



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 State of Michigan 457 Plan, 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  
Matt Sweeney, DTMB  
Phil Stoddard, DTMB  
Kurt Weiss, DTMB

State of Michigan 457 Plan  
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 the Financial Activity Provided by the Third Party Administrator:**

We recommend that the Office of Retirement Services (ORS) and Financial Services improve their internal control over financial reporting to ensure that it will prevent, or detect and correct, financial statement misstatements and misclassifications in a timely manner.

**Agency Response:**

The published financial statements were corrected prior to issuance, and accurately reflect the financial activity of the plan. ORS and Financial Services met with the TPA throughout fiscal year 2010-11 to better define the reporting and data requirements needed for the plan. Improvements will be implemented for the fiscal year 2010-11 reporting cycle.