



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
ACTING EXECUTIVE DIRECTOR

January 28, 2021

Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services

Dear Mr. Lowe,

The Michigan State Housing Development Authority (MSHDA) is in receipt of the Final Audit Report and Schedule of Findings, as completed by Plante Moran, for the audit of the MSHDA's financial statements, dated October 26, 2020. In accordance with Part VII, Chapter 3, Section 100 of the Financial Management Guide, please accept this letter as the MSHDA's final corrective action plan.

Finding Reference Number: 2020-001

Recommendation: The Authority should put appropriate controls in place to assure timely and accurate close of its year-end balances.

The MSHDA agrees that it was not prepared when the auditors began their audit procedures and will take steps to ensure preparedness going forward. The MSHDA had been producing its monthly and quarterly financials in a timely fashion until COVID forced staff to begin working from home. The uncertainty of the duration of time staff would be out of the office, and the immediate lack of access to accounting documents, resulted in the financial statements being created behind schedule.

The CAP implemented by the MSHDA to address this finding is two-part. The first corrective action is to provide MSHDA Finance/Accounting staff with the equipment and access necessary to perform their duties from home. The second corrective action is to grant limited access to MSHDA offices and work documents to Finance/Accounting staff as necessary for the financial statements. Both of these corrective actions have been completed. In addition, management will more closely monitor progress to ensure that staff meet timelines/deadlines for creation of financial statements.

Sincerely,

Jonathan Hilliker
Acting Manager/Audit, Compliance, & Fraud Investigation Unit

Cc: See page two for Distribution list

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