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Office of the Auditor General

Report Summary

Performance Audit

*State Child Abuse and Neglect Prevention Board
(Children's Trust Fund)*

*Michigan Department of Health and Human
Services (MDHHS)*

Report Number:
431-0178-20

Released:
January 2021

The State Child Abuse and Neglect Prevention Board is administered under the supervision of MDHHS. The Board is commonly referred to as the Children's Trust Fund (CTF) and is the Michigan chapter of Prevent Child Abuse America. The CTF Unit within MDHHS carries out the duties, functions, and responsibilities of the Board. As used predominantly in this report, CTF collectively refers to the Board and the Unit within MDHHS. CTF's mission is to serve as a voice for Michigan's children and families and to promote their health, safety, and welfare by funding effective local programs and services that help to prevent child abuse and neglect. A CTF charitable and educational endowment fund (Trust Fund) provides the necessary resources. In fiscal year 2019, Trust Fund revenues totaled \$3.3 million and expenditures totaled \$3.6 million; fund balance was \$27.5 million as of September 30, 2019.

This performance audit was required by *Michigan Compiled Laws* Section 722.612.

Audit Objective			Conclusion
Objective #1: To assess CTF's compliance with selected child abuse and neglect prevention laws, rules, and procedures.			Complied, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
CTF had not documented the criteria used in fiscal years 2018, 2019, and 2020 to establish annual base allocations totaling \$2.6 million to over 70 local councils and for \$248,700 of other allocations to 9 local councils (Finding #1).		X	Agrees
Over a three-year period, CTF did not complete required annual internal evaluations designed to ensure that CTF operated consistent with its mission (Finding #2).		X	Agrees

Findings Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
Sixty percent of CTF Electronic Grants Administration and Management System (EGrAMS) user accounts reviewed were not disabled after 60 days of inactivity, as required. Also, 30% of CTF grantee users reviewed had departed employment and still had active EGrAMS user accounts (<u>Finding #3</u>).		X	Agrees

Audit Objective			Conclusion
Objective #2: To assess the sufficiency of CTF's internal control to safeguard the Pam Posthumus Signature Auction Event inventory and proceeds.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

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