



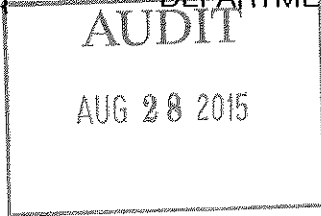
STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

RICK SNYDER
GOVERNOR

DAVID B. BEHEN
DIRECTOR



August 21, 2015

Jeffery Bankowski, Director
Office of Internal Audit Services
State Budget Office
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Bankowski:

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 and Budget, Michigan Public Employees' Retirement System (MPERS).

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

Sincerely,

Signature Redacted

Michael Gilliland, Director
DTMB Financial Services

c: Representative Al Pscholka, Chair, House Appropriations
Senator Dave Hildenbrand, Chair, Senate Appropriations
Mark Freeman, Office of the Auditor General
Dennis Muchmore, Executive Office
Dick Posthumus, Executive Office
House Fiscal Agency
Senate Fiscal Agency
Brom Stibitz, DTMB
Phillip Jeffery, DTMB
Phil Stoddard, DTMB
John Juarez, DTMB
Caleb Buhs, DTMB
Rick Lowe, SBO
Matt Sweeney, DTMB

Department of Technology, Management and Budget
Office of Retirement Services
DTMB's preliminary agency responses to the
Michigan Public School Employees' Retirement System (MPERS) audit
Audit Period: September 30, 2014

Summary of Agency Responses to Recommendations

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

Agency Responses to Recommendations

1. Verifying Census Data

DTMB agrees with the recommendation. The department will continue to review its audit programs, which include the following:

- ORS performs an Annual Wage Review Audit and has taken the necessary steps to broaden its' scope to include reviewing date of birth and gender. This audit already reviews compensation, years of service, job classification, and date of hire, which were all reviewed in the Census Data Audit. . DTMB will comply with this action by December 2015.
- ORS is performing a complete Payroll Audit of all MPERS reporting units in 2015-16 and has taken the necessary steps to include in the scope the audit reportable and gross wages, hire date, reported hours and job classification. DTMB will comply with this action by June 2016.
- ORS is also researching a data sharing agreement with the Unemployment Insurance Agency and if their data could be used to verify census data. DTMB will comply with this action by September 2015.

In addition, DTMB will implement enhancements to existing processes with its employer advisory group, as appropriate. DTMB will fully comply with the recommendation by June 30, 2016.