



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

BROM STIBITZ
DIRECTOR

February 17, 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 audit report of the Department of Technology, Management and Budget, Report on Internal control over Financial Reporting of the Michigan State Employees' Retirement System Schedule of Employer Allocations and Schedules of Pension and Other Postemployment Benefit Amounts by Employer for the fiscal year ended September 30, 2019.

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 Jay Rising, Executive Office
Anthony Estell, DTMB Phillip Jeffery, DTMB
Michelle Lange, DTMB Caleb Buhs, DTMB
Mike Williams, SBO John Juarez, SBO

Department of Technology, Management and Budget's
Preliminary agency responses to the
Report on Internal control over Financial Reporting of the
Michigan State Employees' Retirement System Schedule of Employer Allocations
and Schedules of Pension and Other Postemployment Benefit Amounts by
Employer for the fiscal year ended September 30, 2019. (071-0165-20)

Summary of Agency Responses to Recommendations

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

Agency Responses to Recommendations

1. Audit finding #1 – Improvement in internal control needed to ensure proper allocation of net pension and OPEB liabilities.
DTMB agrees with the recommendation and will comply by July 30, 2021. DTMB Financial Services, with assistance from the Office of Financial Management, will begin planning in March 2021 to enhance its efforts with the employers to establish more effective controls for all responsible parties to collectively ensure that proper wage and contribution information is provided to the actuary. In October 2020, the instructions and tools were updated to assist employers in providing more accurate contribution information. Further updates will be made during the upcoming planning phase that will improve the validation process of employer wage and contribution information.