



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

November 7, 2013

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

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII and Article VIII, Section 229 of P.A. 200 of 2012, attached is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Michigan Department of State, International Registration Plan Audit Section, covering the period January 1, 2009 through May 31, 2012.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 335-0218.

Sincerely,

Signature Redacted

Steve Stier, Director
Bureau of Information Security
Department Services Administration

Enclosures

cc: Honorable Rick Snyder, Executive Office
Thomas H. McTavish, CPA, Auditor General
John Nixon, State Budget Director
Michael Senyko, MDOS Chief of Staff
Rose Jarois, Director, MDOS Department Services Administration
Joe Haveman, Chair, House Appropriations
Roger Kahn, Chair, Senate Appropriations
Mary Ann Cleary, Director, House Fiscal Agency
Ellen Jeffries, Director, Senate Fiscal Agency

**Michigan Department of State
Performance Audit of the International Registration Plan Audit Section
Summary of Agency Responses to Recommendations
January 1, 2009 through May 31, 2012**

1. Audit Recommendations the agency complied with:
Recommendation Numbers 1, 2, 3

2. Audit Recommendations the agency agrees with and will comply:
 - a. Will comply:
Recommendation Number 4
 - b. Will partially comply:
None

3. Audit Recommendations the agency disagrees with:
None

**Michigan Department of State
Performance Audit of the International Registration Plan Audit Section
Final Responses
August 2013**

RECOMMENDATION #1

We recommend that the IRP Audit Section select IRP registrants for audit in accordance with IRP audit guidelines.

ANTICIPATED ACTION: Complied With

DESCRIPTION OF ANTICIPATED ACTION: The Department agrees to select IRP registrants for audit in accordance with IRP Inc. requirements. The Department has implemented a supervisory review of the random sample process to ensure ongoing compliance.

Anticipated Compliance Date: Not applicable.

RECOMMENDATION #2

We recommend that the IRP Audit Section develop clearly defined policies and procedures for selecting registrants for audit.

ANTICIPATED ACTION: Complied With

DESCRIPTION OF ANTICIPATED ACTION: The Department revised our internal operating procedures for selecting registrants for audit to include further guidance related to prior audit coverage, out-of-business companies, and periods to be covered.

Anticipated Compliance Date: Not applicable.

RECOMMENDATION #3

We again recommend that the IRP Audit Section establish adequate procedures to help ensure the timely issuance of IRP audit reports to IRP registrants.

ANTICIPATED ACTION: Complied With

DESCRIPTION OF ANTICIPATED ACTION: The Department again revised its internal operating procedures focused at timeliness and defined a timeline for audit staff to follow related to our expected efficiency.

Anticipated Compliance Date: Not applicable.

RECOMMENDATION #4

We recommend that the IRP Audit Section access the opportunity to increase audit efficiencies by further utilizing the IRP vehicle registration system or other automated information systems.

ANTICIPATED ACTION: Will Comply

DESCRIPTION OF ANTICIPATED ACTION: The Department agrees to continue to assess opportunities to increase audit efficiencies by better utilizing the new software (and other automated information systems for audit file retention). The Department obtained a quote from our contractor to enhance our audit-related capabilities with this new system and is working with DTMB on issuing a purchase order.

Anticipated Compliance Date: May 2014