



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

BROM STIBITZ  
DIRECTOR

February 5, 2021

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

Dear Mr. Lowe,

In accordance with the State of Michigan, Financial Management Guide, Part VII, following are a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's (OAG) audit report of the Department of Technology, Management and Budget, Report on Internal Control, Compliance, and Other Matters of the Michigan Public School Employees' Retirement System (MPERS) for the fiscal year ended September 30, 2018.

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

Sincerely,

Brom Stibitz, Director

c: Representative Thomas Albert, Chair, House Appropriations  
Senator Jim Stamas, Chair, Senate Appropriations  
Mary Ann Cleary, House Fiscal Agency  
Christopher Harkins, Senate Fiscal Agency  
Mary Lowe, Office of the Auditor General  
JoAnne Huls, Executive Office      Tricia L. Foster, Executive Office  
Phillip Jeffery, DTMB                      Anthony Estell, DTMB  
Michelle Lange, DTMB                      Caleb Buhs, DTMB  
Mike Williams, SBO                          John Juarez, SBO

Department of Technology, Management and Budget  
Preliminary agency responses to the  
Report on Internal Control, Compliance, and Other Matters of the  
Michigan Public School Employees' Retirement System  
for the fiscal year ended September 30, 2018 (071-0152-19)

Summary of Agency Responses to Recommendations

1. Audit recommendations DTMB fully complied with: 1
2. Audit recommendations DTMB agrees with and will comply:
3. Audit recommendations DTMB disagrees with:

Agency Responses to Recommendations

1. Audit finding #1 – Improvements needed in internal control over healthcare transactions.

Financial Services (FS) agrees and has complied with the recommendation, as of October 2019. Upon notification by the OAG, FS immediately corrected the identified errors and updated the MPSERS and State's Comprehensive Annual Financial Reports. FS has updated and implemented processes (e.g. improved communication and record keeping, updated procedures, additional training, and reconciliations) that will ensure sufficient internal controls are in place to mitigate the risk of misstatements. Furthermore, FS, in conjunction with the Office of Retirement Services, has prioritized efforts and resources to perform a comprehensive review of the coordination and completion of year-end processes.