



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

March 24, 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 Internal Control over Financial Reporting Audit of the Michigan Finance Authority, Report Number 271-0340-14M, from October 1, 2012 to September 30, 2013.

1. Audit recommendations the agency complied with:

Controls Over Financial Reporting:

We recommend that the Authority establish sufficient controls to ensure that it properly records and classifies all financial activity in the non-major funds and the MGA Federal Fund.

Agency Plan:

MFA agreed with the recommended journal entry adjustments and complied with the recommendation. MFA has established sufficient controls over financial reporting for the Michigan Guaranty Agency operating fund and MGA Federal Fund to properly record and classify Michigan Guaranty Agency transactions including the areas of concern for accrued revenue, receivables, teacher loan forgiveness payments, and transfers.

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

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Should you have any questions regarding the summary table or corrective action plan, please contact Tim Johnson at 517-335-4105 or at johnsont15@michigan.gov.

Sincerely,

Signature Redacted

Thomas F. Saxton
Chief Deputy Treasurer

Cc: Dennis Muchmore, Executive Office
Wendy Wisniewski, 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
Joseph L. Fielek, Michigan Finance Authority
Mary G. Martin, State and Authority Finance
Bruce Hanses, Office of Departmental Services
Rick Lowe, Office of Internal Audit Services