



MEMORANDUM

TO: SBO Office of Internal Audit Services

FROM: Steve Arwood, Chief Executive Officer

DATE: August 28, 2015

SUBJECT: OAG's Report on MEDC (271-0406-15M)

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached please find the Corrective Action Plan for the Michigan Economic Development Corporation (MEDC) related to the Office of the Auditor General's FY14 Report on Internal Control, Compliance, and other Matters, MEDC (271-0406-15M).

Questions regarding the Corrective Action Plan should be directed to:

Marna Wilson
Audit Manager
Michigan Economic Development Corporation
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Lansing, Michigan 48913
Office: 517.335.5895
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Attachment

Summary Table of MEDC Financial Audit #271-0406-15M - Report on Internal Control, Compliance and Other Matters Audit Findings

Finding	MEDC Response	MEDC Corrective Action	Date of Compliance
#1 Internal Control over recording and reporting investment impairment losses	Agrees with and will comply	<p>MEDC implemented a process during the fiscal year to evaluate the value of its investments and record investment impairment loss to reflect fair market value. MEDC prepared the investment impairment loss calculation worksheet and provided it to the auditors. The draft financial statements provided to the auditors were not yet reflective of this adjustment. MEDC will ensure that all entries are properly entered into accounting records before the draft statements are provided to the auditors.</p> <ol style="list-style-type: none"> 1. MEDC will record investment impairment losses in its accounting records at year-end before draft financial statements are provided to auditors. 2. MEDC has established a year-end transaction checklist to maintain and monitor all activities and transactions on a regular basis, including fair market value of loan impairment losses. All activity will be recorded by the end of the fiscal year. 	Will comply by 11/25/15