



OAG

Office of the Auditor General

Report Summary

Performance Audit

Michigan State Disbursement Unit (MiSDU)

Office of Child Support (OCS)
Michigan Department of Health and Human Services (MDHHS)

Report Number:
491-0142-25

Released:
January 2026

MDHHS's OCS contracts with a vendor to operate MiSDU. The vendor centrally collects and disburses child support remittances in accordance with federal child support enforcement program requirements and applicable State laws. Between June 1, 2023 and May 31, 2025, the MiSDU vendor collected and processed 15.1 million child support remittances totaling \$2.4 billion.

This performance audit is required by Section 400.238(3) of *Michigan Compiled Laws*.

Audit Objective		Conclusion	
Objective 1: To assess the effectiveness of OCS's efforts to ensure the accurate receipt and timely disbursement of child support remittances by the MiSDU vendor.		Effective	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
OCS did not obtain, evaluate, or document its review of assurance reports and/or underlying support for security certifications related to third-party sub-servicers' relevant controls. Taking these actions would increase OCS's assurance regarding the existence and functioning of controls relied upon for the State's timely and appropriate receipt and disbursement of child support remittances (Finding 1).		X	Disagrees
OCS's monitoring practices were not always sufficient to ensure MiSDU staff with key operational and vendor oversight responsibilities disclosed potential conflicts of interest for OCS's consideration (Finding 2).		X	Agrees

Audit Objective		Conclusion	
Objective 2: To assess the effectiveness of OCS's efforts in monitoring the accuracy and completeness of the bank accounts used to record child support financial activities.		Effective	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
OCS did not obtain, evaluate, or document its review of assurance reports and/or underlying support for security certifications related to third-party sub-servicers' relevant controls. Taking these actions would increase OCS's assurance regarding the existence and functioning of controls relied upon for the State's timely and appropriate receipt and disbursement of child support remittances (Finding 1).		X	Disagrees
OCS's monitoring practices were not always sufficient to ensure MiSDU staff with key operational and vendor oversight responsibilities disclosed potential conflicts of interest for OCS's consideration (Finding 2).		X	Agrees

Findings Related to This Audit Objective See Finding 2 .	Material Condition	Reportable Condition	Agency Preliminary Response

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