



June 29, 2011

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

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, the following identifies our response and corrective action plan to address recommendations contained within the Office of the Auditor General's financial audit report of the Michigan Economic Development Corporation (October 1, 2008 through September 30, 2010):

Finding: The Michigan Economic Development Corporation's (MEDC's) internal control did not ensure that the supervisors approved Welcome Center employee time sheets. The lack of appropriate approval could result in unauthorized payroll expenditures.

MEDC Response: MEDC agrees with the recommendation. MEDC has procedures in place to ensure that the supervisors approve time entered in the Data Collection and Distribution System (DCDS). The problem was limited to the Welcome Center business unit that was transferred to back to the Michigan Department of Transportation as of October 1, 2010. MEDC does not expect this problem to recur.

Corrective Action: MEDC has procedure and policy requiring all managers to approve time in DCDS on a biweekly basis.

Please direct questions to me regarding the summary table or corrective action plans at 517.241.0524; or modij1@michigan.org.

Sincerely,

Signature Redacted

~~Juzer Modi, Director~~
Office of Financial Services

cc: Executive Office
Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

Michigan Economic Development Corporation
Summary of Agency Responses to Recommendations
October 1, 2008 through September 30, 2010

1. Audit recommendations the agency complied with:

OAG Financial Audit Finding

2. Audit recommendations the agency agrees with and will comply:

Not Applicable

3. Audit recommendations the agency disagrees with:

Not Applicable