



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

DAVID B. BEHEN  
DIRECTOR

Sept 20, 2014

Nancy Duncan, Deputy State Budget 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 Ms. Duncan:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Department of Technology, Management & Budget, State of Michigan 401K Plan.

Questions regarding the summary table or corrective action plans should be directed to me.

Sincerely,

Signature Redacted

Mike Gilliland, Director  
Financial Services

- c: Rep. Joseph Haveman, Chair, House Appropriations  
Senator Roger Kahn, Chair, Senate Appropriations  
Mark Freeman, Office of the Auditor General  
Dennis Muchmore, Executive Office  
Dick Posthumus, Executive Office  
House Fiscal Agency  
Senate Fiscal Agency  
Phillip Jeffery, DTMB  
Phil Stoddard, DTMB  
Ron Foss, DTMB  
John Juarez, DTMB  
Scott Starr, DTMB  
Caleb Buhs, DTMB  
Rick Lowe, SBO

State of Michigan 401K Plan  
DTMB – Office of Retirement Services  
DTMB – Financial Services  
Summary of Agency Responses to Recommendations  
Audit Period: September 30, 2013

Summary of Agency Responses to Recommendations

1. Audit recommendations DTMB fully complied with: None
2. Audit recommendations DTMB agrees with and will comply: #1
3. Audit recommendations DTMB disagrees with: None

Agency's plan to address the recommendations:

1. Reconciling Financial Activity

DTMB agrees with the recommendation, but notes that the State's accounting records and the published financial statements were materially accurate. Due to timing and materiality, DTMB will correct the error within FY14. Financial Services will work with TPA to improve shared understanding and documentation of loan data provided by TPA. Since the issuance of the audit report, Financial Services, the Office of Retirement Services (ORS), the Office of Financial Management (OFM) and the Office of Organizational Performance (OPM) continue the Business Process Reengineering process focused on implementing various control enhancements and tracking the corrective action plan's progress. DTMB will continue to revise existing financial statement preparation and review processes to enhance existing controls.