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Office of the Auditor General

Report Summary

*Report on Internal Control, Compliance, and
Other Matters
Michigan State Employees' Retirement
System
Fiscal Year Ended September 30, 2016*

Report Number:
071-0151-17

Released:
March 2017

Generally accepted government auditing standards require an auditor to report on internal control over financial reporting; compliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the financial statements; and other matters coming to the attention of the auditor during the completion of a financial audit. We are issuing this report in conjunction with our independent auditor's report on the Michigan State Employees' Retirement System's (MSERS's) financial statements dated January 18, 2017.

Findings Related to Internal Control, Compliance, and Other Matters	Material Weakness	Significant Deficiency	Agency Preliminary Response
The Office of Retirement Services did not have an internal control process to ensure the completeness of the defined contribution member data provided to MSERS's actuary. We estimated that the other postemployment benefits accrued liability was understated by \$143 million (<u>Finding #1</u>).		X	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.audgen.michigan.gov

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