



STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ELIZABETH HERTEL
DIRECTOR

May 13, 2022

Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services
George W. Romney Building
111 South Capitol Avenue, 8th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is 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 2021 Aging and Adult Services Agency Follow-Up.

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

Pam Myers, Director
Bureau of Audit

PM:wb

Enclosure

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

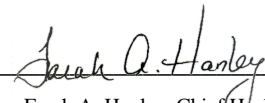
House Appropriations Committee
House Standing Committee
Senate Appropriations Committee
Senate Standing Committee
DHHS, Scott Wamsley

PERFORMANCE AUDIT OF 2021 OAG AGING
AND ADULT SERVICES AGENCY
FOLLOW-UP

DEPARTMENT OF HEALTH AND HUMAN
SERVICES

AUDIT RESPONSE

Approved: _____



Farah A. Hanley, Chief Health Director
Department of Health and Human Services

Date: 04/15/2022



AUDIT REPORT SUMMARY

DEPARTMENT: Aging & Adult Services Agency

AUDIT PERIOD: October 1, 2019 through September 30, 2020

REPORT DATED: October 14, 2021

DISPOSITION OF AUDIT RECOMMENDATIONS

| CITATIONS COMPLIED WITH | CITATIONS TO BE COMPLIED WITH | CITATIONS DHHS DID NOT AGREE WITH |
|----------------------------|----------------------------------|--------------------------------------|
| Finding 1 | | |

Audit Response
Performance Audit
2021 OAG Aging and Adult Services Agency
Follow-up
Department of Health and Human Services
October 1, 2019 through September 30, 2020

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

We recommend that AASA ensure that local agency staff and AASA field representatives conduct monitoring and oversight of subcontracted service provider activities as required.

Response

MDHHS agrees.

During the audit period, AASA was challenged with competing priorities due to the COVID-19 pandemic which caused a delay in performing oversight and monitoring of subcontracted service provider activities. In addition, at the beginning of calendar year 2020, an AASA staff person who had a significant role in oversight and monitoring provided short-term notice of retirement. With the local office restrictions in place because of COVID, AASA staff were not able to get into the office where the files were located on a timely basis which caused a delay in determining outstanding oversight still necessary.

AASA has filled the staff vacancy and all oversight and monitoring deficiencies cited in the finding have been completed. AASA has also developed a tracking spreadsheet to help ensure that all assessments are completed in a timely manner.

AASA reviews a list of local agency subcontractors, including POS providers, for Aging programs in place during the fiscal year being assessed. Although a POS provider may not have incurred expenditures in the year that is being assessed, they must still be compliant with program requirements because a POS provider could receive a call for immediate services. AASA has since instructed field representatives to review the Financial Summary Profile Report and select POS providers that were utilized during the assessment period. If there are no POS providers with expenditures in the selection, then the field representative is required to select two additional local agency subcontractors with expenditures for review.