



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

MICHELLE LANGE
ACTING DIRECTOR

September 14, 2022

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 State Employees Retirement System (MSERS).

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

Sincerely,

Michelle Lange, Acting Director

c: Representative Thomas Albert, Chair, House Appropriations
Senator Jim Stamas, Chair, Senate Appropriations
Mary Ann Cleary, House Fiscal Agency
Kathryn Summers, Senate Fiscal Agency
Mary Lowe, Office of the Auditor General
JoAnne Huls, Executive Office Trish Foster, Executive Office
Phillip Jeffery, DTMB Anthony Estell, DTMB
Sherri Irwin, DTMB Mike Williams, SBO
John Juarez, SBO

Department of Technology, Management and Budget
DTMB's preliminary agency response to the
Michigan State Employees Retirement System (MSERS) audit (071-0151-22)

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

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

DTMB Financial Services and Office of Retirement Services agree and will comply with the recommendation by October 31, 2022. Upon notification by the Office of the Auditor General, Financial Services immediately corrected the identified errors and updated the MSERS Annual Comprehensive Financial Report.

Financial Services has assessed and enhanced internal controls by implementing additional analytical reviews and procedures to ensure misstatements in accounting transactions will be prevented or detected and corrected.

Related to part b., Financial Services is developing queries to ensure compensated absence accruals are properly calculated for MSERS.