



STATE OF MICHIGAN

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GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

MICHELLE LANGE
DIRECTOR

July 28, 2023

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), Schedule of Employer Allocations and Schedules of Pension and Other Postemployment Benefit Amounts by Employer.

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

Sincerely,

Michelle Lange, Director

c: Representative Angela Witwer, Chair, House Appropriations
Senator Sarah Anthony, 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
Maria Martinez, 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 (071-0165-22)

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 Response to Recommendation

Finding #1 – Improvement in internal control needed to help ensure proper allocation of net pension and OPEB liabilities.

The Department agreed with the recommendation and has complied as of June 1, 2023. DTMB Financial Services (FS) expanded its efforts to establish more effective controls to mitigate errors during the compilation of employer wage and contribution information. The controls implemented include having additional analytical review procedures and an enhanced reconciliation process to verify wage and contribution data, on a per pay period basis, at the department level by employer.