



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Report Number:
071-0157-13

State of Michigan 457 Plan

*Fiscal Years Ended September 30, 2012 and
September 30, 2011*

Released:
April 2013

A financial audit determines if the financial statements are fairly presented; considers internal control over financial reporting; and determines compliance with requirements material to the financial statements. This financial audit of the State of Michigan 457 Plan was conducted as part of the constitutional responsibility of the Office of the Auditor General.

Financial Statements:

Auditor's Report Issued

We issued an unqualified opinion on the State of Michigan 457 Plan's basic financial statements.

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Internal Control Over Financial Reporting

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we did identify a significant deficiency (Finding 1).

The Office of Retirement Services and Financial Services, within the Department of Technology, Management, and Budget (DTMB), did not adhere to established deadlines to ensure that they recorded the State of Michigan 457 Plan's financial activity and prepared drafts of the Plan's financial statements and notes timely (Finding 1).

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**Noncompliance and Other Matters
Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*. However, we noted an instance of other noncompliance (Finding 1).

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Agency Response:

Our audit report includes 1 finding and 1 corresponding recommendation. DTMB's preliminary response indicates that it agrees with the recommendation and will comply.

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Background:

The State of Michigan 457 Plan is a deferred compensation plan sponsored by the State of Michigan. The Plan was established by the Civil Service

Commission in 1974 as a means for employees to save for retirement. The Plan covers employees of the State of Michigan, employees of the Michigan public school reporting units hired on or after July 1, 2010, and employees of the Education Achievement Authority. Employees are eligible to participate in the Plan on the first day of employment and may voluntarily contribute a portion of their compensation up to the established Internal Revenue Code limits.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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