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Office of the Auditor General

Report Summary

Performance Audit

Selected Community Health-Related Contracts and Grants

Michigan Department of Health and Human Services (MDHHS)

Report Number:
391-0135-14

Released:
September 2015

MDHHS enters into contract and grant agreements for various community health-related goods and services. These include laboratory testing supplies and vaccines, diabetes prevention services, and substance abuse services. The Grants and Purchasing Division is responsible for ensuring that contract and grant agreements are developed, approved, and processed according to applicable laws, rules, regulations, policies, and procedures. During the 20 months of our audit period, MDHHS recorded \$369 million in contract and grant agreement expenditures.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of MDHHS's efforts to ensure that it awarded contracts and grants in accordance with certain State policies.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS should improve its controls over the administration of contracts and grants to help ensure that it awards them in accordance with MDHHS policies and procedures (Finding #1).		X	Agrees

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of MDHHS's efforts to monitor and evaluate the performance of contractors and grantees.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS did not always complete the required written post-project evaluation of contractor and grantee performance (Finding #2).		X	Agrees

A copy of the full report can be
obtained by calling 517.334.8050
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