



Michigan
Office of the Auditor General
REPORT SUMMARY

Management Letter

Report Number:
071-0154-11M

Michigan State Police Retirement System

October 1, 2008 through September 30, 2010

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 State Police Retirement System (MSPRS).

Financial Statements:

Auditor's Report Issued

We have audited MSPRS'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 MSPRS's financial statements.

~ ~ ~ ~ ~

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 MSPRS's financial activity (Finding 1).

~ ~ ~ ~ ~

**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*.

~ ~ ~ ~ ~

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.

~ ~ ~ ~ ~

Background:

MSPRS is a single-employer, Statewide, defined benefit public employee retirement plan governed by the State and operates under Act 182, P.A. 1986. MSPRS's pension plan was established by the State to provide retirement, survivor, and disability benefits to Michigan State Police. In addition, MSPRS's other postemployment benefits (OPEB) plan provides all retirees with the option of receiving health, dental, and vision coverage under the State Police Retirement Act.

~ ~ ~ ~ ~

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>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General