



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

BROM STIBITZ
ACTING DIRECTOR

August 5, 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, Information Technology Fund and IT Billing Audit.

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

Sincerely,

Brom Stibitz, Acting Director

c: Representative Shane Hernandez, Chair, House Appropriations
Senator Jim Stamas, Chair, Senate Appropriations
Mary Ann Cleary, House Fiscal Agency
Christopher Harkins, Senate Fiscal Agency
Mark Freeman, Office of the Auditor General
JoAnne Huls, Executive Office Jay Rising, Executive Office
Phillip Jeffery, DTMB Mike Gilliland, DTMB
Ron Foss, 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 – Improvements needed to internal control over accounts payable.
DTMB agrees and has complied with the recommendation. DTMB Financial Services (FS) addressed the accounts payable estimation process for information technology vendors in advance of the fiscal year end 2019 closing. FS worked with vendors prior to year-end to address the timeliness of receiving invoices to ensure proper classification of expenses/payables in the correct fiscal year. FS also implemented a new payables estimation for the fiscal year 2019 closing cycle that leverages the processes and functionality of SIGMA, the statewide accounting system that was implemented in October of 2017. FS reviews all purchase orders on the agency open purchase order report/query and establishes payables for all applicable transactions.

FS will continue to review and improve the year-end closing payables estimation process for information technology vendors.