



Michigan  
Office of the Auditor General  
**REPORT SUMMARY**

*Management Letter*

*Michigan Public School Employees' Retirement System*

*October 1, 2008 through September 30, 2010*

Report Number:  
071-0152-11M

Released:  
March 2011

*The management letter is used to report significant deficiencies in internal control over financial reporting and other matters that come to the auditor's attention during the completion of the financial audit conducted in accordance with generally accepted government auditing standards. This management letter is being issued in conjunction with our financial audit of the Michigan Public School Employees' Retirement System (MPERS).*

**Financial Statements:**

**Auditor's Report Issued**

We have audited MPERS's financial statements as of and for the fiscal years ended September 30, 2010 and September 30, 2009 and have issued a separate report thereon dated December 30, 2010. We issued an unqualified opinion on MPERS's financial statements.

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**Internal Control Over Financial Reporting**

We identified a significant deficiency in internal control over financial reporting (Finding 1). We do not consider this significant deficiency to be a material weakness.

The Office of Retirement Services (ORS) and Financial Services, within the Department of Technology, Management & Budget (DTMB), did not have sufficient controls to ensure that they properly classified MPERS's financial activity (Finding 1).

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**Noncompliance and Other Matters Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*.

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**Agency Response:**

Our management letter includes 1 finding and 1 corresponding recommendation. DTMB's preliminary response indicates that ORS and Financial Services agree with the recommendation.

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**Background:**

MPERS is a cost-sharing, multiple-employer, Statewide, defined benefit public employee retirement plan governed by the State and operating under the provisions of Act 300, P.A. 1980, as amended. MPERS's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In

addition, MPSERS's health plan provides all retirees with the option of receiving health, dental, and vision coverage under the Michigan Public School Employees' Retirement Act. There are 724 participating employers. By statute, employees of K-12 public school districts, public school academies, district libraries, tax-supported community colleges, and seven universities may be members.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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