



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING



May 10, 2010

Doug Ringler, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, following is a summary table identifying our response and corrective action plan to address the recommendation contained within the Office of the Auditor General's Financial Audit of the State Building Authority (A Blended Component Unit of the State of Michigan).

Questions regarding the summary table or the corrective action plan should be directed to me at (517) 335-1557.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director
Financial Services

Attachments

- c: Mitch Bean, House Fiscal Agency
- Bob Burns, DTMB Government Affairs
- Representative George Cushingberry, Chair, House Appropriations
- Laura Hirst, Office of the Auditor General
- Senator Ron Jélinek, Chair, Senate Appropriations
- Nathaniel Lake, Jr., Executive Office
- Rick Lowe, OIAS/GSD
- Phyllis Mellon, Senior Chief Deputy Director, DTMB
- Gary Olson, Senate Fiscal Agency
- Debbie Roberts, SBA

State Building Authority
Summary of Agency Response to Recommendation
Audit Period: 10/1/08 – 9/30/09

1. Audit recommendation the agency complied with:
#1

2. Audit recommendations the agency agrees with and will comply:
Not Applicable

3. Audit recommendations the agency disagrees with:
Not Applicable

State Building Authority Financial Audit
Corrective Action Plan
May 10, 2010

Recommendation #1: Leases Receivable

We recommend that the Authority improve its internal control over financial reporting to ensure the accurate calculation and reporting of leases receivable.

Agency Response: State Building Authority changed its methodology for calculating leases receivable to ensure that the receivable is calculated in accordance with FASB Statement No. 13 prior to the release of the audit on January 29, 2010. The change in calculating and reporting of leases receivable will be reviewed in the 2010 closing process.