

Office of the Auditor General

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

Michigan Justice Training Fund

Michigan Commission on Law Enforcement Standards
Michigan Department of State Police

Fiscal Years Ended September 30, 2024 and September 30, 2023

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.

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



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Report Summary

*Financial Audit Including Report on Internal
Control, Compliance, and Other Matters
Michigan Justice Training Fund (MJTF)
Michigan Commission on Law Enforcement
Standards*

Report Number:
551-0101-25

*Michigan Department of State Police
Fiscal Years Ended September 30, 2024
and September 30, 2023*

Released:
July 2025

MJTF was created within the State's General Fund to provide funds for training law enforcement officials and others in the criminal justice community. We conducted this financial audit in accordance with Section 18.429 of the *Michigan Compiled Laws*.

Auditor's Report Issued

UNMODIFIED OPINION ☒

MODIFIED OPINION ☐

We issued an unmodified opinion on the MJTF financial schedule to reflect that it was fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Report on Internal Control, Compliance, and Other Matters

This report does not include any findings.

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Doug A. Ringler, CPA, CIA
Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

July 24, 2025

Kimberly Koster, Chair
Michigan Commission on Law Enforcement Standards
927 Centennial Way
Lansing, Michigan
and
Colonel James F. Grady II, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Chair Koster and Colonel Grady:

This is our report on the financial audit including the report on internal control, compliance, and other matters of the Michigan Justice Training Fund, Michigan Commission on Law Enforcement Standards, Michigan Department of State Police, for the fiscal years ended September 30, 2024 and September 30, 2023. We conducted this financial audit in accordance with Section 18.429 of the *Michigan Compiled Laws*.

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

Sincerely,

Doug Ringler
Auditor General

TABLE OF CONTENTS

MICHIGAN JUSTICE TRAINING FUND

	<u>Page</u>
Report Summary	1
Report Letter	3
Independent Auditor's Report on the Financial Schedule and Other Reporting Required by <i>Government Auditing Standards</i>	8
Michigan Justice Training Fund Financial Schedule	
Schedule of Sources and Uses of the Michigan Justice Training Fund	12
Notes to the Financial Schedule	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	16
Prior Audit Follow-Up	18
Glossary of Abbreviations and Terms	19

INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL SCHEDULE AND
OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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Doug A. Ringler, CPA, CIA
Auditor General

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

Kimberly Koster, Chair
Michigan Commission on Law Enforcement Standards
927 Centennial Way
Lansing, Michigan
and
Colonel James F. Grady II, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

Report on the Audit of the Financial Schedule

Opinion

We have audited the financial schedule of the Michigan Justice Training Fund (Fund), Michigan Commission on Law Enforcement Standards, Michigan Department of State Police, for the fiscal years ended September 30, 2024 and September 30, 2023 and the related notes to the financial schedule as listed in the table of contents.

In our opinion, the accompanying financial schedule referred to above presents fairly, in all material respects, the sources and uses of the Michigan Justice Training Fund for the fiscal years ended September 30, 2024 and September 30, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Schedule section of our report. We are required to be independent of the State of Michigan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the financial schedule presents only the sources and uses of the Fund. Accordingly, this schedule does not purport to, and does not, present a complete financial presentation of the Michigan Commission on Law Enforcement Standards or the State's General Fund as of September 30, 2024 and September 30, 2023 in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Schedule

Management is responsible for the preparation and fair presentation of the financial schedule in accordance with accounting principles generally accepted in the United States of America, and

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Schedule

Our objectives are to obtain reasonable assurance about whether the financial schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial schedule.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025 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.



Doug Ringler
Auditor General
June 25, 2025

MICHIGAN JUSTICE TRAINING FUND FINANCIAL SCHEDULE

MICHIGAN JUSTICE TRAINING FUND
Michigan Commission on Law Enforcement Standards
Michigan Department of State Police

Schedule of Sources and Uses of the Michigan Justice Training Fund
Fiscal Years Ended September 30

	<u>2024</u>	<u>2023</u>
SOURCES		
Carried forward balances from prior year	\$ 9,583,993	\$ 6,202,095
Revenues:		
Court fines, fees, and assessments (Note 2)	9,734,993	9,505,790
Other miscellaneous revenue	644,560	405,914
Total sources	<u>\$ 19,963,546</u>	<u>\$ 16,113,799</u>
 USES		
Distributions and grant expenditures (Note 3):		
Law enforcement distributions	\$ 6,220,312	\$ 5,868,652
Competitive grant expenditures	573,785	593,354
Administrative expenditures	-	67,800
Total uses	<u>\$ 6,794,097</u>	<u>\$ 6,529,806</u>
 Balances carried forward:		
Restricted revenues - Not authorized or used (Note 4)	\$ 13,169,449	\$ 9,583,993

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

NOTES TO THE FINANCIAL SCHEDULE

Note 1

Significant Accounting Policies

a. Reporting Entity

The accompanying financial schedule reports the sources and uses of the Michigan Justice Training Fund (MJTF), Michigan Commission on Law Enforcement Standards (MCOLES), Michigan Department of State Police (MSP), for the fiscal years ended September 30, 2024 and September 30, 2023. The financial transactions of MJTF are accounted for in the State's General Fund as a restricted subfund and are reported on in the *State of Michigan Annual Comprehensive Financial Report (SOMACFR)*.

These notes relate directly to the financial schedule. 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.

b. Measurement Focus, Basis of Accounting, and Presentation

The financial schedule contained in this report is 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.

The financial schedule presents only the sources and uses for MJTF's accounts. Accordingly, the financial schedule does not purport to, and does not, constitute a complete financial presentation of either MCOLES or the State's General Fund in accordance with accounting principles generally accepted in the United States of America.

Note 2

Court Fines, Fees, and Assessments

MJTF receives distributions from the Justice System Fund, based on fines, fees, and assessments collected by the Michigan courts, as outlined in Section 600.181 of the *Michigan Compiled Laws*. Public Act 189 of 2022 amended Section 600.181(3)(a) of the *Michigan Compiled Laws* to redirect the first \$10.00 per civil infraction assessment from the Secondary Road Patrol and Training Fund to MJTF, resulting in a significant increase in MJTF revenues beginning in fiscal year 2023. MJTF revenues are authorized for expenditure up to the amount appropriated.

Note 3Expenditures

Section 18.423 of the *Michigan Compiled Laws* provides for the distribution of MJTF. Semiannually, MCOLES distributes on a per capita basis 60% of MJTF revenues, plus amounts returned from prior year distributions, to law enforcement agencies for in-service criminal justice training of their law enforcement officers. Also, annually, MCOLES calculates competitive grant awards for the remaining MJTF revenues, less administrative costs, plus amounts recovered from disallowed prior year competitive grant award expenditures and relinquished prior year competitive grant award obligations. MCOLES distributes competitive grant awards on a reimbursement basis to State and local agencies providing in-service criminal justice training programs for employees of criminal justice entities. Solicitations for grant applications are typically made available in March. Pursuant to Section 18.422 of the *Michigan Compiled Laws*, this funding will be carried forward and distributed in the future competitive grant cycles. MSP and the other State agencies record revenues received from MJTF and related expenditures in their department General Fund accounts. Funding of the administrative costs for fiscal year 2024 and fiscal year 2023 was provided by Section 333.27603 of the *Michigan Compiled Laws* to enhance funding availability for future competitive grant awards.

Note 4Balances Carried Forward: Restricted Revenues - Not Authorized or Used

These are unspent MJTF revenues that, by statute, are restricted to MJTF programs. These balances are subject to legislative appropriation before they can be expended in future years. The components of the carry-forward include unobligated current year revenue, undistributed competitive grant award obligations, amounts recovered from disallowed prior year competitive grant award expenditures, and relinquished prior year competitive grant award obligations.

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND
OTHER MATTERS



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

Kimberly Koster, Chair
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927 Centennial Way
Lansing, Michigan
and
Colonel James F. Grady II, Director
Michigan Department of State Police
7150 Harris Drive
Dimondale, Michigan

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 schedule of the Michigan Justice Training Fund (Fund), Michigan Commission on Law Enforcement Standards, Michigan Department of State Police, for the fiscal year ended September 30, 2024 and the related notes to the financial schedule and have issued our report thereon dated June 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial schedule, 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 schedule, 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 schedule 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial schedule is 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 schedule. 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*.

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.



Doug Ringler
Auditor General
June 25, 2025

PRIOR AUDIT FOLLOW-UP

Below is the status of the reported finding from our September 2023 financial audit including report on internal control, compliance, and other matters of the Michigan Justice Training Fund, Michigan Commission on Law Enforcement Standards, Michigan Department of State Police (551-0101-23):

Prior Audit Finding Number	Topic Area	Current Status	Current Finding Number
1	Improvements needed to ensure completeness of year-end revenue accruals.	Complied	Not applicable

GLOSSARY OF ABBREVIATIONS AND TERMS

competitive grants	The distribution of 40% of the Michigan Justice Training Fund, less administrative costs, to State and local agencies providing in-service criminal justice training programs based on a review of submitted applications.
criminal justice entities	The entities involved in the criminal justice process, including law enforcement agencies, prosecutors, criminal defense counsel, courts, and correctional entities.
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.
financial audit	An audit 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.
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.
law enforcement distribution	The distribution of 60% of the Michigan Justice Training Fund, made semiannually, on a per full-time equated basis to eligible entities based on the number of full-time equated law enforcement officers employed by the eligible entities.
material misstatement	A misstatement in the financial schedules causing 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 a reasonable possibility exists a material misstatement of the financial schedules will not be prevented, or detected and corrected, on a timely basis.
MCOLES	Michigan Commission on Law Enforcement Standards.

Michigan Justice Training Fund (MJTF)	A fund created within the State's General Fund used to provide funds for training law enforcement officials and others in the criminal justice community.
modified opinion	A qualified opinion, an adverse opinion, or a disclaimer of opinion.
MSP	Michigan Department of State Police.
significant deficiency in internal control over financial reporting	A deficiency, or a combination of deficiencies, in internal control less severe than a material weakness, yet important enough to merit attention by those charged with governance.
SOMACFR	<i>State of Michigan Annual Comprehensive Financial Report.</i>
unmodified opinion	The opinion expressed by the auditor when the auditor, having obtained sufficient appropriate audit evidence, concludes the financial schedules are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.



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