



STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

January 4, 2016

Mr. Jeffrey Bankowski, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 S. Capitol, 6th Floor
Lansing, MI 48913

Dear Mr. Bankowski:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of Selected Community Health-Related Contracts and Grants.

Questions regarding the summary table or corrective action plans should be directed to me at 517-373-1508 or MyersP3@michigan.gov.

Sincerely,

Signature Redacted

Pam Myers, Director
Bureau of Audit, Reimbursement, and Quality Assurance

Enclosure

c:	Office of the Auditor General	House Appropriations Committee
	House Fiscal Agency	House Standing Committee
	Senate Fiscal Agency	Senate Appropriations Committee
	Executive Office	Senate Standing Committee
	DHHS, Nick Lyon	DHHS, Farah Hanley
	DHHS, Timothy Becker	DHHS, GERALYN LASHER
	DHHS, Kim Stephen	DHHS, CHRISTINE SANCHES
	DHHS, Elizabeth Hertel	DHHS, KARLA RUEST

PERFORMANCE AUDIT OF
SELECTED COMMUNITY HEALTH-RELATED
CONTRACTS AND GRANTS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

December 4, 2015

AUDIT RESPONSE

Approved: Signature Redacted
Carah Hanley, Senior Deputy Director
Department of Health and Human Services

Date: 12/2/15



AUDIT REPORT SUMMARY

DEPARTMENT: Health and Human Services
AUDIT PERIOD: October 1, 2012 through May 31, 2014
REPORT DATED: September 4, 2015

DISPOSITION OF AUDIT RECOMMENDATIONS

<u>CITATIONS COMPLIED WITH</u>	<u>CITATIONS TO BE COMPLIED WITH</u>	<u>CITATIONS DCH DID NOT AGREE WITH</u>
	Finding 1 (1/2016)	
	Finding 2 (1/2016)	

Audit Response
Performance Audit
Selected Community Health-Related Contracts and Grants
Department of Health and Human Services
October 1, 2012 through May 31, 2014

Recommendation 1: Improved controls needed over contract and grant administration.

The OAG recommended that MDHHS improve its controls over the administration of contracts and grants to help ensure that it awards them in accordance with MDHHS policies and procedures.

Response:

The Bureau of Purchasing is currently undertaking a comprehensive review of the Contract Policy Manual and is developing a contract planning document to facilitate timely execution and review of contracts. The expected date of completion of the review and contract planning document is January 2016.

Recommendation 2: Post-project evaluations could help ensure that contractors and grantees meet their obligations

The OAG recommended that MDHHS complete the required written post-project evaluation of contractor and grantee performance.

Response:

The Bureau of Purchasing is currently undertaking a comprehensive review of the Contract Policy Manual. The Bureau will reiterate this requirement in a communication to grant and contract administrators in January 2016.