



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

January 8, 2018

Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services
George W. Romney Building
111 South Capitol, 8th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

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 the Michigan Statewide Automated Child Welfare Information System (MiSACWIS).

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

Sincerely,

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

PM:kk

Enclosure

c: Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
Executive Office
DHHS, Nick Lyon
DHHS, Nancy Vreibel
DHHS, Dr. Herman McCall

House Appropriations Committee
House Standing Committee
Senate Appropriations Committee
Senate Standing Committee
DHHS, Farah Hanley
DHHS, Geralyn Lasher
DHHS, Karla Ruest

PERFORMANCE AUDIT OF THE
MICHIGAN STATEWIDE AUTOMATED
CHILD WELFARE INFORMATION SYSTEM
(MiSACWIS)

DEPARTMENT OF HEALTH AND HUMAN SERVICES

JANUARY 8, 2018

AUDIT RESPONSE

Approved: _____

Karah A. Hanley

Karah A. Hanley, Senior Deputy Director
Department of Health and Human Services

Date: _____

1/8/2018



AUDIT REPORT SUMMARY

DEPARTMENT: Health and Human Services
AUDIT PERIOD: April 1, 2014 through February 28, 2017
REPORT DATED: June 27, 2017

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 (6/1/2018)	
Finding 2		
	Finding 3 (6/1/2018)	
	Finding 4 (6/1/2018)	
	Finding 5 (6/1/2018)	
	Finding 6 (6/1/2018)	
	Finding 7 (6/1/2018)	

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Recommendation 1: Improvement needed in identifying and merging duplicate records

The OAG recommend that MDHHS, in conjunction with DTMB, continue to identify and merge multiple records for the same person in MiSACWIS.

Response:

MiSACWIS project staff has submitted a BIC request to assist in providing field staff with additional information when reviewing person records. The BIC request was made to enhance web service between Bridges and MiSACWIS. Additionally, discussion is also in progress for MiSACWIS to utilize the Master Person Index (MPI). If MPI is a viable option in the near future, the BIC request may not be needed. MiSACWIS project staff continues to monitor the system and complete merges as applicable. A meeting was held on August 8th to review current barriers to making person merges. Options to remove barriers are being reviewed.

Recommendation 2: An MDHHS worker not assigned to all open cases.

The OAG recommend that MDHHS and DTMB ensure that all open child welfare cases have a worker assigned as required.

Response:

MDHHS and DTMB agreed with the finding. MDHHS reviewed all 208 of the cases and determined, all 208 cases were converted from the legacy system and either should have been closed prior to conversion or subsequent to conversion, but because of initial system defects at MiSACWIS implementation they remained open. This did not negatively impact any child's welfare. Subsequent system edits were implemented which reduce the risk of a case being opened without an assigned worker. In addition, the MDHHS MiSACWIS project staff and DTMB continue to monitor MiSACWIS for open cases that do not have an assigned caseworker, if any instances are noted, research will occur to ensure there are no system defects preventing proper assignment.

Recommendation 3: Sufficient process to recoup overpayments from service providers needed.

The OAG recommend that MDHHS establish a sufficient process in MiSACWIS to recoup overpayments made to service providers.

Response:

Partners from MDHHS are in communication on rolling out a full recoupment and reconciliation business plan. A meeting was held on July 25th which documented plans for implementation. Currently, staff from MiSACWIS are assisting staff from MDHHS Recoupment, Collections and Reimbursement to assure system functionality is aligning with the proposed business plan. Additionally, staff from the Federal Compliance Division (FCD) are drafting a communication which will be sent to child welfare field staff and private agency partners describing the rollout of the new process and the timeframes the Department is working with to execute this process. Staff

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from FCD and Federal Reporting are verifying and taking action on any overpayments discovered by the system and those reported by the field to support the eventual recovery of those debts by DHHS Recoupment, Collections and Reimbursement. Further meetings are being planned to continue conversation and make final decisions. Budget and Accounting will be included in these meetings. Finally, MiSACWIS staff will update the Provider Handbook to explain the business process for providers.

Recommendation 4: **Controls to prevent inaccurate payments to beneficiaries and service providers needed.**

The OAG recommend that MDHHS and DTMB continue to implement controls in MiSACWIS to prevent inaccurate payments to beneficiaries and service providers.

Response:

MiSACWIS project staff continues to monitor payroll weekly to ensure that any potential duplicate payments are captured and canceled. A change control is prioritized for the 17.9.1 release to specifically target any potential duplicate payments that might occur for independent living youth stipends. With regards to potential duplicate payments created by privileged users, MiSACWIS has entered a change control which will be prioritized for a future release. This change control ensures that any exception payment made without a service authorization and completed by Federal Compliance staff will be added to a roster and require approval from that user's supervisor. After the release, these payments will no longer be approved automatically by the batch and will always require a secondary approval which will be tracked in the audit trail. In the interim, staff from the Federal Compliance Division of MDHHS are manually rostering their payments immediately after creating them to ensure a supervisor is able to review them prior to releasing in payroll. The MiSACWIS change scheduled for October will simply automate the rostering of these payments but still require the supervisory approval.

Recommendation 5: **Segregation of duties for payment and payment-related activities could be improved**

The OAG recommend that MDHHS fully establish segregation of duties for the approval of MiSACWIS payments and payment-related activities to ensure that payments are accurate and that State and federal funds are properly spent.

Response:

MiSACWIS project staff has reviewed the areas where a user who has the ability to create and approve a record is able to complete both tasks without any system controls. A change control has been logged which will require a second user to review and approve payment records to ensure that no user is able to create and approve the same payment record. Prioritization is currently pending but MiSACWIS staff are looking to prioritize this change as soon as possible. In the interim, MiSACWIS staff will work with program office to issue a communication directing the field on the appropriate business process when privileged users encounter an instance when they are able to

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create and approve a record. In addition, MiSACWIS project staff will create a supporting job aid to assist the field with completing work and getting a second user to review and approve work. The future MiSACWIS change will enforce this business process through appropriate controls.

Recommendation 6: Better utilization of user feedback could improve satisfaction with MiSACWIS.

The OAG recommend that MDHHS enhance its process for seeking feedback from users to better evaluate and improve user satisfaction with MiSACWIS and its mobile app.

Response:

Since June 2014, the MiSACWIS project staff has been conducting onsite visits with local county offices and private agencies to gain feedback from MiSACWIS users and provide additional support to field staff. In order to customize the onsite visits and ensure the visits are beneficial to users, MiSACWIS project staff is consulting with Children's Services Administration (CSA) executive management and the Business Service Center (BSC) directors on changes to the current on site visit format in order to increase field engagement. In addition, a process for the field to communicate suggestions for system enhancements was implemented in January 2017. This process is also currently being reviewed with CSA to provide consistency between program office, field operations, and the MiSACWIS project. A communication will be issued once the process is fully developed. Lastly, MiSACWIS project staff has started meeting to discuss the logistics of implementing a yearly MiSACWIS survey to seek additional input from MiSACWIS users.

Recommendation 7: A more formalized classification process could result in improved time frames for prioritizing and resolving help desk tickets

The OAG recommend that MDHHS fully formalize a process to classify the severity of help desk tickets and the allowable time frames for resolving each classification level.

Response:

MiSACWIS project staff are working on detailing a help desk process to categorize tickets. Categories and timeframes are being defined to assist MiSACWIS users in understanding how their system issues will be addressed. After the help desk process is finalized, project staff will be educated on the business process and a communication will be sent to the field to explain the categories and timeframes.