



OAG

Office of the Auditor General

Report Summary

Performance Audit

Partnership. Accountability. Training. Hope. (PATH) Program Deferrals

Michigan Department of Health and Human Services (MDHHS)

Report Number:
431-3302-21

Released:
January 2022

The PATH Program is a partnership between MDHHS and Workforce Development, Department of Labor and Economic Opportunity, to connect clients who receive cash assistance with the kind of jobs, education, and training opportunities that will help them achieve self-sufficiency and meet the workforce and skill needs of Michigan businesses. MDHHS requires all work-eligible individuals seeking or receiving cash benefits to participate in the PATH Program unless deferred or engaged in other employment-related activities. Reasons for deferrals include, but are not limited to, Supplemental Security Income (SSI) eligibility for disability, aged individuals, caring for a disabled spouse or child, full-time employment, and the parent of a child under 2 months. During the audit period, the number of individuals receiving cash assistance totaled approximately 149,000. Of those, an average of 2,200 individuals per month (1,000 SSI-related and 1,200 non-SSI related) had a deferral from the PATH Program. From October 1, 2018 through May 31, 2021, payments related to individuals receiving cash assistance totaled approximately \$196 million.

Section 400.57b(5) of the *Michigan Compiled Laws* requires the OAG to conduct an annual audit of MDHHS's evaluation and assessment process to defer SSI applicants from the PATH Program.

Audit Objective			Conclusion
Objective: To assess the effectiveness of MDHHS's processes to defer SSI and non-SSI applicants from the PATH Program.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS did not maintain sufficient documentation to support 5% of sampled SSI and 16% of sampled non-SSI deferrals of work-eligible individuals from mandatory participation or other employment-related activities while receiving cash benefits (Finding 1).		X	Agrees

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