



OAG

Office of the Auditor General

Report Summary

Report on Internal Control, Compliance, and Other Matters

Michigan Military Retirement System

Nine Months Ending September 30, 2016

Report Number:
071-0158-17

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 Military Retirement System's (MMRS's) financial statements dated January 30, 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 that member data provided to MMRS's actuary for the net pension liability calculation was complete and accurate. We estimated that the net pension liability was understated by \$1.8 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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