



OAG

Office of the Auditor General

Report Summary

Performance Audit

COVID-19 Expenditures

State of Michigan

Report Number:
000-2000-20B

Released:
September 2020

On March 10, 2020, Governor Gretchen Whitmer declared a state of emergency when the Michigan Department of Health and Human Services (MDHHS) identified the first two presumptive positive cases of the novel coronavirus (COVID-19) respiratory illness. The Legislature enacted Public Act 66 of 2020 and Public Act 67 of 2020, appropriating supplemental funding for COVID-19. In addition, Section 704 (3), Public Act 53 of 2019 allows the Michigan Department of State Police to receive and expend money from local, State, federal, or private sources for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. As of May 31, 2020, supplemental appropriations for COVID-19 totaled \$2.5 billion. Public Act 67 of 2020 requires the Auditor General to audit the use of the funds appropriated for the COVID-19 emergency and report monthly until the funds are expended. Our report includes COVID-19 expenditures appropriated by all 3 Public Acts. This is our second monthly report.

| Audit Objective | | | Conclusion |
|--|----------------------------------|----------------------|-----------------------------|
| Objective #1: To determine the appropriateness of State agencies' COVID-19 expenditures through May 31, 2020. | | | Appropriate |
| Findings Related to This Audit Objective | Material Condition | Reportable Condition | Agency Preliminary Response |
| MDHHS did not process in a timely manner 11,089 student records for pandemic SNAP benefit payments, which resulted in a one- to two-month delay of benefits to students totaling \$4.1 million (Finding #1). | | X | Agrees |
| Observations Related to This Audit Objective | Material Condition | Reportable Condition | Agency Preliminary Response |
| Deficiencies and challenges existed regarding the receipt of goods purchased for the COVID-19 emergency (Observation #1). | Not applicable for observations. | | |
| Exhibits Related to This Audit Objective | | | |
| Exhibit #1 - Summary of Expenditures Sampled for Testing | | | |
| Exhibit #2 - Summary of Exceptions and Pending Items | | | |

| Audit Objective | | | Conclusion |
|--|--------------------|----------------------|-----------------------------|
| Objective #2: To report State agencies' COVID-19 expenditures. | | | Information provided |
| Findings Related to This Audit Objective | Material Condition | Reportable Condition | Agency Preliminary Response |
| None reported. | | Not applicable. | |
| Exhibits Related to This Audit Objective | | | |
| <u>Exhibit #3</u> - Appropriations and Departmental Allocations <u>Exhibit #4</u> - Expenditures by Fund Source, Department, Appropriation, and Response Category <u>Exhibit #5</u> - Coronavirus Relief Fund Payments and Allocations <u>Exhibit #6</u> - Expenditures by Department, Appropriation, and Response Category <u>Exhibit #7</u> - Expenditures by Response Category for All Appropriations <u>Exhibit #8</u> - Chart of COVID-19 Expenditures by Response Category for All Appropriations <u>Exhibit #9</u> - Vendors With Total Payments of \$500,000 or Greater <u>Exhibit #10</u> - Expenditures by Classification Category for All Appropriations | | | |

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