



OAG

Office of the Auditor General

Report Summary

Performance Audit

COVID-19 Expenditures

State of Michigan

Report Number:
000-2000-20C

Released:
January 2021

On March 10, 2020, Governor Gretchen Whitmer declared a state of emergency when the Michigan Department of Health and Human Services identified the first two presumptive positive cases of the novel coronavirus (COVID-19) respiratory illness. The Legislature enacted Public Acts 66, 67, 123, 144, and 146 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 August 31, 2020, supplemental appropriations for COVID-19 totaled \$5.7 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 Public Acts. This is our third report.

Audit Objective			Conclusion
Objective #1: To determine the appropriateness of State agencies' COVID-19 expenditures through August 31, 2020.			Appropriate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Shared emergency procurement card purchases of \$35.2 million exposed the State to potential abuse and misuse of State funds (Finding #1).		X	Disagrees
Comprehensive emergency procurement policies and procedures are needed. The Department of Technology, Management, and Budget wired \$96.9 million to 15 vendors before all goods and services were received, increasing the risk of fraud, waste, and loss of funds (Finding #2).		X	Agrees
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 \$1 Million or Greater <u>Exhibit #10</u> - Expenditures by Classification Category for All Appropriations			

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