



OAG

Office of the Auditor General

Report Summary

Follow-Up Report

Child Care Fund (CCF)

Michigan Department of Health and Human Services (MDHHS)

Report Number:
431-1400-13F

Released:
August 2017

We conducted this follow-up to determine whether MDHHS had taken appropriate corrective measures in response to the three material conditions noted in our June 2016 audit report.

MDHHS dissolved the Child Care Fund Monitoring Unit (CCFMU) in September 2016 and transferred the annual plan and budget, monthly reimbursement, and on-site review responsibilities to the Bureau of Audit, Reimbursement and Quality Assurance (BARQA), whereas programmatic responsibilities remained within the Children's Services Agency (CSA).

Prior Audit Information	Follow-Up Results		
	Conclusion	Finding	Agency Preliminary Response
<p>Finding #1 - Material condition</p> <p>Evaluation of county in-home care (IHC) program performance needed to ensure that CCF funding is providing successful outcomes.</p> <p>MDHHS did not conduct such an evaluation because it believed that the Michigan Supreme Court limited its statutory authority and responsibilities for IHC programming. MDHHS should seek an Attorney General Opinion, and potentially pursue amendatory legislation, to remedy the conflict between its operating practices and statutory requirements.</p> <p>Agency partially agreed.</p>	Did not comply	Material condition still exists. See Finding #1 .	Disagrees

Prior Audit Information (Continued)
<p>Finding #2 - Material condition</p> <p>Improved IHC program impact evaluation documentation needed to ensure program efficiency.</p> <p>Agency agreed.</p>
<p>Finding #3 - Material condition</p> <p>Improved annual plan and budget review and approval process needed to ensure compliance with State law and CCF Handbook requirements.</p> <p>Agency agreed.</p>

Follow-Up Results		
Conclusion	Finding	Agency Preliminary Response
Partially complied	Reportable condition exists. See <u>Finding #2</u> .	Disagrees
Complied	Not applicable	Not applicable

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