



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

December 14, 2021

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

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are 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 the Children's Trust Fund.

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, Emily Schwarzkopf  
DHHS, Suzanne Greenberg

PERFORMANCE AUDIT OF 2020 OAG  
CHILDREN'S TRUST FUND AUDIT

DEPARTMENT OF HEALTH AND HUMAN  
SERVICES

AUDIT RESPONSE

Approved: Farah A. Hanley  
Farah A. Hanley, Senior Deputy Director  
Department of Health and Human Services

Date: 11/18/21



## **AUDIT REPORT SUMMARY**

DEPARTMENT: Children's Services Administration

AUDIT PERIOD: July 1, 2017 through March 31, 2020

REPORT DATED: January 8, 2021

### **DISPOSITION OF AUDIT RECOMMENDATIONS**

CITATIONS COMPLIED WITH	CITATIONS TO BE COMPLIED WITH	CITATIONS DHHS DID NOT AGREE WITH
	Finding 1 (01/01/2022)	
Finding 2 (12/31/2020)		
Finding 3 (10/01/2021)		

**Audit Response**  
**Performance Audit**  
**2020 OAG Children's Trust Fund Audit**  
**Department of Health and Human Services**  
**July 1, 2017 through March 31, 2020**

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Recommendation 1: Documentation of annual local council grant funding criteria needed.

We again recommend that CTF document the criteria used to establish the amount of annual grant funding allocated to each local council.

Response

CTF is actively working to review, redesign, and implement changes to the entire local council tier system to ensure that technical and financial support is provided equitably across the state. The plan includes active participation from CTF locally based primary prevention programs as well as board membership. As of December 2020, CTF has facilitated four tier review meetings with local program leaders and is prepared to develop and implement a tiered system that includes standards, financial guidelines, and processes, with integration expected for FY23 grant cycle due to MDHHS contract timelines. As of January 2021, the group has begun to meet weekly to get everything in place for FY22. While CTF can make modest changes to the FY22 program structure, the new structure will be fully implemented for FY23. All details will be configured by December 31, 2021.

Recommendation 2: Annual internal evaluations needed.

We recommend that CTF complete required annual internal evaluations of its functions, responsibilities, and performance.

Response

Evaluations were distributed on November 19, 2020, immediately following the November board meeting, and board assessments were completed on December 12, 2020. A summary was provided by the Board Chair on December 17, 2020 during the December board meeting. Evaluations will continue to be completed annually.

Recommendation 3: Improvements needed in EGrAMS user access controls.

We recommend that MDHHS improve access controls over EGrAMS to help ensure that system access rights are appropriately approved and timely removed and/or disabled.

Response

DTMB technical standard 1340.00.020.01, part AC-2 requires an agency system owner to ensure implementation and documentation of baseline controls. The standard allows for agencies to require approvals by an authorized requestor for requests to create, modify, or delete information system accounts. Within EGrAMS, each agency is required to establish a project director as the authorized requestor, which is approved by MDHHS. This project director then creates, modifies, or deletes users within the agency and all approvals are documented within EGrAMS. The technical standard does not delineate how documentation of approvals must occur.

Disabling users after 60 days of inactivity is not practical for EGrAMS users as some user roles only require quarterly activity. An exception request for disabling users after 120 days of inactivity was approved in April 2021. Starting October 1, 2021, EGrAMS will automatically disable user accounts after 120 days of inactivity.

MDHHS BGP has provided guidance to program areas on reminder protocols for their grantees regarding removal of users that no longer need EGrAMS access. CTF grant monitors did address this during workshop meetings, beginning in November 2020, and access will be covered during the formal orientation process in 2021. CTF also updated the EGrAMS access process and distributed to all grantees in March 2021.