



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

June 6, 2013

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

Dear Director:

In accordance with the State of Michigan, Financial Management Guide, Part VII, the following is a revised summary table identifying our response and corrective action plan to address the recommendations contained within the Office of the Auditor General's financial audit reports of the Michigan Education Trust Plan B and C and Michigan Education Trust Plan D.

MET agrees with the audit finding in both reports. MET staff is working in consultation with the software vendor Intuition to establish an access rights process to ensure segregation of duties over administration of MET tuition benefits distributions. The time and cost estimate that will be charged by the vendor to update the program to include user segregation of duties was approved on January 29, 2013. MET user access changes (on PRIMA) to process contract payments, addition of college credits and refund payments are included in the software updates.

We will modify two procedures. Revision to the *MET Contract, Reapply a Payment* procedure will include managerial approval of the report that identified reapplied payments. Revision to the *MET Contract, Reapply Suspense Payments to Contract* procedure will implement a quality assurance function that would periodically review transactions / activities performed and ensure that procedures were being followed. The estimated date of full compliance is June 2013.

Questions regarding the summary table or corrective action plan should be directed to Ms. Robin Lott, MET Executive Director, at [lottr@michigan.gov](mailto:lottr@michigan.gov).

Michigan Education Trust  
Department of Treasury  
Summary of Agency Responses to Recommendations  
Audit Period October 2010 through September 30, 2012

1. Audit recommendations the agency complied with: ***Not applicable***
2. Audit recommendations the agency agrees with and will comply: ***Finding 1, both reports***
3. Audit recommendations the agency disagrees with: ***Not applicable***

Sincerely,

Signature Redacted

*Robin R. Lott*  
*Executive Director*  
*Michigan Education Trust*