MICHIGAN STRATEGIC FUND

300 N Washington Sq.
Lansing, MI 48913

February 3, 2014

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

Dear Mr. Ringler,

In accordance with the State of Michigan, Financial Management Guide, Part VII, following is a final summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's 2013 Performance Audit Report of the 21st Century Jobs Trust Fund Programs issued in September 2013.

Questions regarding the summary table of corrective action plans should be directed to:

Marna Wilson
Audit Manager
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, MI 48913
Office: (517) 335-5895
wilsonm11@michigan.org

Sincerely,

Signature Redacted

Michael A. Finney
Chairman, Michigan Strategic Fund

Summary Table of 2013 21st Century Jobs Trust Fund Programs Performance Audit Findings

Finding	MSF Response	MSF Corrective Action	Date of Compliance
#1 Monitoring of Recipients	Agree	For Michigan Defense Center, MSF will randomly sample PTAC self-reporting on a quarterly basis; PTACs will be sampled at least annually; results of compliance review will be input into Salesforce. For COEE, MSF will develop and standardize site visit requirements; site visits will include compliance review of documentation if required in the grant or contract provisions; results of compliance review will be input into Salesforce. For 2006 and 2008 Business Plan Competitions, MSF will institute a policy to enforce timely progress reports and follow up if progress reports are past due. Progress Report documentation will be input into Salesforce.	Will comply by 2/28/14
#2 Economic Development Outcomes	Agree	For new 21st Century Jobs Fund programs, MSF will establish a process that, on an annual basis, compares projected metrics to actual metrics, as applicable. For Business Incubators, MSF will collect additional recommended performance data to better measure the effectiveness of business incubators, including making best effort to obtain data for five years after company graduates from the incubator. MSF will comply with the recommendation that material information shall be consistently input in Salesforce. Progress reports, site visit reports, and disbursement requests for 21st Century Jobs Fund programs will be captured in Salesforce.	Will comply by 10/31/14
#3 Reporting Requirements	Agree	MSF will establish procedures to verify self-reported data by companies in 21st Century Jobs Fund programs to confirm the accuracy of their reporting. MSF will assess the materiality of subsequent known events in the period between close of the fiscal year and the date of reporting to the Legislature. If MSF determines that a subsequent event is material, MSF will report. MSF will take steps to report accurate program information in the reporting to the Legislature for all 21st Century Jobs Fund programs: • MSF will verify that certain carry-forward data reported in the prior year's annual report is consistently reported the following year. • MSF will verify that there is no missing data in the annual reports. • MSF will verify that all statutory requirements for reporting are met.	Will comply by 3/31/14