



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, 8<sup>th</sup> 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 2017 Child Care Fund – Follow-Up.

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

~~Sincerely,~~

Signature Redacted

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

PM:kk

Enclosure

c: Office of the Auditor General	House Appropriations Committee
House Fiscal Agency	House Standing Committee
Senate Fiscal Agency	Senate Appropriations Committee
Executive Office	Senate Standing Committee
DHHS, Nick Lyon	DHHS, Farah Hanley
DHHS, Nancy Vreibel	DHHS, Geralyn Lasher
DHHS, Dr. Herman McCall	DHHS, Karla Ruest

PERFORMANCE AUDIT OF 2017  
CHILD CARE FUND – FOLLOW-UP

DEPARTMENT OF HEALTH AND HUMAN SERVICES

JANUARY 8, 2018

AUDIT RESPONSE

Approved: Farah A. Hanley  
Farah A. Hanley, Senior Deputy Director  
Department of Health and Human Services

Date: 1/8/18



## AUDIT REPORT SUMMARY

DEPARTMENT: Department of Health and Human Services  
AUDIT PERIOD: October 1, 2016 through April 30, 2017  
REPORT DATED: August 3, 2017

### DISPOSITION OF AUDIT RECOMMENDATIONS

CITATIONS COMPLIED WITH	CITATIONS TO BE COMPLIED WITH	CITATIONS DCH DID NOT AGREE WITH
		Finding #1
		Finding #2

**Audit Response**  
**Performance Audit**  
**2017 Child Care Fund - Follow-up**  
**Department of Health and Human Services**  
**October 1, 2016 through April 30, 2017**

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Recommendation 1: Evaluation of county IHC program performance needed.

The OAG recommended that MDHHS evaluate the performance of county IHC programs to ensure that CCF funding is providing successful outcomes for the neglected, abused, and delinquent youth served.

The OAG also recommended that MDHHS seek an Attorney General Opinion, and potentially pursue amendatory legislation, regarding the breadth of its authority for IHC program performance, evaluation, oversight, and Statewide standardization of CCF-funded juvenile justice services.

Response

MDHHS has pursued amendatory legislation regarding the breadth of its authority for IHC program performance, evaluation, oversight, and Statewide standardization of CCF-funded juvenile justice services.

Senate Bill 529, passed in Senate, repeals Section 117d of social welfare act that requires MDHHS to consider the demonstrated relevancy, quality, effectiveness, and efficiency of the existing and planned county juvenile justice services and the State's need for a reasonable degree of Statewide standardization and control of juvenile justice services when making an allocation of State appropriated funds. The repeal of this section eliminates any perceived MDHHS requirement to evaluate the performance of county IHC programs to ensure that CCF funding is providing successful outcomes for the neglected, abused, and delinquent youth served.

Senate Bill 529 is currently with the House "Families, Children and Seniors" committee for analysis.

Recommendation 2: Improved IHC program impact evaluation documentation needed.

The OAG recommended that MDHHS document its review of county IHC program impact evaluations and related cost reductions and obtain sufficient impact evaluation information from the counties.

Response

MDHHS has pursued amendatory legislation regarding the breadth of its authority for IHC program performance, evaluation, oversight, and Statewide standardization of CCF-funded juvenile justice services.

Senate Bill 529, passed in Senate, repeals Section 117d of social welfare act that requires MDHHS to consider the demonstrated relevancy, quality, effectiveness, and efficiency of the existing and planned county juvenile justice services and the State's need for a reasonable degree of Statewide standardization and control of juvenile justice services when making an allocation of State appropriated funds. The repeal of this section eliminates any perceived MDHHS requirement to evaluate the performance of county IHC programs to ensure that CCF funding is providing successful outcomes for the neglected, abused, and delinquent youth served.

Senate Bill 529 is currently with the House "Families, Children and Seniors" committee for analysis.