



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

RICK SNYDER  
GOVERNOR

JOHN E. NIXON, CPA  
DIRECTOR

June 1, 2012

Doug Ringler, Director  
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 Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary of our corrective action plans to address recommendations contained within the Office of the Auditor General's audit report for the Michigan State Employees' Retirement System, DTMB - Office of Retirement Services and DTMB - Financial Services.

Questions regarding the attached corrective action plans should be directed to me at (517) 335-1557.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director  
Financial Services

Attachment

c: Ron Foss, DTMB  
Mark Freeman, Office of the Auditor General  
House Fiscal Agency  
Phillip Jeffery, DTMB  
Senator Rodger Kahn, Chair, Senate Appropriations  
Rick Lowe, DTMB  
Rep. Chuck Moss, Chair, House Appropriations  
Dennis Muchmore, Executive Office  
Dick Posthumus, Executive Office  
Senate Fiscal Agency  
Phil Stoddard, DTMB  
Matt Sweeney, DTMB  
Kurt Weiss, DTMB

Michigan State Employees' Retirement System  
DTMB – Office of Retirement Services  
DTMB – Financial Services  
Summary of Agency Responses to Recommendations  
Audit Period: 10/1/09 – 9/30/10

**Recommendation No. 1 – Controls Over State Financial Reporting:**

We recommend that the Office of Retirement Services (ORS) and Financial Services implement sufficient controls to ensure that they properly classify MSERS's financial activity.

**Agency Response:**

The published financial statements were corrected prior to issuance, and accurately reflect the financial activity of the plan. DTMB Financial Services reviewed the financial statement preparation process and updated procedures accordingly.