



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

January 23, 2018

Rick Lowe, 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. Lowe,

In accordance with the State of Michigan, Financial Management Guide, Part VII, the following is our corrective action plan to address recommendations contained within the Office of the Auditor General's Performance Audit of Unclaimed Property, Report Number 271-0130-16, from October 1, 2014 – September 30, 2016.

1. Audit recommendations the agency complied with:

Finding #1 – Enhanced review of contractor activities needed.

We recommend that Unclaimed Property obtain a SOC 2, type 2 report from its contractor who serves as the custodian of unclaimed securities transferred to the State.

Agency Plan:

A risk assessment to determine the necessity of a SOC 2, type 2 report was conducted by the Office of Internal Audit Services, in conjunction with Treasury, and the results were provided to Unclaimed Property on June 20, 2017. The risk assessment determined that a SOC 2 is not warranted. Per the risk assessment, the SOC 1 report, as provided by Unclaimed Property's vendor, is sufficient to ensure appropriate controls exist within our service organization.

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

Should you have any questions regarding the corrective action plan, please contact Bruce Hanses at 517-636-6434 or at HansesB@michigan.gov.

Sincerely,

Signature Redacted

Ann E. Good, Deputy State Treasurer
Financial and Administrative Services

Cc: Mike Zimmer, Executive Office
Wendy Wisniewski, Executive Office
Doug Ringler, Office of the Auditor General
Rob VerHeulen, House Appropriations Sub-committee
Jim Stamas, Senate Appropriations Sub-committee
Lee Chatfield, House Standing Committee
Arlan Meekhof, Senate Standing Committee
Mary Ann Cleary, House Fiscal Agency
Ellen Jeffries, Senate Fiscal Agency
Nick Khouri, Treasury
Bruce Hanses, Treasury
Terry Stanton, Treasury
Stacey Bliesener, Treasury
Mike Williams, Office of Internal Audit Services
Doug Riosa, Office of Internal Audit Services
Francis Thelen, Office of Internal Audit Services