



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

November 15, 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 Partnership. Accountability. Training. Hope. (PATH) Program.

Questions regarding the summary table or corrective action plans should be directed to me at 517-241-4237 or MyersP3@michigan.gov.

Sincerely,

Pam Myers, Director  
Bureau of Audit

PM:kk

Enclosure

c: Office of the Auditor General  
House Fiscal Agency  
Senate Fiscal Agency  
Executive Office  
DHHS, Nick Lyon  
DHHS, Nancy Vreibel  
DHHS, Terry Beurer  
TED, Brian Carpenter

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

PERFORMANCE AUDIT OF  
PARTNERSHIP. ACCOUNTABILITY. TRAINING. HOPE. (PATH)  
PROGRAM

DEPARTMENT OF HEALTH AND HUMAN SERVICES AND  
TALENT INVESTMENT AGENCY, DEPARTMENT OF TALENT AND  
ECONOMIC DEVELOPMENT

SEPTEMBER 7, 2018

AUDIT RESPONSE

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

*BC*  
Brian Carpenter, Chief Admin. Officer  
Department of Talent and Economic Development

Date: 11-9-18



## **AUDIT REPORT SUMMARY**

DEPARTMENT: Health and Human Services and Talent and Economic  
Development

AUDIT PERIOD: October 1, 2013 through June 30, 2016

REPORT DATED: June 13, 2018

### **DISPOSITION OF AUDIT RECOMMENDATIONS**

CITATIONS COMPLIED WITH	CITATIONS TO BE COMPLIED WITH	CITATIONS DHHS AND TED DID NOT AGREE WITH
	Finding 1 (12/31/2020)	
	Finding 2 (12/31/2020)	
	Finding 3 (12/31/2020)	
Finding 4		
	Finding 5 (12/31/2020)	
	Finding 6 (10/1/2018)	
	Finding 7 (12/31/2020)	

**Audit Response**  
**Performance Audit**  
**2016 PATH Program**  
**Department of Health and Human Services and**  
**Talent and Economic Development**  
**October 1, 2013 through June 30, 2016**

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Recommendation 1:     Improved documentation to support PATH deferrals is needed.

The OAG recommended that MDHHS maintain sufficient documentation to support its deferrals of work-eligible individuals receiving cash assistance from mandatory PATH participation or other employment-related activities.

Response:

MDHHS submitted a Bridges Work Request to have systematic monitoring of deferrals to aid in the appropriate and timely verification. This work request also mandates the entry of comments for verification entries. In addition, MDHHS will continue to educate staff on training available through Office of Workplace Development and Training website and policy support. MDHHS has an anticipated completion date of December 31, 2020.

Recommendation 2:     Improvement needed to document good cause for noncooperation with PATH activities.

The OAG recommended that MDHHS improve its documentation to support PATH participants' good cause for not participating in required employment and self-sufficiency related activities.

Response:

MDHHS submitted a Bridges Work Request for implementation of systematic controls and monitoring related to these required activities. MDHHS will continue to educate staff on training available through Office of Workplace Development and Training website and policy support. In addition, MDHHS will continue Quality Assurance case reads and weekly discussions. MDHHS has an anticipated completion date of December 31, 2020.

Recommendation 3:     Preparation of individual responsibility plans should be improved.

The OAG recommended that MDHHS and TIA improve their preparation of individual responsibility plans to help ensure that all PATH participants have a complete plan that sets forth the individual's goals, barriers, and long-term actions.

Response:

MDHHS and TIA will develop consistent policy that requires PATH participants have a fully completed individual responsibility plan that includes all necessary components, whether in an FSSP or ISS. Any policy changes will be effective October 1, 2018.

In addition, although strengthening the individual responsibility plan can positively impact the participant's program results, MDHHS and TIA also believe strengthening the program's case management tool bag will create even greater outcomes. A joint MDHHS and TIA workgroup is currently having discussions on expanding the previous Job Search Assistance pilot program which focuses more on Program case management delivery to a Goals, Progress, and Success (GPS) oriented coaching methodology. TIA expects to expand the GPS model to additional delivery sites which will improve the overall case management and participant engagement realized by the program.

Requirement specifications regarding Bridges Modernization Sunset Legacy Component-FAST were completed during July 2018. The solution is for the FAST survey information will be interfaced to the MWA. This solution will allow individuals barriers, strengths, employment and skill set information to be mapped

to DHHS FSSP and Workforce Development/TIA for consistency. MDHHS has an anticipated completion date of December 31, 2020.

Recommendation 4: Improved accuracy needed in reporting.

The OAG recommended that MDHHS improve the accuracy of its reports regarding cash assistance recipients who have remained employed for 6 months or longer.

Response:

As of October 2017, the boilerplate reporting source is now from the MDHHS Data Warehouse, DTMB, for consistency.

Recommendation 5: Better use of available income and employment information is needed.

The OAG recommended that MDHHS utilize available income and employment information to help determine the appropriate amount of cash benefits that employed PATH participants should receive.

Response:

MDHHS submitted a Bridges Work Request that will allow for the utilization of employment data available from TIA as a tool to inquire if a client has income that the department has not been made aware of. MDHHS is evaluating other alternatives to manually monitor until systematic monitoring can be implemented. MDHHS has an anticipated completion date of December 31, 2020.

Recommendation 6: Improvement needed in monitoring policies for supportive services payments.

The OAG recommended that MDHHS improve its monitoring of TIA's supportive services policies to help ensure that the policies consistently and appropriately convey PATH requirements to MWA staff.

Response

MDHHS worked with TIA to update the PATH Manual and Supportive Services policies so that they align with MDHHS Supportive Services policy and procedures. MDHHS will ensure that TIA is notified on a timely basis of future supportive services changes in policy. In addition, MDHHS and TIA will monitor direct support services expenditures on a quarterly basis to ensure that MWA staff are following supportive services limits consistently and appropriately. The PATH Manual updates will be effective October 1, 2018.

Recommendation 7: Improved evaluation of PATH results is needed.

The OAG recommended that MDHHS and TIA improve their evaluation of PATH results to better determine the Program's effectiveness in leading program participants toward self-sufficiency.

Response

MDHHS and TIA will continue to evaluate the recommendations provided by the workgroup and the suggestions noted above and determine if actual achievement is attainable. While MDHHS and TIA would like to reiterate that they are meeting statutory requirements, the program is committed to pursuing appropriate outcome-based performance measures. MDHHS and TIA have an anticipated completion date of December 31, 2020.