



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

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– Article IV, Section 53 of the Michigan Constitution

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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

*Project Management of the Bridges Integrated Automated Eligibility Determination System
 Department of Human Services, Department of Community Health, and Department of Technology, Management & Budget*

Report Number:
 431-0592-10

Released:
 October 2010

The Bridges Integrated Automated Eligibility Determination System (Bridges) is an automated information system that replaced several existing systems that processed client intake applications; registration; eligibility determination; and issuance of cash assistance, medical assistance, food assistance, and child care assistance. The Departments began developing Bridges during 2004 and implemented it Statewide during September 2009. Fiscal year 2008-09 benefits paid totaled approximately \$12 billion or 45% of General Fund expenditures for the State of Michigan.

Audit Objective:

To assess the Department of Human Services (DHS), Department of Community Health (DCH), and Department of Technology, Management & Budget's (DTMB's) efforts at establishing an effective organizational structure over Bridges.

Audit Conclusion:

DHS, DCH, and DTMB's efforts at establishing an effective organizational structure over Bridges were not effective. We noted two material conditions (Findings 1 and 2).

Material Conditions:

DHS, DCH, and DTMB did not provide effective project administration over Bridges' system development (Finding 1).

DHS, DCH, and DTMB did not ensure that the State was able to independently maintain and operate Bridges (Finding 2).

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Audit Objective:

To assess the effectiveness of DHS, DCH, and DTMB's efforts in assessing whether the Bridges project achieved the goals and objectives defined by the Departments.

Audit Conclusion:

DHS, DCH, and DTMB's efforts in assessing whether the Bridges project achieved the goals and objectives defined by the Departments were not effective. We noted one material condition (Finding 3).

Material Condition:

DHS, DCH, and DTMB did not conduct an implementation review of Bridges (Finding 3).

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Audit Objective:

To provide a summary of the development and maintenance costs of Bridges.

Audit Conclusion:

We provided a summary of the development and maintenance costs of Bridges. Our report does not include any reportable conditions related to this audit objective.

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Agency Response:

Our audit report contains 3 findings and 3 corresponding recommendations. DHS, DCH, and DTMB's preliminary responses indicate that they disagree with 1 recommendation and agree with 2 recommendations and have complied or will comply with them.

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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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October 28, 2010

Mr. Ismael Ahmed, Director
Department of Human Services
Grand Tower
Lansing, Michigan
and
Ms. Janet Olszewski, Director
Department of Community Health
Capitol View Building
Lansing, Michigan
and
Ms. Phyllis Mellon, Acting Director
Department of Technology, Management & Budget
Lewis Cass Building
Lansing, Michigan

Dear Mr. Ahmed, Ms. Olszewski, and Ms. Mellon:

This is our report on the performance audit of Project Management of the Bridges Integrated Automated Eligibility Determination System, Department of Human Services, Department of Community Health, and Department of Technology, Management & Budget.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses; comments, findings, recommendations, and agency preliminary responses; various exhibits, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agencies' responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agencies develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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Description of Agency

Bridges Integrated Automated Eligibility Determination System

The Department of Human Services (DHS), Department of Community Health (DCH), and Department of Technology, Management & Budget (DTMB) jointly developed and implemented a new automated information system called Bridges Integrated Automated Eligibility Determination System* (Bridges). The Departments began developing Bridges during 2004. Bridges replaced several existing systems that processed client intake applications; registration; eligibility determination; and issuance of cash assistance, medical assistance, food assistance, and child care assistance. Bridges determines eligibility and benefit amounts for 34 DCH Medicaid and medical assistance programs and 11 DHS cash assistance programs. In addition to determining eligibility and benefit amounts, Bridges contains client demographic information for many of the DHS services programs, such as child and adult foster care. Bridges was implemented Statewide during September 2009.

DHS uses Bridges to establish client eligibility for individuals in need of public assistance and to determine the amount of public assistance benefits. Through a memorandum of understanding and interagency agreement, DHS determines client eligibility for certain Medicaid and medical assistance programs administered by DCH.

DTMB provides, along with vendor partners, information support services to DHS and DCH for Bridges, including operating system configuration, application development and maintenance, database administration, production source code and data change controls, backup and recovery, system monitoring and tuning, and configuration management.

DHS and DTMB contracted with Deloitte Consulting, LLP, for the development, maintenance, and technical operations of Bridges. In addition, DHS and DTMB contracted with Electronic Data Systems, a subsidiary of the Hewlett-Packard Company, to run the Bridges project control office. The Bridges project control office develops, monitors, and manages the project schedule and scope for the development and maintenance of Bridges.

Fiscal year 2008-09 benefits paid for the cash assistance, Medicaid, and medical assistance programs totaled approximately \$12 billion or 45% of General Fund expenditures for the State of Michigan.

* See glossary at end of report for definition.

Audit Objectives, Scope, and Methodology and Agency Responses

Audit Objectives

Our performance audit* of Project Management of the Bridges Integrated Automated Eligibility Determination System (Bridges), Department of Human Services (DHS), Department of Community Health (DCH), and Department of Technology, Management & Budget (DTMB), had the following objectives:

1. To assess DHS, DCH, and DTMB's efforts at establishing an effective organizational structure over Bridges.
2. To assess the effectiveness* of DHS, DCH, and DTMB's efforts in assessing whether the Bridges project achieved the goals and objectives defined by the Departments.
3. To provide a summary of development and maintenance costs of Bridges.

Audit Scope

Our audit scope was to examine the information processing and other records related to project management controls over the Bridges Integrated Automated Eligibility Determination System. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures, conducted from February through June 2010, generally covered the period September 2009 through June 2010.

The summary of development and maintenance costs of Bridges includes project costs from May 2004 through June 2010. As part of our audit, we prepared supplemental information that relates to our audit objectives (Exhibits 1 through 6). Our audit was not directed toward expressing a conclusion on this supplemental information and, accordingly, we express no conclusion on it.

* See glossary at end of report for definition.

Audit Methodology

We conducted a preliminary review of project management over Bridges, including an understanding of organizational structure, project leadership, and guidance throughout the development and maintenance of Bridges; project goals and objectives; and current status of the project. We used the results of our preliminary review to determine the extent of our detailed analysis and testing.

To accomplish our first objective, we interviewed DHS, DCH, and DTMB staff and reviewed project meeting documentation to obtain an understanding of the organizational structure and decision-making processes over Bridges. We reviewed the purpose of development contract change notices. We also reviewed federal correspondence regarding current and future contracts for Bridges.

To accomplish our second objective, we interviewed DHS, DCH, and DTMB staff and reviewed system documentation to obtain an understanding of reviews or assessments conducted in relation to the Bridges project goals and objectives.

To accomplish our third objective, we obtained Bridges development and maintenance contract data from DTMB records and summarized the data.

Because of a lack of resources, we did not include within the scope of this audit the following: assessing whether Bridges actually achieved the Departments' goals and objectives, assessing whether contract deliverables were completed, and assessing the effectiveness of the project control office.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

Agency Responses

Our audit report contains 3 findings and 3 corresponding recommendations. DHS, DCH, and DTMB's preliminary responses indicate that they disagree with 1 recommendation and agree with 2 recommendations and have complied or will comply with them.

The agency preliminary response that follows each recommendation in our report was taken from the agencies' written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require DHS, DCH, and DTMB to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

ORGANIZATIONAL STRUCTURE

COMMENT

Audit Objective: To assess the Department of Human Services (DHS), Department of Community Health (DCH), and Department of Technology, Management & Budget's (DTMB's) efforts at establishing an effective organizational structure over the Bridges Integrated Automated Eligibility Determination System (Bridges).

Audit Conclusion: **DHS, DCH, and DTMB's efforts at establishing an effective organizational structure over Bridges were not effective.** Our assessment disclosed two material conditions*. DHS, DCH, and DTMB did not provide effective project administration over Bridges' system development (Finding 1). Also, DHS, DCH, and DTMB did not ensure that the State was able to independently maintain and operate Bridges (Finding 2).

FINDING

1. Project Administration

DHS, DCH, and DTMB did not provide effective project administration over Bridges' system development. As a result, the Departments issued nine change notices to the development contract that increased contract costs by \$50.0 million or 71% over the initial contract cost (\$69,986,138), extended the development time frame by 9 months (19%), changed the scope of the system requirements, and changed payment schedules to the development contractor (Exhibit 1).

DTMB Administrative Guide procedure 1310.07 states that system development control is vital for keeping projects within scope, cost, schedule, and acceptable quality. The Departments defined the Bridges project scope in 3 releases:

- Release 1 would provide worker relief and increased efficiencies.
- Release 2 would reduce operational expenditures.
- Release 3 would provide client self-service functions, such as the submission of applications over the Internet, and improve caseworker production.

* See glossary at end of report for definition.

The scope of the Bridges project was large and changed throughout the development period either because the Departments and development contractor poorly planned the design or because the Departments did not hold the development contractor to the contract requirements, time lines, and costs. We noted:

a. The Departments did not clearly define and document the governance structure over Bridges. We notified the Departments of the need to improve the governance structure over Bridges during our 2007 preliminary review, but they had not corrected these weaknesses. Specifically, the Departments did not:

- (1) Define and document key stakeholders' roles, responsibilities, and authority over the governance of Bridges. Key stakeholders are those individuals or Departments that have a vested interest in the success of Bridges. The Bridges project charter states that the controlling agencies for Bridges are DHS, DCH, and DTMB. However, the Departments' roles, responsibilities, and authority in relation to Bridges' governance, including current and future development, are not defined. For example, DCH informed us that it is unclear regarding its roles, responsibilities, and authority. The Medicaid Program represents the highest number of recipients processed in Bridges. For the fiscal year ended September 30, 2009, the total monthly average of Medicaid eligible recipients was 1,708,157 and annual Medicaid expenditures totaled approximately \$9 billion or 34% of General Fund spending for the State of Michigan. As the key stakeholder for Medicaid, DCH's roles, responsibilities, and authority should be clearly defined, documented, and agreed to by all Departments.
- (2) Define and document individual roles, responsibilities, and authority over the governance of Bridges. Individuals involved in the governance of Bridges include executive level sponsors as well as individuals and groups responsible for completing the project. Defining roles, responsibilities, and authority would help to ensure that project decisions were made by the appropriate individuals or groups and that day-to-day project functions are clearly understood by all individuals involved in the governance of Bridges.

Although the Departments have implemented Bridges Statewide, the Departments are still developing new enhancements and functionality. Therefore, a clearly defined governance structure, including coordination among key stakeholders, is important to ensure that these development efforts are in line with the Departments' objectives. In addition, a clearly defined governance structure helps to ensure the continuity of development and maintenance in the event of turnover of individuals responsible for Bridges.

- b. The Departments' decisions to change the project scope resulted in increased project costs. For example:
 - (1) The Departments planned for and established funding for 30,000 hours for each of the first four years of the contract totaling \$8.1 million for system enhancements and services above and beyond the defined scope of the project. However, the Departments made changes to the scope of the Bridges project which increased the cost of system enhancements by 477% from \$8.1 million to \$46.9 million. The cost of enhancements totaled 39% of the total development and maintenance contract. System enhancements are new functionality or changes to the system.
 - (2) The original development contract signed in 2006 included \$7.1 million for the development of client self-service. However, in late 2007, the Departments determined that client self-service was no longer needed and removed client self-service from the contract requirements. In mid 2009, the Departments added back some of the client self-service functionality in change notices 7 and 8, with an additional cost of \$5.4 million. Removing required functionality and subsequently adding portions of the removed functionality back into the contract illustrates the difficulty the Departments had with planning the Bridges project.

Although the Departments believed that they exercised good project administration by changing and reprioritizing the scope of Bridges, effectively planning and managing the initial design of the system would have prevented the need to reprioritize. The Departments provided us with documentation to support their reprioritization of project requirements; however, we found that the documentation lacked sufficient details to support the Departments' decisions. DHS informed us

that it is very likely that change notices for maintenance and operations will continue to occur.

RECOMMENDATION

We recommend that DHS, DCH, and DTMB provide effective project administration over Bridges' system development.

AGENCY PRELIMINARY RESPONSE

DHS, DCH, and DTMB disagree with the recommendation.

With regard to part a., the Departments agree that they did not clearly document the governance structure over Bridges. However, the Departments disagree that they did not implement an effective governance structure to oversee the Bridges project. The Departments informed us that the Bridges project management team and executive sponsors made key strategic decisions throughout the development process to address external factors not foreseen or anticipated when the Bridges project began in 2005.

The Departments also informed us that the executive level interdepartmental relationship of DHS, DCH, and DTMB is functioning well, although the Departments agree that a governance structure needs to be formally documented to ensure that all stakeholders are clear about respective responsibilities and decision-making and to ensure that any changes in the makeup of executive leadership within each agency will not adversely impact the ongoing operations and maintenance of the system. The Departments agree that the governance structure was not well documented and roles were not clearly defined. The Departments informed us that they will better document the governance structure, defining the key stakeholders' roles, responsibilities, and authority over the governance of Bridges.

With regard to part b., the Departments acknowledge that nine change notices have been issued that increased contract costs by \$50 million and extended the development time frame by nine months. The Departments informed us that the project management team and executive sponsors identified external factors that, if not addressed during system development, may have resulted in significant additional costs to reengineer Bridges. These external factors included significant increases in client caseloads, resulting from economic deterioration in Michigan, and numerous changes in federal legislation. As a result of these factors, the

Departments incurred costs greater than originally anticipated. The Departments informed us that such cost increases were necessary to ensure that Bridges would address the federal mandates and help workers manage significantly increased caseloads. Project control is intended to allow flexibility in maintaining project progress while evaluating changes and making project adjustments based on business needs and risk assessment. DTMB Administrative Guide procedure 1310.07 includes directives on project control and states: "Project control in information technology is a combination of formal and informal processes that work together to keep a project moving forward while evaluating changes, redefining planning efforts, and making decisions that could effect the outcome of the project as a whole." The Departments informed us that each contract change notice that they submitted to the State Administrative Board for approval included a business case analysis and risk assessment.

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With regard to part a., the Departments' frequent modification of contract requirements at increased costs demonstrated ineffective project governance. For example, change notice 5, dated May 2008, added new system functionality to the development contract. However, change notice 6, dated February 2009, removed some of the functionality that was added in change notice 5. Change notice 6 also removed functionality that was required by the initial contract. Similar addition and subsequent removal of functionality also occurred between change notices 4 and 7.

In regard to part b., the contract change notices submitted to the State Administrative Board for approval contained some documentation of a business case analysis and risk assessment; however, the change notices lacked sufficient details to support the Departments' decisions for making the contract changes. For example, the change notices did not include evidence that the Departments conducted a cost reduction/savings analysis which would have identified additional costs that would have occurred if the change notices were not approved.

FINDING

2. Bridges Maintenance

DHS, DCH, and DTMB did not ensure that the State was able to independently maintain and operate Bridges. As a result, the Departments contracted for approximately \$20 million for development and maintenance subsequent to the implementation of Bridges.

The Departments entered into a four-year contract in February 2006, effective through February 2010, and subsequently a nine-month extension, effective through November 2010, with a contractor for the development of Bridges.

Control Objectives for Information and Related Technology* (COBIT) states that transferring the knowledge and skills to operational, technical, and end users helps to enable staff to effectively and efficiently deliver, support, and maintain the system and associated infrastructure. Although some knowledge transfer has occurred, we noted that the contract required the development contractor to transfer knowledge and skills to the State to enable State employees to provide ongoing maintenance and operations of Bridges. However, we noted in our 2007 preliminary review that this contract requirement was not a condition of payment. Without tying the transfer of knowledge and skills to payment, the development contract had no incentive to complete the knowledge transfer, and additional contracts and expenses for maintenance and operations services occurred.

Because the contractor did not transfer knowledge and skills to the State, the Departments are not in the position to independently maintain Bridges. Therefore, the Departments informed us that they plan to continue contracting for these services, resulting in significant additional costs to the State. Furthermore, DHS did not allow enough time to transition to a new maintenance and operations contract. As a result, the Departments will have very limited time to obtain federal approval, solicit and review bids, procure a vendor, and enter into a contract. Consequently, the State will find it difficult in this short time frame to procure a contract for maintenance and operations.

* See glossary at end of report for definition.

DHS started planning for additional contracts. For example:

- a. In a letter dated September 28, 2009 to the Food and Nutrition Service (FNS), U.S. Department of Agriculture, DHS acknowledged that it will not be in a position to fully in-source all maintenance and operations activities by the conclusion of the contract extension ending in November 2010 (Exhibit 2).
- b. In a letter dated received by DHS on November 13, 2009, FNS expressed concern to DHS about vendor procurement (Exhibit 3).
- c. On February 4, 2010, DHS provided FNS with a draft request for proposal (RFP). DHS anticipated that the new contract would start no later than August 12, 2010 to allow for a transition period between contracts. In addition, the new contract would be for 3 years with two 1-year optional extensions.
- d. On March 19, 2010, FNS provided DHS with comments about the contents of the draft RFP that DHS needed to address before receiving FNS approval.
- e. On April 21, 2010, DHS provided FNS with a revised draft RFP for review and approval. DHS anticipated that the costs for the new contract would be approximately \$7 to \$12 million annually.

The Departments informed us that it was more cost beneficial to continue contracting for maintenance and operations. However, the Departments could not provide us with documentation that it conducted a cost-benefit analysis to support its position. Therefore, the Departments should require that the contractor transfer knowledge and skills to State employees in accordance with contract requirements.

RECOMMENDATION

We recommend that DHS, DCH, and DTMB ensure that the State is able to independently maintain and operate Bridges.

AGENCY PRELIMINARY RESPONSE

DHS, DCH, and DTMB agree with the recommendation. The Departments informed us that their plans to hire new staff to conduct transition activities during Bridges' development were adversely impacted by hiring freezes imposed under executive directives. The Departments also informed us that existing DTMB

employees were dedicated to maintaining several critical DHS legacy applications (CIMS*, ASSIST*, LOA2*) during the conversion process. The Departments informed us that knowledge transfer activities began in October 2009; however, DTMB's ability to fully maintain and operate Bridges will be predicated on its ability to successfully recruit appropriately qualified technical staff. In the interim, vendor assistance will continue to be required. The Departments acknowledge that limited time exists to procure a new contract for maintenance and operations, but they are diligently working to meet the necessary time lines.

GOALS AND OBJECTIVES

COMMENT

Audit Objective: To assess the effectiveness of DHS, DCH, and DTMB's efforts in assessing whether the Bridges project achieved the goals and objectives defined by the Departments.

Audit Conclusion: **DHS, DCH, and DTMB's efforts in assessing whether the Bridges project achieved the goals and objectives defined by the Departments were not effective.** Our assessment disclosed one material condition. DHS, DCH, and DTMB did not conduct an implementation review of Bridges (Finding 3).

FINDING

3. Implementation Review

DHS, DCH, and DTMB did not conduct an implementation review of Bridges. Without a formal implementation review, the Departments cannot determine if Bridges was successfully developed and implemented to meet the goals and objectives of the project. Consequently, it will be difficult for the Departments to determine the appropriateness of expending additional funding on new functionality for Bridges if Bridges does not meet the defined goals.

DTMB Administrative Guide procedure 1310.06 and the State's Project Management Methodology require completion of a post-implementation review during the final phase of system development. A post-implementation review consists of evaluating the performance of a new system to ensure that the project

* See glossary at end of report for definition.

achieved the expected results and benefits and met business and user requirements. Conducting an implementation review would provide the Departments with information about the success and shortcomings of Bridges in terms of anticipated goals, objectives, and costs; plans to address system deficiencies and inefficiencies; and plans for ongoing assessment of overall system performance.

An implementation review can be completed during project closure but may also be done as project phases are completed. The Departments have implemented, Statewide, the three major functionality releases of Bridges. Therefore, an implementation review would be appropriate and beneficial to the Departments. We noted:

- a. The Departments did not assess whether the goals and objectives of Bridges were achieved. Also, as noted in our 2007 preliminary review of Bridges, the Departments did not clearly define the project's 3 goals and 8 objectives. DHS and DTMB awarded over \$207 million in contracts for the Bridges project and expended \$175.2 million from fiscal year 2005-06 through February 2010 (Exhibit 4). The primary goal of Bridges was to "reduce work load to maximize worker effectiveness and efficiencies." However, as noted in our 2007 preliminary review of Bridges, the Departments did not define to what extent Bridges would reduce work load. Bridges training materials indicate that initial client intake may take longer with Bridges than with the legacy systems that Bridges replaced; however, ongoing case management would require less time. The Departments should conduct an implementation review of Bridges to determine if Bridges has met the primary goal to "reduce work load to maximize worker effectiveness and efficiencies." The average number of cases per worker has increased from 479 during fiscal year 2004-05 to 711 as of March 2010; however, without an implementation review, the Departments cannot determine what impact Bridges has had on the workers' ability to handle the increased number of cases (Exhibit 5).
- b. The Departments did not assess whether Bridges contained the functionality cited as corrective action to remediate prior Office of the Auditor General audit findings. DHS's corrective action plan, dated August 1, 2007, in response to our financial audit, including the provisions of the Single Audit Act, for the period October 1, 2004 through September 30, 2006 stated that the

implementation of Bridges would address audit findings related to various federal awards, including Temporary Assistance for Needy Families (TANF), Low-Income Home Energy Assistance Program (LIHEAP), and Social Services Block Grant (SSBG). Specifically, DHS stated that Bridges would include functionality to prevent coding errors; implement a detailed 60-month federal time limit counter for TANF; and record documentation used in determining benefit eligibility (Exhibit 6). Conversely, DHS's corrective action plan, dated November 1, 2007, as issued to the State Budget Office, stated that Bridges would contain functionality reminding the worker to verify within the system that the required documentation has been obtained.

DHS should evaluate whether Bridges was implemented with the functionality outlined in the corrective action plans for complying with the audit findings and, if not, determine the corrective actions necessary to comply with the audit findings.

RECOMMENDATION

We recommend that DHS, DCH, and DTMB conduct an implementation review of Bridges.

AGENCY PRELIMINARY RESPONSE

DHS, DCH, and DTMB agree with the recommendation. The Departments informed us that, because one of the primary goals of Bridges was to reduce work load to maximize worker effectiveness and efficiencies, DHS leadership concluded that effective measurement would be best evaluated after workers had sufficient time to become familiar with the Bridges application. DHS believes that the post-implementation review would be more effective and valuable if it waited for staff to become familiar with Bridges. The Departments also informed us that they recently began planning for the post-implementation review to assess achievement of the worker efficiency goal as well as other primary goals of Bridges.

DEVELOPMENT AND MAINTENANCE COSTS

COMMENT

Audit Objective: To provide a summary of the development and maintenance costs of Bridges.

Audit Conclusion: We provided a summary of the development and maintenance costs of Bridges. Our report does not include any reportable conditions* related to this audit objective. Our audit objective was not directed toward expressing an opinion on these costs and, accordingly, we express no opinion on them.

UNAUDITED

Summary of Development and Maintenance Costs of Bridges
May 2004 through June 2010

Personal Service Purchase Order and Consultant/Vendor Information					
Purchase Order/ Contract Number	Consultant/Vendor	Purpose/Position/Role	Amount	Purchase Order/ Contract Effective Date	Contract End Date
084N4003011	Consultant 1	Integrated Eligibility Business Project	\$ 24,000	05/03/2004	07/01/2004
071B4200321	Consultant 1	Project Manager	249,885	07/01/2004	07/01/2005
084N5200554	Consultant 2	Planning Assistance Consultant	24,920	10/25/2004	11/15/2004
071B5200125	Consultant 2	Project Manager	249,990	11/15/2004	11/15/2005
085N5200551	Consultant 3	Kickoff Coordinator	24,960	11/02/2004	11/16/2004
071B5200124	Consultant 3	Program Manager	997,900	11/16/2004	11/15/2008
071B5200075	Consultant 4	Business Process Specialist	249,600	10/11/2004	10/10/2005
071B5200089	Consultant 5	Business Process Specialist	248,940	10/11/2004	10/10/2005
071B5200115	Consultant 6	System Architect	245,440	11/15/2004	11/14/2005
071B5200325	Consultant 1	Project Manager	720,720	06/30/2005	06/29/2008
071B6200003	Consultant 2	Business Process Specialist	648,960	11/15/2005	11/14/2008
071B6200001	Consultant 5	Business Process Specialist	743,580	10/11/2005	10/10/2008
071B6200005	Consultant 6	System Architect	655,200	11/15/2005	11/14/2008
071B5200321	Consultant 7	Business Process Specialist	717,616	07/01/2005	06/30/2008
071B6200023	EDS	Project Control Office	22,000,000	10/01/2005	09/30/2009
071B6200149	Deloitte Consulting LLP	Development and Implementation	119,738,241	02/08/2006	11/10/2010
084N9200793	Consultant 3	For Bridges project	24,960	10/29/2008	
071B9200069	Consultant 3	Program Manager	228,800	11/18/2008	11/17/2009
084N9203417	Consultant 6	For DHS - Bridges	24,500	06/10/2009	
084N0200486	EDS	Project Management Control Office	385,000	10/20/2009	
071B0200042	EDS	Project Control Office	58,992,000 *	11/01/2009	10/31/2014
Total Purchase Order and Contract Amount			<u>\$ 207,195,212</u>	As of 04/2010	
Prior Office of the Auditor General Review Purchase Order and Contract Amount			\$ 97,787,849	As of 11/2007	

* Electronic Data Systems (EDS) contract includes work for both Bridges and the Michigan Child Support Enforcement System (MiCSES)

Source: Information compiled from individual purchase orders and contracts provided by DTMB.

* See glossary at end of report for definition.

SUPPLEMENTAL INFORMATION

PROJECT MANAGEMENT OF THE BRIDGES INTEGRATED AUTOMATED
ELIGIBILITY DETERMINATION SYSTEM

Department of Human Services, Department of Community Health,
and Department of Technology, Management & Budget (DTMB)

Deloitte Consulting, LLP, Contract Cost Summary

Summary Level	Original Contract	Change Notice 1	Change Notice 2	Change Notice 3
Development and Implementation - Release 1	\$ 28,860,497	\$ 32,171,117	\$ 32,171,117	\$ 32,171,117
Release 1 Strategy Change		6,864,480	6,864,480	6,864,480
Development and Implementation - Release 2	10,345,685	7,035,065	7,035,065	7,035,065
Development and Implementation - Release 3	7,051,364	7,051,364	7,051,364	7,051,364
4-Year System/Service Enhancements - (Allocated) *				7,254,900
4-Year System/Service Enhancements - (Remaining Unallocated) *	8,120,576	1,256,096	7,256,096	1,196
System Enhancements - On-Line and IVR Food Assistance *				
System Enhancements - LIHEAP Self Service *				
System Enhancements - MICHILD and MICSES *				
4-Year Ongoing Production Support	4,599,118	4,599,118	4,599,118	4,599,118
4-Year Hardware and Software	11,008,898	11,008,898	5,008,898	5,008,898
Extension Year Maintenance and Operations				
Total	<u>\$ 69,986,138</u>	<u>\$ 69,986,138</u>	<u>\$ 69,986,138</u>	<u>\$ 69,986,138</u>

* Contract cost summary line items grouped as system/service enhancements.

Source: Information compiled from contract files provided by DTMB.

Change Notice 4	Change Notice 5	Change Notice 6	Change Notice 7	Change Notice 8	Change Notice 9	Increase (Decrease) From Original Contract	Percentage Increase (Decrease) From Original Contract
\$ 32,171,117	\$ 36,292,073	\$ 36,292,073	\$ 36,292,073	\$ 36,292,073	\$ 36,292,073	\$ 7,431,576	26%
6,864,480	6,864,480	6,864,480	6,864,480	6,864,480	6,864,480	6,864,480	
7,035,065	7,035,065	5,276,299	5,276,299	5,276,299	5,276,299	(5,069,386)	(49%)
						(7,051,364)	
7,254,900	31,589,378	38,358,531	38,321,899	38,966,134	38,966,134		
7,992,920	6,037,486	1,027,099	1,063,731	419,496	419,496		
			4,123,312	4,123,312	4,123,312	38,766,047	477%
				1,266,943	1,528,481		
				1,849,200	1,849,200		
4,599,118	3,599,118	3,599,118	3,599,118	3,599,118	3,599,118	(1,000,000)	(22%)
4,068,538	4,068,538	4,068,538	4,068,538	4,068,538	4,068,538	(6,940,360)	(63%)
				17,012,640	17,012,640	17,012,640	
<u>\$ 69,986,138</u>	<u>\$ 95,486,138</u>	<u>\$ 95,486,138</u>	<u>\$ 99,609,450</u>	<u>\$ 119,738,233</u>	<u>\$ 119,999,771</u>	<u>\$ 50,013,633</u>	71%

PROJECT MANAGEMENT OF THE BRIDGES INTEGRATED AUTOMATED
ELIGIBILITY DETERMINATION SYSTEM

Department of Human Services, Department of Community Health,
and Department of Technology, Management & Budget

DHS Letter to Food and Nutrition Service, U.S. Department of Agriculture
September 2009



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

September 28, 2009

Mr. Ollice Holden, Regional Administrator
USDA - Food and Nutrition Service
Midwest Region
77 W Jackson Blvd, 20th floor
Chicago, IL 60604-3591

Dear Mr. Holden:

The State of Michigan would like to thank you for your review of our June 2009 Advance Planning Document Update for the Michigan Bridges Project. We understand your concern regarding the need for a clear transition plan. To address that concern, we have prepared the attached addendum to our APDU. That addendum has also been incorporated in Contract Change Notice #7. A copy of the revised Change Notice #7 is attached, along with the Contract Change Notice 6.5, related to development of our Food Assistance Program client self service functionality.

The state acknowledges that it will not be in a position to fully in-source all maintenance and operations activities by the conclusion of the contract extension ending November 2010. Therefore, the balance of these activities will be identified and quantified allowing for the issuance of a Request for Proposal (RFP) and ensuing competitive bid. The RFP will be forwarded for your review and approval early in calendar year 2010.

We are very proud of our successful statewide implementation of Bridges. We appreciate your strong partnership and support throughout the development and rollout of Bridges and look forward to your continued support as we move to ongoing maintenance and operation of the system.

Sincerely,

Ismael Ahmed

Enclosure

**PROJECT MANAGEMENT OF THE BRIDGES INTEGRATED AUTOMATED
ELIGIBILITY DETERMINATION SYSTEM**

Department of Human Services, Department of Community Health,
and Department of Technology, Management & Budget

Food and Nutrition Service, U.S. Department of Agriculture, Letter to DHS
November 2009



**United States
Department of
Agriculture**

Food and
Nutrition
Service

Midwest Region

77 W. Jackson Blvd.
20th Floor
Chicago, IL
60604-3591

Ismael Ahmed, Director
Department of Human Services
235 South Grand Avenue, Suite 1514
PO Box 30037
Lansing, Michigan 48933

NOV 13 2009

Dear Mr. Ahmed,

We have received your letter of September 28, 2009 conveying a response to FNS's request for a transition plan associated with your June, 2009, Advance Planning Document Update (APDU) for the Bridges project. We appreciate your attention to this matter. The APDU is approved, with the following conditions:

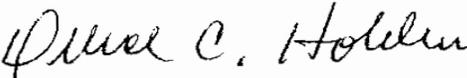
- The State must provide assurance that Deloitte is not in any way involved in identifying or describing the scope of work that will go into any RFPs for future work on which they are eligible to bid. It is important that the State avoid both the reality and the appearance of conflict of interest or pre-selection.
- The recently submitted materials point out the addition of \$1,849,200 in system enhancements specifically related to a MiChild 2-way interface and MiCSES direct interface. The State must provide assurance that these costs will be direct charged to the appropriate programs and not cost allocated to SNAP or FNS along with the approximately \$17 million for M&O and transition.
- The State must identify when it anticipates switching from a project cost allocation to an operational cost allocation and when it anticipates closing the Bridges project and providing us with final project costs. We assume this will correspond roughly to the end of the extension year, but would like the State to provide an estimate for planning purposes.
- Having new contracted resources on board by the end of the extension year (November 10, 2010) requires an aggressive timeline for procurement. In order to assure a fair and openly competitive procurement and to prevent the appearance of pre-selection by any rushed process, the State must submit draft RFP(s) to FNS for review and approval by February 1, 2010. If some procurements will be done using existing master contracts, please contact us to discuss that process and timelines.

In addition to conditional approval of the APDU, this letter provides approval for contract amendments CCN6.5 and CCN7. The revised total approved project cost is \$206,472,457. The approved costs for Federal fiscal year 2010 are \$36,319,719. The approved cost allocation, per our letter of March 9, 2007 is a SNAP share of 26.91% or \$9,773,636 with an FNS share of 50% or \$4,886,818.

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Please provide the requested assurances or information in the first three bullets, above, within 60 days of receipt of this letter. If there are any questions, please contact Tim English of my staff at (312) 353-1533 or tim.english@fns.usda.gov

Sincerely,


OLLICE C. HOLDEN
Regional Administrator

cc: James Blackie, HHS
John Thomas, CMS
Marva Mosely, FNS Financial Management

PROJECT MANAGEMENT OF THE BRIDGES INTEGRATED AUTOMATED
ELIGIBILITY DETERMINATION SYSTEM
Department of Human Services (DHS), Department of Community Health,
and Department of Technology, Management & Budget

Bridges Expenditures
Through January/February 2010

	Fiscal Year					Total
	2005-06	2006-07	2007-08	2008-09	2009-10	
Contractual and Contractual Travel	\$ 7,041,931	\$ 10,186,802	\$ 45,728,444	\$ 2,987,053	\$ 1,652,333	\$ 67,596,563
Equipment	1,352,550	16,733	232,571	45,170		1,647,024
Equipment Maintenance	319,532					319,532
Salary, Fringes, Travel	1,943,330	4,354,395	7,411,799	8,452,585	3,289,551	25,451,660
Software/License	5,200,399	984,660	318,515	83,889	269	6,587,730
Software/License Maintenance	599,516	990,596	596,437	928,523	27,390	3,142,463
Training and Travel	19,850	14,310	2,622			36,782
Project Miscellaneous						
Contractual Services, Supplies, and Materials (CSS&M) Miscellaneous	162,945	610,456	688,445	1,716,302	142,009	3,320,157
Telecommunications	37,429	47,925	68,809	70,639	42,674	267,476
Fees	472,304	2,398,583	2,960,585	4,092,599	2,134,875	12,058,946
Prior Year Purchase Orders, Work Project, Legislative Transfer	479,934		1,413,635	45,497,084	6,810,764	54,201,417
Total Expenditures	\$ 17,629,719	\$ 19,604,460	\$ 59,421,863	\$ 63,873,844	\$ 14,099,864	\$ 174,629,751
Allocated Cost Pool 6	34,915	71,172	159,940	199,142	89,250	554,420
Prior Month 13 Allocated Cost Pool 6		32	1,279		168	1,479
Total Bridges Expenditures	\$ 17,664,635	\$ 19,675,663	\$ 59,583,082	\$ 64,072,986	\$ 14,189,283	\$ 175,185,649

Federal/State Funding of Bridges

Approximate Federal Funding Percentage (FFP)	64%	64%	64%	63%	61%	
Approximate Federally Funded Expenditures	\$ 11,305,226	\$ 12,592,268	\$ 38,082,735	\$ 40,328,936	\$ 8,691,954	\$ 111,001,119
Approximate State Funded Expenditures	\$ 6,359,409	\$ 7,083,395	\$ 21,500,347	\$ 23,744,051	\$ 5,497,328	64,184,531
Total Bridges Expenditures						\$ 175,185,649

Source: DHS Project Planning and Finance.

**PROJECT MANAGEMENT OF THE BRIDGES INTEGRATED AUTOMATED
ELIGIBILITY DETERMINATION SYSTEM**

Department of Human Services (DHS), Department of Community Health,
and Department of Technology, Management & Budget

DHS's Historical Statewide Caseload Averages

	2002	2003	2004	2005	2006	2007	2008	2009	2010	10-Mar
Caseload										
Applications	77,025	99,629	106,201	106,466	108,508	116,679	123,060	271,234	206,201	216,396
Family Independence Program (FIP)	67,177	67,479	73,165	74,004	81,437	81,316	71,457	74,806	83,485	82,756
Day Care	70,931	72,518	72,159	72,625	71,815	68,903	62,836	46,944	33,980	32,191
State Disability Assistance (SDA)	7,725	8,793	9,802	10,433	10,448	10,944	10,306	10,184	10,500	10,662
Adult Medical Program (AMP)	44,821	54,192	70,505	53,515	53,871	54,527	59,930	45,649	72,892	63,845
Family Medicaid	296,988	322,741	345,910	372,647	361,651	441,338	460,875	637,653	718,404	745,444
Adult Medicaid	137,027	141,383	147,946	157,630	165,573	173,839	182,257	189,356	184,834	187,357
Non-Public Assistance Food Assistance Program (NPA FAP)	268,536	286,809	331,437	391,666	429,907	470,751	532,158	585,526	753,926	782,206
Supplemental Security Income (SSI)	210,486	213,814	216,151	216,578	216,959	218,460	219,178	222,966	243,912	245,836
Total Caseload	1,180,716	1,267,358	1,373,276	1,455,564	1,500,169	1,636,757	1,722,057	2,084,318	2,308,134	2,366,693
Allocated Staff										
Family Independence Specialists (FIS)	2,271	1,973	1,860	1,860	1,750	833	836	781	540	540
Eligibility Specialists (ES)	1,586	1,383	1,303	1,303	1,222	2,155	2,259	2,324	2,941	2,941
Total Allocated Staff	3,857	3,356	3,163	3,163	2,972	2,988	3,095	3,105	3,481	3,481
Cases Per Worker For Allocated Staff	306	378	434	460	505	548	556	671	663	680
On-Board Staff										
FIS - Case Managers	2,208	1,907	1,784	1,758	1,730	1,282	866	806	778	730
Non-Case Manager FIS							601	450	315	334
ES	1,476	1,374	1,294	1,282	1,278	1,609	1,457	1,781	2,138	2,264
Total On-Board Staff	3,684	3,281	3,078	3,040	3,008	2,891	2,924	3,037	3,231	3,328
Cases per Worker for On-Board Staff	320	386	446	479	499	566	589	686	714	711

Caseload: January caseload in each year except Applications (calendar year 2008), Calhoun (4/08 - 7/08 average) and Barry/Eaton (10/08 - 12/08 average)
April caseload is from RD 030 from both Bridges and Legacy.

Allocated staff: Staff allocated for the fiscal year in which the above caseload falls.

Staff counts: January manual on-board reports except for 2002 when no January report was available so April on-board report was used to compute January numbers.

The ES on-board count has historically included the following Off the Top positions: Native American, Healthy Kids, and Title IV-E Pilot positions.

The following ES-classified positions were not included in these calculations because their on-board count numbers were not included in the ES on-board count and could not otherwise be accurately reported: Wayne Long Term Care, Medical Assistance Error Reduction, and MARA.

Recoupment Specialist positions were not included in these calculations because these staff do not open or carry eligibility cases.

Post 2008 data from Green Book / Trend Reports and Post 2009 registration data from MH S32.

Versions of this report prior to April 9, 2010 incorrectly reported 2009 and 2010 NPA-FAP Data.

Source: DHS

PROJECT MANAGEMENT OF THE BRIDGES INTEGRATED AUTOMATED
ELIGIBILITY DETERMINATION SYSTEM

Department of Human Services, Department of Community Health,
and Department of Technology, Management & Budget

DHS's Corrective Action Plan to Its Single Audit
For the Period October 1, 2004 through September 30, 2006



OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT

FINANCIAL AUDIT
INCLUDING THE PROVISIONS OF THE SINGLE AUDIT ACT
OF THE

DEPARTMENT OF HUMAN SERVICES

October 1, 2004 through September 30, 2006



THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

This cover is extracted from Office of Auditor General (OAG) published report 431-0100-07.

accumulated and recorded to comply with federal requirements. This program clearly operated in substantial compliance with federal guidelines and does not warrant an adverse opinion.

Corrective Action: DHS will provide match through State dollars.

Anticipated Completion Date: October 1, 2006.

Responsible Individual: Debi Cain

Finding Number: 4310706

Finding Title: Promoting Safe and Stable Families (PSSF),
CFDA 93.556

Management Views: DHS agrees.

Corrective Action: DHS acknowledges monitoring did not occur as required. A reorganization of resources is currently pending. It is expected additional resources will be allocated to this monitoring function and a corrective action plan will be developed and implemented to ensure compliance with requirements.

Anticipated Completion Date: October 1, 2007

Responsible Individuals: William Addison
Gail Fournier
Luci Stibitz
Helen Weber

Finding Number: 4310707

Finding Title: Temporary Assistance for Needy Families (TANF),
CFDA 93.558

Management Views:

DHS agrees in part with the finding. DHS disagrees with the following items:

Activities Allowed or Unallowed, item a.(1); Allowable Costs/Cost Principles, item b.(1); and Subrecipient Monitoring, item f.(1) as it relates to the Family Support Subsidy Interagency Agreement.

DHS disagrees that it claimed emergency foster care expenditures in TANF that were unallowable. Activities that were allowable under the IV-A Emergency Assistance plan are specifically allowable under TANF regulations. The DHS interpretation has been confirmed by U.S. Department of Health and Human Services legal authorities in Washington and Chicago.

DHS disagrees that it did not monitor the Family Support Subsidy Interagency Agreement. It monitors the agreement by approval of the bills and supporting documentation.

Corrective Action:

DHS has developed and is implementing a new technology system (BRIDGES) that will prevent coding errors, have a detailed 60-month federal time limit counter, and require that documentation used for benefit eligibility be recorded within the system.

Field offices will stress the importance of appropriate documentation with eligibility staff. Documentation supporting benefit eligibility will be reviewed during supervisor case readings as well as field office program reviews.

A work request has been submitted to include the child care program in the automated data match process for the Department of Corrections' incarceration match

This page is extracted from OAG published report 431-0100-07, found in the Corrective Action Plan on page 156.

Anticipated Completion Date: October 1, 2007

Responsible Individuals: William Addison
Al Horn

Finding Number: 4310709

Finding Title: Low-Income Home Energy Assistance, *CFDA* 93.568

Management Views: DHS agrees in part with the finding. DHS disagrees with the following items:

Allowable Costs/Cost Principles, item b.(2)(b); Matching, Level of Effort, and Earmarking, item e.; and Reporting, item f.

Regarding item b.(2)(b), the testing of items favored fiscal year 2004-05 samples and did not factor in the significant changes DHS made in fiscal year 2005-06 in the reconciliation process.

Regarding items d. and e., the errors noted for these audit findings were substantially corrected for fiscal year 2004-05 and in full compliance for fiscal year 2005-06. To repeat the findings ignores the implementation of corrective action from the previous audit.

Corrective Action: Case File Documentation: 1. Field office directors will stress the importance of appropriate documentation with eligibility staff. 2. Documentation supporting benefit eligibility will be reviewed during supervisor case readings as well as field office program reviews completed by Regional Service Centers and Outstate Operations. 3. The BRIDGES system, which is scheduled to pilot in November 2007, includes functionality requiring that the documentation used for

benefit eligibility determinations be recorded within this computer system.

Home heating credit claim applications, item b.(2)(a): The Department of Treasury cannot audit every home heating credit claim processed. It has established a threshold for auditing purposes. The DHS Low-Income Home Energy Assistance Program office is in discussion with the Department of Treasury to implement electronic auditing oversight to increase error detection.

Reconciliation of Department of Treasury Electronic Files: Though the reconciliation process notes immaterial differences for fiscal year 2006-07, system changes are being completed for fiscal year 2007-08 to aid in the reconciliation.

Anticipated Completion Date: November 2007

Responsible Individual: Joan Lamoreaux

Finding Number: 4310710

Finding Title: Community Services Block Grant (CSBG),
CFDA 93.569

Management Views: DHS disagrees with Subrecipient Monitoring, item b.

DHS disagrees that DHS's internal control over the CSBG Program did not ensure its compliance with federal laws and regulations regarding subrecipient monitoring. The eligibility criteria DHS used is based on the fact that CSBG can be used to fund administrative capacity-building activities for Community Action Agencies *regardless* of the income level of the Community Action Agency clients who may benefit from those capacity-building activities.

This page is extracted from OAG published report 431-0100-07, found in the Corrective Action Plan on page 159.

found the program to be in substantial compliance with federal requirements.

Corrective Action: Field staff will be required to fully document case files and ensure that activities are within the client service plan.

Anticipated Completion Date: December 31, 2007

Responsible Individual: Jim Nye

Finding Number: 4310714

Finding Title: Adoption Assistance, *CFDA* 93.659

Management Views: DHS agrees with the finding.

Corrective Action: A new adoption payment system was implemented in June 2007. This type of error is no longer possible.

Anticipated Completion Date: June 11, 2007

Responsible Individual: Kate Hanley

Finding Number: 4310715

Finding Title: Social Services Block Grant (SSBG), *CFDA* 93.667

Management Views: DHS agrees in part with the finding. DHS disagrees with the following items: Activities Allowed or Unallowed, items a.(1)(a), a.(1)(b), and a.(4); Allowable Costs/Cost Principles, items b.(3) and b.(4); and Eligibility, item d.(5).

DHS disagrees that expenditures were not incurred in accordance with the SSBG State Plan. Services to youth are appropriate per the State Plan and the costs

This page is extracted from OAG published report 431-0100-07, found in the Corrective Action Plan on page 162.

are allowable in various sections of the plan. Child day-care expenditures were covered by other sections in the fiscal year 2004-05 State Plan.

Although DHS did not have data match systems in place, DHS had a prevention control in place that required participant reporting. Providers and parent/substitute parents are required to report changes in their circumstances to DHS within 10 days of the occurrence, and this self-reporting requirement was highly effective.

Corrective Action:

The 2007 SSBG State Plan will be amended and the 2008 SSBG State Plan will be modified to state that representative payee is an allowable service that does not require a court order.

Field office directors will stress the importance of appropriate documentation with eligibility staff. Documentation supporting benefit eligibility will be reviewed during supervisor case readings as well as field office program reviews. The BRIDGES computer system includes functionality requiring documentation used for benefit eligibility determinations to be recorded within the system.

DHS is developing a Web-based page where the child day-care crime codes can be updated and available to field staff at the time they are updated.

A work request has been submitted to include the child care program in the automated data match process for the Social Security death match. Corrective action will be implemented with Release II of BRIDGES.

Anticipated Completion Date: November 30, 2008

This page is extracted from OAG published report 431-0100-07, found in the Corrective Action Plan on page 163.

GLOSSARY

Glossary of Acronyms and Terms

ASSIST	Automated Social Services Information and Support.
Bridges Integrated Automated Eligibility Determination System (Bridges)	An automated, integrated service delivery system for Michigan's cash assistance, medical assistance, food assistance, and child care assistance programs.
CIMS	Customer Information Management System.
Control Objectives for Information and Related Technology (COBIT)	A framework, control objectives, and audit guidelines developed by the IT Governance Institute as a generally applicable and accepted standard for good practices for controls over information technology.
DCH	Department of Community Health.
DHS	Department of Human Services.
DTMB	Department of Technology, Management & Budget.
EDS	Electronic Data Systems.
effectiveness	Program success in achieving mission and goals.
ES	eligibility specialist.
FIS	family independence specialist.
FNS	Food and Nutrition Service.
IVR	Interactive Voice Response.
LIHEAP	Low-Income Home Energy Assistance Program.

LOA2	Local Office Automation II.
material condition	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
MiCSES	Michigan Child Support Enforcement System.
OAG	Office of the Auditor General.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.
reportable condition	A matter that, in the auditor's judgment, falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the objectives of the audit; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.
RFP	request for proposal.
SSBG	Social Services Block Grant.
TANF	Temporary Assistance for Needy Families.

