



March 16, 2012

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

Dear Director Ringer:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary table that identifies our response and corrective action plan addressing recommendations contained within the Office of the Auditor General's report on the Provision of the Single Audit Act as applicable to the Michigan Strategic Fund (October 1, 2008 through September 30, 2010).

For your convenience, I have attached an e-mail from your office dated October 20, 2011 which approved our response for corrective action.

Questions regarding the summary table or corrective action plans should be directed to me at 517.241.0524, or modij1@michigan.org.

Sincerely,

Signature Redacted

Juzer Modi, Director
Office of Financial Services

cc: Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

**Michigan Strategic Fund
Findings Related to Federal Awards
Agency response to recommendations**

1. Community Development Block Grant – State Administered Small Cities Program Cluster, *CDFA* 14.228 and 14.255

Auditors recommend that MSF improve its internal control over the Community Development Block Grant – State Administered Small Cities Program cluster to ensure its compliance with federal laws and regulations regarding reporting.

Agency Preliminary Response

MSF agrees with the finding and recommendation and has complied.

MSF has developed necessary ad hoc reports from the internal database to verify accuracy and reconcile data with reports submitted to U. S. Department of Housing and Urban Development (HUD).

MSF has also established a process to ensure that quarterly American Recovery and Reinvestment Act (ARRA) reports are in line with MSF accounting records and are prepared in compliance with federal laws and regulation regarding ARRA.

2. Community Development Block Grant – State Administered Small Cities Program Cluster, *CDFA* 14.228 and 14.255

Auditors recommend that MSF establish effective access controls over the CDBG Small Cities Database.

Agency Preliminary Response

MSF agrees with the finding and recommendation and has complied.

MSF has policies and procedures for stricter implementation to prevent unauthorized access to the Small Cities Database.

Michigan Strategic Fund
Audit Report on Provision of the Single Audit Act
Summary of Agency Responses to Recommendations
October 1, 2008 through September 30, 2010

1. Audit recommendations the agency complied with:

1 and 2

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

3. Audit recommendations the agency disagrees with: Not Applicable

Juzer Modi

From: SBO-Office-of-Internal-Audit [SBO-Office-of-Internal-Audit@michigan.gov]
Sent: Thursday, October 20, 2011 3:54 PM
To: Juzer Modi
Cc: Streb, Sandy (DTMB)
Subject: Final Distribution Notice - Response to OAG's Single Audit of MSF (271-0400-11)

Office of Internal Audit Services (OIAS) staff has reviewed your preliminary plan to address the recommendations in the OAG's Financial Audit, including Provisions of the Single Audit Act, for the Michigan Strategic Fund (#271-0400-11) and has determined that no follow-up actions are necessary.

At this time, in accordance with Part VII, Chapter 4, Section 100 of the Financial Management Guide, please submit the final summary table and plan to address the recommendations to SBO-Office-of-Internal-Audit@michigan.gov with electronic or hardcopy versions also submitted to:

Executive Office
Office of the Auditor General
Relevant House and Senate Appropriation Sub-committees
Relevant House and Senate Standing Committees
House and Senate Fiscal Agencies
Staff within the audited agency or department, as necessary.

If you have any questions concerning the distribution of your final plan, please contact Sherri Washabaugh 517-241-7553 or via email at washabaughs@michigan.gov.