revenues - Not authorized or used (Note 3):		
Administration of the 9-1-1 office	607,873	677,522
Regional dispatch center support	1,551,668	1,166,641
Total balances carried forward	\$28,739,286	\$25,621,329
 Total	 \$68,631,420	 \$60,334,365

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, 2021 and September 30, 2020. 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 Annual Comprehensive Financial Report (SOMACFR)*.

The notes accompanying these financial schedules relate directly to the Emergency 9-1-1 Fund. The *SOMACFR* 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. While Public Act 260 of 2012 repealed the Act effective December 31, 2021, Public Act 51 of 2018 extended the Fund through December 31, 2027.

* 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 \$0.25 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*. The Act was further amended by Public Act 51 of 2018 and provides for a prepaid wireless 9-1-1 surcharge of 5.0% 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 9-1-1 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 51 of 2018, as amended, provides for the revenue collected in the Emergency 9-1-1 Fund to be distributed to local exchange providers* (25.56%), counties on an equal basis (40% of 65%), counties on a per capita basis (60% of 65%), PSAPs (5.5%), MSP for a regional dispatch center (1.5%), and MSP for administration and the 9-1-1 coordinator (2.44%):
 - (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.
 - (4) Public safety answering points - Training: These expenditures are payments to PSAPs for training

* See glossary at end of report for definition.

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) 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.
- 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.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE



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

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Colonel Joseph Gasper, Director
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Dimondale, Michigan

Mr. Dan Scripps, Chair
Michigan Public Service Commission
P.O. Box 30221
Lansing, Michigan

Dear Mr. Troyer, Colonel Gasper, Ms. Eubanks, and Mr. Scripps:

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, 2021 and September 30, 2020 and the related notes to the financial schedules and have issued our report thereon dated October 17, 2022.

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) as a basis for designing 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 have not been 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 financial schedules. 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*.

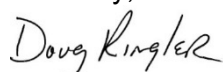
Emergency 9-1-1 Fund's Response to Finding

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 17, 2022

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.

Treasury's 9-1-1 database did not provide an accurate record of collections from suppliers and retailers (remitters*), which limited MSP's ability to identify delinquent remitters.

Treasury is responsible for processing payments received from telecommunication suppliers (suppliers) and prepaid wireless telecommunication service sellers (retailers). Treasury recorded daily batch payments received in total in the Statewide Integrated Governmental Management Applications* (SIGMA). Detail from each remittance form, including the remitter, the amount due, and the amount paid, was recorded in the database, a subsidiary record for the Emergency 9-1-1 Fund (Fund).

MSP's State 9-1-1 Office is responsible for ensuring the suppliers and retailers are paying revenue and amounts paid are reasonable based on trend analyses performed. MSP needs a complete and accurate database to identify and follow up with remitters who have not paid.

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 the automated match function of the database was not effective, and the database did not consistently allow for manual matches of electronic funds transfer (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. Treasury processes remittance forms in batches of 25 remittals or less. 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. When the electronic match function identifies errors, Treasury informed us it deletes the applicable remittal(s) from the batch and reenters it in a new batch to correct the error. Treasury then attempts a manual match, which will only succeed when information on the remittance record and the EFT corresponds exactly. If the information does not correspond exactly, Treasury will add a comment in the database and notify the remitter to make the appropriate correction. Unmatched EFT payments remain in a pended state in the 9-1-1 database regardless of whether the payment has been properly recorded in SIGMA. Also, the database cannot perform an electronic match when the payment is made in the form of a check.

Treasury corrected a significant deficiency noted in the fiscal years 2016 and 2017 audit finding related to its inability to ensure

* See glossary at end of report for definition.

the accuracy of remittances recorded in the database. We identified only one Treasury data entry error in the database for an insignificant amount during our review of fiscal years 2018 and 2019 database records. We identified no data entry errors during the current audit.

RECOMMENDATION

We again recommend that Treasury improve its 9-1-1 database to ensure an accurate record of collections and remitters.

**AGENCY
PRELIMINARY
RESPONSE**

Treasury provided us with the following response:

The Department of Treasury agrees that improvements to or a replacement of the 9-1-1 database is necessary to ensure an accurate database record of collections from remitters.

Treasury was able to obtain IT resources in 2019 to pursue limited changes to the 9-1-1 database. The programmatic changes corrected some erroneous entries in the database.

Requests for funding and resources to make additional improvements to the 9-1-1 database were submitted. However, due to IT budgetary and resource constraints those requests were previously not approved. Subsequently, Treasury has continued to pursue IT resources and has received approval to replace the current 9-1-1 database. The planned start date of this replacement project is summer of 2023.

**PRIOR AUDIT
FOLLOW-UP**

Following is the status of the reported finding from our October 2021 financial audit of the Emergency 9-1-1 Fund, Michigan Department of State Police and Department of Treasury (271-0265-20):

<u>Prior Audit Finding Number</u>	<u>Topic Area</u>	<u>Current Status</u>	<u>Current Finding Number</u>
1	Need to improve 9-1-1 database to ensure accuracy of collection records.	Repeated*	1

* See glossary at end of report for definition.

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 (GAAP)	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.
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 service supplier who remits a 9-1-1 service charge to the Department of Treasury.
repeated	The wording of the current recommendation remains essentially the same as the prior audit recommendation.
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 telecommunication services to another person.
service supplier	An individual, a corporation, a partnership, an association, a governmental entity, or any other legal entity providing a communication 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

communication 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.

SOMACFR

State of Michigan Annual Comprehensive Financial Report.

Statewide Integrated Governmental Management Applications (SIGMA)

The State's enterprise resource planning business process and software implementation that support budgeting, accounting, purchasing, human resource management, and other financial management activities.

Treasury

Department of Treasury.

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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