



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

April 15, 2025

Mr. Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services
State Budget Office
George W. Romney Building
111 S. Capitol Avenue, 6th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with State of Michigan, Financial Management Guide, Part VII, please see the attached summary of findings and associated corrective action plans to address recommendations contained in the Michigan Office of the Auditor General's (OAG) *Report on Internal Control, Compliance, and Other Matters of the Self-Insurers' Security Fund, Michigan Department of Labor and Economic Opportunity* for the calendar year ending December 31, 2023.

Should you have any questions regarding the attached information, please contact either of us, directly at (517) 231-1720 or WilliamsA6@michigan.gov.

Respectfully,

Allen Williams

Allen Williams
LEO Chief Internal Control Officer

cc: Distribution List

Attachments

Self-Insurers' Security Fund,
Michigan Department of Labor and Economic Opportunity
Audit Period: January 1, 2023 through December 31, 2023
Final Responses and Corrective Action Plans

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- I. Audit recommendations the agency has complied with:
Finding 1

- II. Audit recommendations the agency agrees with and will comply:
None

- III. Audit recommendations the agency disagrees with:
None

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FINDING 1

The Department of Labor and Economic Opportunity (LEO) should improve its internal control to ensure it adheres to established State policies for confidential information in the Statewide Integrated Governmental Management Applications (SIGMA).

State of Michigan Administrative Guide to State Government policy 1340 states that security controls must be implemented to protect State of Michigan information from unauthorized access, use, disclosure, modification, destruction, or denial and to ensure the confidentiality, integrity, and availability of State of Michigan information.

SIGMA's Temporary Operating Policy & Procedure No. 0003 outlines the restrictions on the inclusion of legally protected data in SIGMA. Specifically, it states that certain confidential personal information should not be used in SIGMA.

Our review noted LEO included confidential claimant personal information within a document attachment in SIGMA. We identified 766 Statewide SIGMA users with access to view this information.

LEO informed us that the inclusion of confidential claimant personal information was an oversight.

Recommendation

We recommend that LEO improve its internal control to ensure it adheres to established State policies for confidential information in SIGMA.

Final Response / Corrective Action

LEO agrees with the finding but disagrees with the OAG's conclusion and recommendation that improvements are needed to its established policies and procedures for handling confidential information.

Based upon prior audit recommendations, LEO has taken effective measures to discontinue and prevent confidential and sensitive information from being included in SIGMA. As noted, there was only a single document attachment that inadvertently avoided our detection. LEO acknowledges that no internal control measure is 100% effective, thus, we will continue to monitor and reassess our implementation of our policies and procedures going forward.