



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

BROM STIBITZ
ACTING DIRECTOR

April 24, 2020

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, Michigan Public School Employees' Retirement System Financial Audit Schedules of Employer Pension and Other Postemployment Benefit Allocations and Schedules of Collective Pension and Other Postemployment Benefit Amounts.

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

Sincerely,
Signature Redacted

Brom Stibitz, Acting Director DTMB

c: Representative Shane Hernandez, 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
Michael Gilliland, DTMB Michelle Lange, DTMB
Caleb Buhs, DTMB Mike Williams, SBO

John Juarez, SBO

Summary of Agency Responses to Recommendations

1. Audit recommendations DTMB fully complied with: #1
2. Audit recommendations DTMB agrees with and will comply: 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 pension and OPEB liabilities.
DTMB agrees and has fully complied with the recommendation. ORS has corrected both issues related to this finding and will implement controls to ensure that the university and non-university unfunded actuarial accrued liability rate stabilization is accurately allocated among the participating employers and to work with our third-party database vendor to ensure that data is loaded correctly for calculating the university share of retiree healthcare expenses.