



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

January 27, 2014

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

Dear Mr. Ringler,

In accordance with the State of Michigan, Financial Management Guide, Part VII, the following is a summary table identifying our response and corrective action plan to address recommendations contained within the Office of the Auditor General's Performance Audit of the Office of Financial Services (OFS), Report Number 271-0147-13, from October 1, 2011-June 30, 2013.

1. Audit recommendations the agency complied with:

Secure Room Access Rights:

We recommend that OFS, in conjunction with the Office of Infrastructure Protection (OIP), ensure that access to the secure room is limited to only necessary personnel.

Agency Plan:

The Department of Treasury (Treasury) and the Department of Technology, Management and Budget (DTMB) acknowledge DTMB staff was granted the potential of unsupervised access to the secured room when the card readers were installed in FY 2011. There is a business need for DTMB couriers to have supervised access to the secured room. The DTMB couriers daily deliver to the secured room bank deposits prepared by other State agency cashier offices located throughout the Lansing area. OFS is responsible for the safe delivery of these deposits to the State's primary banking partner. DTMB courier access authorization and card access reports were reviewed and validated in FY 2012 and FY 2013, revealing no unusual or suspicious activity.

Treasury acknowledges that in addition to the DTMB couriers, DTMB first responder staff was unknowingly granted the potential of unsupervised access rights to the secured room when the card readers were installed in FY 2011. However, card access reports reviewed in FY 2012 and FY 2013 had no record of any of the first responders ever attempting to access the secured room.

After Treasury became fully aware of the situation with the DTMB first responders, the department immediately coordinated with DTMB to remove the access rights to all DTMB first responder staff. In addition, Treasury has eliminated the potential for unsupervised access to the secured room for the DTMB couriers by installing a telephone for courier usage and subsequently removing access for all DTMB couriers.

Semi-annually, the Departments will coordinate the review and validation of card access reports and access rights.

2. Audit recommendations the agency agrees with and will comply: None
3. Audit recommendations the agency disagrees with: None

Should you have any questions regarding the summary table or corrective action plan, please contact Tom Sharpe at (517) 636-5379 or at SharpeT@michigan.gov.

Sincerely,

Signature Redacted

Joseph L. Fielek, Deputy State Treasurer
Financial and Administrative Services

Cc: Dennis Muchmore, Executive Office
Wendy Siegel, Executive Office
Thomas McTavish, Office of the Auditor General
Mary Ann Cleary, House Fiscal Agency
Ellen Jeffries, Senate Fiscal Agency
Earl Poleski, House Appropriations Sub-committee
John Pappageorge, Senate Appropriations Sub-committee
Jeff Farrington, House Standing Committee
Jack Brandenburg, Senate Standing Committee
Tom Saxton, Treasury
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Tom Sharpe, Treasury
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Rick Lowe, Office of Internal Audit Services
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