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Office of the Auditor General

Report Summary

Performance Audit

Child Abuse and Neglect Prevention Board (Children's Trust Fund)

Department of Human Services

Report Number:
431-0178-14

Released:
January 2015

The Child Abuse and Neglect Prevention Act (Act 250, P.A. 1982) created the Child Abuse and Neglect Prevention Board as an autonomous agency, currently residing within the Department of Human Services. Today, the Board is referred to as the Children's Trust Fund (CTF). In addition, Act 249, P.A. 1982, created a Children's Trust Fund (Trust Fund) as a charitable and educational endowment fund. This Trust Fund is used to advance CTF's mission to serve as a voice for Michigan's children and families and promote their health, safety, and welfare by funding effective local programs and services that prevent child abuse and neglect. The primary sources of Trust Fund revenues are a federal grant, proceeds from an annual fund-raising auction, and earnings on investments. Trust Fund revenues for fiscal year 2013 totaled \$2.5 million and expenditures totaled \$2.8 million. This performance audit was required by Section 722.612 of the *Michigan Compiled Laws*.

Audit Objective			Audit Conclusion
Objective 1: To assess CTF's compliance with selected child abuse and neglect prevention laws, regulations, rules, and procedures.			Generally complied
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
CTF did not formally develop and implement a procedure for an annual internal evaluation of its functions, responsibilities, and performance. An annual internal evaluation would help CTF ensure that it is conducting its operations in accordance with its mission to promote the health, safety, and welfare of children and families (Finding 1).		X	Agrees
CTF did not provide the Legislature biennial State plans for future Trust Fund distributions. The plan requires that all geographic areas within the State have an equal opportunity to establish prevention programs and receive funds (Finding 2).		X	Agrees
CTF did not post public notices of CTF meetings or document the members absent from CTF meetings within the meeting minutes. Posting these notices could help facilitate public participation and foster transparency of CTF decision making (Finding 3).		X	Agrees

Audit Objective		Audit Conclusion	
Objective 2: To assess the effectiveness of CTF's internal control to safeguard the Pam Posthumus Signature Auction Event (Auction Event) inventory and proceeds.		Effective	
Finding Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
CTF needs to improve its reconciliation procedures over Auction Event revenue to help ensure that annual revenue of approximately \$390,000 is properly accounted for and safeguarded. Reconciliations are needed between the auction software and the Trust Fund's accounting system and for revenue collected from cash and checks to purchase receipts (<u>Finding 4</u>).		X	Agrees

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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