



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Financial Audit*  
*Including the Provisions of the Single Audit Act*

Report Number:  
 391-0100-08

*Department of Community Health*

*October 1, 2005 through September 30, 2007*

Released:  
 October 2008

*A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.*

**Financial Schedules:**

**Auditor's Report Issued**

We issued an unqualified opinion on the Department of Community Health's (DCH's) financial schedules.

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**Internal Control Over Financial Reporting**

We identified significant deficiencies in internal control over financial reporting (Findings 1 through 6). We consider Finding 1 to be a material weakness.

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

We did not identify any instances of noncompliance or other matters applicable to the financial schedules that are required to be reported under *Government Auditing Standards*.

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**Federal Awards:**

**Auditor's Reports Issued on Compliance**

We audited 11 programs as major programs and reported known questioned costs of \$57.9 million and known and likely questioned costs totaling \$57.9 million. DCH expended a total of \$11.8 billion in federal awards during the two-year period ended September 30, 2007. We issued 8 unqualified opinions and 3 qualified opinions. The opinions issued by major program are identified on the back of this summary.

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**Internal Control Over Major Programs**

We identified significant deficiencies in internal control over federal program compliance (Findings 7 through 23). We consider Findings 7, 9, and 13 to be material weaknesses.

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**Required Reporting of Noncompliance**

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 7 through 23).

**Systems of Accounting and Internal Control:**

We determined that DCH was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*. However, we did identify a significant deficiency (Finding 1).



We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program or Cluster Title</u>	<u>Compliance Opinion</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Unqualified
93.044, 93.045, and 93.053	Aging Cluster	Unqualified
93.136	Injury Prevention and Control Research and State and Community Based Programs	Unqualified
93.268	Immunization Grants	Qualified
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	Unqualified
93.558	Temporary Assistance for Needy Families	Unqualified
93.767	State Children's Insurance Program	Qualified
93.777 and 93.778	Medicaid Cluster	Qualified
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Unqualified
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Unqualified
93.994	Maternal and Child Health Services Block Grant to the States	Unqualified

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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