



## MEMORANDUM

**TO:** SBO Office of Internal Audit Services

**FROM:** Steve Arwood, Chief Executive Officer

**DATE:** August 28, 2015

**SUBJECT:** OAG's Report on MSF (271-0401-15M)

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached please find the Corrective Action Plan for the Michigan Strategic Fund (MSF) related to the Office of the Auditor General's FY14 Report on Internal Control, Compliance, and other Matters, MSF (271-0401-15M).

Questions regarding the Corrective Action Plan should be directed to:

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Attachment

**Summary Table of MSF Financial Audit #271-0401-15M - Report on Internal Control, Compliance and Other Matters Audit Findings**

Finding	MSF Response	MSF Corrective Action	Date of Compliance
#1 Internal Control over recording and reporting MSF's financial activity	Agrees with and will comply	<p>MSF will improve its internal control to ensure that it properly records and reports MSF financial activity.</p> <ol style="list-style-type: none"> <li>1. MSF will record all adjusting entries prior to production of draft financial statements for auditors. This includes tribal gaming revenue, fair market value of investments in the Jobs for Michigan Investment Fund, and loan and investment disbursements. MSF will utilize a year-end transaction schedule and an annual comprehensive financial services plan to track status and ensure all entries are made.</li> <li>2. MSF will conduct a thorough management review of draft financial statements, including mitigation of any classification errors, prior to production of draft financial statements for auditors.</li> </ol>	Will comply by 11/25/15
#2 Internal Control over established deadlines for recording and reporting MSF's financial activity	Agrees with and will comply	<p>MSF will improve its internal control over financial reporting to ensure that it adheres to established deadlines for recording and reporting its financial activity.</p> <ol style="list-style-type: none"> <li>1. MSF will adhere to its year-end closing schedule by improving its calendar deadlines, putting checkpoints in place to monitor the status of its completion of procedures, utilizing checklist tools, educating staff, and conducting timely management review prior to established deadlines.</li> </ol>	Will comply by 11/25/15