



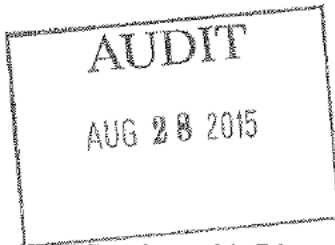
STATE OF MICHIGAN

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, State of Michigan 457 Plan.

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

State of Michigan 457 Plan for
Fiscal Year Ended September 30, 2014
DTMB Office of Retirement Services
DTMB- Financial Services
Summary of Agency Responses to Recommendations

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. Accounting for Investment Activity

DTMB agrees with the recommendation. However, DTMB notes that the State of Michigan's 457 Plan accounting records and the published financial statements were materially accurate and the deficiency noted had no impact on participant accounts. The Office of Organizational Performance (OPM), the Office of Financial Management (OFM), the Office of Retirement Services (ORS) and Financial Services (FS) will continue the Business Process Reengineering project which is focused on implementing various control enhancements and tracking the progress of corrective action plans. Additionally, FS will work with ORS to strengthen internal controls by performing periodic reviews and reconciliations of the financial activity reports. DTMB will fully comply with the recommendation by fiscal year end 2015.