



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ROBERT GORDON  
DIRECTOR

June 23, 2020

Rick Lowe, Chief Internal Auditor  
Office of Internal Audit Services  
George W. Romney Building  
111 South Capitol Avenue, 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 the Office of Services to the Aging.

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:wb

Enclosure

c: Office of the Auditor General  
House Fiscal Agency  
Senate Fiscal Agency  
Executive Office  
DHHS, Elizabeth Hertel  
DHHS, Farah Hanley

House Appropriations Committee  
House Standing Committee  
Senate Appropriations Committee  
Senate Standing Committee  
DHHS, Dr. Alexis Travis  
DHHS, Emily Schwarzkopf

PERFORMANCE AUDIT OF  
OFFICE OF SERVICES TO THE AGING

DEPARTMENT OF HEALTH AND  
HUMAN SERVICES

AUDIT RESPONSE

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

Date: 06/17/20



## **AUDIT REPORT SUMMARY**

DEPARTMENT: Office of Services to the Aging

AUDIT PERIOD: October 1, 2015 through June 30, 2018

REPORT DATED: October 29, 2019

### **DISPOSITION OF AUDIT RECOMMENDATIONS**

CITATIONS COMPLIED WITH	CITATIONS TO BE COMPLIED WITH	CITATIONS MDHHS DID NOT AGREE WITH
	Finding 1 (12/31/2020)	
	Finding 2 (12/31/2020)	
	Finding 3 (8/31/2020)	
	Finding 4 (12/31/2020)	
	Finding 5 (3/01/2021)	
	Finding 6 (9/30/2020)	

**Audit Response**  
**Performance Audit**  
**2018 Office of Services to the Aging**  
**Department of Health and Human Services**  
**October 1, 2015 through June 30, 2018**

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Recommendation 1:     Improvement needed in the monitoring and oversight of subcontracted service provider activities.

We recommend that AASA ensure that local agency staff and AASA field representatives improve their monitoring and oversight of local agency subcontractors' activities.

Response

AASA reviewed and updated its guidance to local agencies by November 2019 for the local agency subcontractor assessments and its process for AASA's local agency subcontractor assessment activities. As part of this update, AASA revised its assessment tool and subcontractor programmatic and fiscal assessment guide templates.

AASA reviewed its supervisory review process and determined what additional enhancements were warranted. The adjustments to add requirements to AASA's local agency assessment software module will be implemented as part of the overall assessment software changes to support annual local agency assessments that are currently on hold due to COVID-19 restrictions. Revised forms will include: 1) supervisor sign-off on the completed observation assessment guide; 2) adding a standing item on field staff monthly meeting agenda to discuss any in process or recently completed subcontractor observation visits; and 3) a requirement that during the annual onsite AASA assessment of the local agency, AASA staff will review the local agency's assessment file(s) and documentation of the most recent subcontractor observation visit to ensure file completeness and local agency compliance determination.

Recommendation 2:     Improvement needed in the documentation of and procedures for AASA's annual on-site assessments of local agencies.

We recommend that AASA improve its documentation of and procedures for annual on-site local agency assessments.

Response

AASA has initiated review of documentation requirements for AASA's annual onsite assessment guide and assessment process to more fully document the local agency files tested. AASA plans to enhance the documentation collected on the local agency assessment guide, provide additional policy guidance to AASA field representatives on enhanced documentation, and provide additional guidance on file testing. Included in the policy updates will be requirements for AASA field staff to document full names of staff files reviewed to allow for verification with local agency staff lists. AASA expects to issue assessment instructions to AASA field staff to notify AAAs of enhanced documentation and testing on the items above as part of the spring 2020 AAA onsite assessments during March 2020.

AASA has updated the online assessment software to include the field representative's "assessor's checklist" as a required component of the formal assessment document. AASA will enhance the current process for supervisory review of the local agency annual assessment closeout to include a sign off by the supervisor prior to the agency deputy director sign-off and issuance of the assessment closeout letter. The annual local agency assessments are currently on hold due to COVID-19 restrictions.

Recommendation 3: Improvement needed in the policies for and monitoring of criminal background checks for local agency contracted service providers, employees, and volunteers.

We recommend that AASA improve its policies for and monitoring of local agency subcontracted service provider, employee, and volunteer criminal background checks to increase its assurance that older adults are better protected from potential abuse and exploitation.

Response

AASA initiated a review of criminal background requirements and related policy guidance. AASA began meeting with MDHHS Legal Affairs, the Michigan Commission on Services to the Aging, and AAAs since November 2019 to discuss updating criminal background check requirements and related policies. The draft requirements were open for an initial 30-day public review period during March and April of 2020. Due to COVID-19 disruptions, AASA has determined to conduct a second public review and comment period on the proposed changes during June and July 2020. Following this second public review and comment period, the requirements will be presented to the Michigan Commission on Services to the Aging for approval at their August 2020 meeting. AASA expects to issue updated policies and guidance including:

- Updated guidance to AASA field staff on reviewing local agencies subcontracted service provider criminal background check review procedures and documentation of local agency subcontractor criminal background check compliance testing during the AASA annual onsite local agency assessment and observation visit for local agency subcontractor assessments. This updated guidance will be issued to coincide with the release of AASA instructions for onsite local agency assessments for 2020.
- Updated guidance to AASA field staff on developing an adequate sample size for employee criminal background check testing based on more specific employee lists that only include AASA-supported staff for annual on-site local agency assessments. This updated guidance will be issued to coincide with the release of AASA instructions for onsite local agency assessments for 2020.
- Updated policy that requires local agencies to provide, as a component of the onsite assessment process, a list of AASA-supported staff for criminal background check sampling, employee file review, and testing purposes. In addition, requiring local agencies to provide a list of staff that are not subject to AASA criminal background check testing because they are not supported by AASA funds and are subject to non-AASA criminal background check requirements due to their work at the local agency for non-AASA programs. This updated guidance will be issued to coincide with the release of AASA instructions for onsite AAA assessments for 2020. AASA will require local agencies to have their own appropriate standardized guidelines that are used to review and assess identified convictions.

AASA expects to issue updated policy guidance to local agencies that requires all local agencies to develop written guidelines for their agency review of felony convictions that are identified during a criminal background check. These guidelines describe how the local agency should document the determination of an applicant's appropriateness of employment or volunteer activities when a felony conviction is identified. AASA will review the appropriateness of the documented application of these criminal background check guidelines during the onsite local agency assessment. The verification of written local agency criminal background check guidelines as described above will be added to the AASA assessment guide and will be verified and documented by AASA during the annual AASA onsite local agency assessment.

Recommendation 4: Improvement needed in local agency employee and volunteer in-service training.

We recommend that AASA improve its monitoring of and policy for in-service training of local agency employees and volunteers.

Response

AASA reviewed in-service training requirements and related policies to better target and document in-service training to meet AASA requirements. AASA clarified in-service training requirements for volunteers to respect the more episodic or shorter nature of some volunteer's tenure. AASA collaborated with the local agencies to discuss and implement improvements for training documentation. AASA held discussions with the local agencies that administer the volunteer and nutrition programs.

AASA issued updated guidance on 12/9/2019 to clarify in-service training requirements, including documentation requirements, minimum frequency and time requirements, and suggested topics for in-service training agencies. AASA is developing instructions for AAAs on testing that will be conducted during the onsite AAA assessments that are currently on hold due to COVID-19 restrictions.

Recommendation 5: Improved monitoring of AIS security controls is needed.

We recommend that MDHHS, in conjunction with DTMB, improve the monitoring of AIS security controls to ensure that a security plan is developed and the required levels of risk assessments are completed.

Response

MDHHS and DTMB will ensure compliance with State security policy and standards. MDHHS and DTMB have developed a plan to create the System Security Plan and conduct the risk assessment in conjunction with the Aging Information System – Cloud Migration project. The risk assessment process will identify deficiencies and develop remediation plans. DTMB estimates that the project request will be completed, funding will be secured, and the project will be prioritized by 3/1/2021.

Recommendation 6: Improvement in AIS user access controls is needed.

We recommend that MDHHS, in conjunction with DTMB, improve access controls over AIS to help ensure that system access rights are appropriately and timely removed and/or disabled and periodically reviewed.

Response

MDHHS has completed, or is in the process of completing, the following corrective actions:

- a. AASA has placed a policy notification on the AIS homepage as this is the first access point and a page that is viewed by all AIS users indicating the following: "For security purposes, State of Michigan policy requires agencies to notify AASA within 24 hours, or as soon as possible, when an agency AIS user account must be deactivated and access rights removed. Contact AASA at 517-241-4100 or via link Report an Issue/Remove or Edit User Access to remove access rights." AASA developed and implemented an online form, effective 11/21/2019, for submitting a request to remove access for any terminated or transferred AIS user by the agency under which the employee was granted user rights.

AASA initiated work in September 2018 to add "deactivation date" to the user access database so that the date of account deactivation can be retrieved, and this is now functional. During the audit period, AASA did have a process in place to disable all inactive AIS user account passwords after 118 days. A user account may not be deactivated, but the password disabling

process after 118 days does not allow the user to access AIS. AASA reviewed the 91 AIS users noted above and determined that 90 (99%) had disabled passwords thereby blocking AIS access. The user password has been disabled for the remaining user.

- b. AASA completed the IT work on 12/20/2019 to auto-disable user accounts after 60 days of inactivity, instead of 118 days of inactivity. AASA will continue to require password updates every 118 days for active accounts.
- c. AASA issued enhanced requirements for a review of user accounts for compliance with account management requirements every 120 days. AASA provides user agencies a list of active AIS users and then requires the user agencies to verify appropriateness of active users and each user's application access rights.

AASA has completed development work on the AIS software module enhancement to allow for a review of user accounts for compliance with account management requirements every 120 days. AASA began implementation of this software by reviewing AASA staff AIS accounts on 10/30/2019. AASA will roll out this software module and related training on these new requirements for all non-AASA AIS user accounts to be reviewed every 120 days, however due to COVID-19 disruptions implementation has been delayed until 9/30/2020. The 120-day agency user reviews will generally coincide with the current FY 2020 programmatic reporting due dates. For example, the due dates for completion for each 120-day user review (quarterly) review will be approximately 30 days after the end of the fiscal year quarter.