



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Flint Emergency Expenditures*

### *State of Michigan*

**Report Number:**  
**000-2021-21**

**Released:**  
**July 2021**

On January 5, 2016, former Governor Rick Snyder declared a state of emergency for Genesee County (referred to as the Flint declaration of emergency) due to the ongoing health and safety issues caused by elevated lead levels in the City of Flint's drinking water. The Legislature enacted numerous appropriations to address this situation, both as supplemental appropriations to and transfers within the fiscal year 2016, 2017, and 2018 budget and spending authorizations provided in the fiscal year 2017, 2018, 2019, and 2020 budgets. As of March 31, 2021, appropriations totaled \$371.2 million and 10 State departments had expended a total of \$321.2 million. Public Act 3 of 2016 requires the Office of the Auditor General to audit the use of the funds appropriated for this emergency and report at a minimum of every six months until the funds are expended. This is our eleventh report on the expenditure of these funds.

Audit Objective			Conclusion
Objective 1: To determine the appropriateness of State agencies' expenditure of the Flint declaration of emergency appropriations as of March 31, 2021.			Appropriate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Michigan Department of Education's (MDE's) insufficient monitoring of school social worker funding resulted in \$1,057,500 in unsupported and \$316,371 in improper expenditures ( <a href="#">Finding 1</a> ).		X	Agrees
MDE's insufficient oversight of a YMCA of Greater Flint grant resulted in \$299,552 in unsupported expenditures, \$139,624 in expenditures beyond the grant period, and \$21,613 in overpayments ( <a href="#">Finding 2</a> ).		X	Agrees
MDE's insufficient oversight resulted in \$9,900 in unsupported costs and \$901 in improper charges of Food Bank of Eastern Michigan nutrition assistance ( <a href="#">Finding 3</a> ).		X	Agrees
The Michigan Department of Health and Human Services lacked on-site reviews of all Flint Community Schools' nurses, and insufficient oversight resulted in \$6,105 in unsupported supply and payroll expenditures ( <a href="#">Finding 4</a> ).		X	Agrees

Audit Objective			Conclusion
Objective 2: To report State agencies' expenditures of the Flint declaration of emergency appropriations.			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 1</u> - Department of Licensing and Regulatory Affairs <u>Exhibit 2</u> - Department of Environment, Great Lakes, and Energy <u>Exhibit 3</u> - Michigan Department of Health and Human Services <u>Exhibit 4</u> - Michigan Department of Education <u>Exhibit 5</u> - Department of Military and Veterans Affairs <u>Exhibit 6</u> - Michigan Department of State Police <u>Exhibit 7</u> - Department of Treasury <u>Exhibit 8</u> - Department of Attorney General <u>Exhibit 9</u> - Department of Natural Resources <u>Exhibit 10</u> - Department of Technology, Management, and Budget <u>Exhibit 11</u> - Summary of Flint Emergency Expenditures by Appropriations Act and Department <u>Exhibit 12</u> - Summary of the Amended Settlement Agreement			

**Obtain Audit Reports**

Online: [audgen.michigan.gov](http://audgen.michigan.gov)  
Phone: (517) 334-8050

Office of the Auditor General  
201 N. Washington Square, Sixth Floor  
Lansing, Michigan 48913

**Doug A. Ringler, CPA, CIA**  
Auditor General

**Laura J. Hirst, CPA**  
Deputy Auditor General