



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

March 11, 2026

Jessica Thomas, Chief Internal Auditor
Office of Internal Audit Services
111 S. Capitol Avenue
Lansing, Michigan 48933

Dear Ms. Thomas:

In accordance with the State of Michigan Financial Management Guide, Part VII, enclosed is our final corrective action plan to address recommendations contained within the Office of the Auditor General report of the Michigan State Disbursement Unit.

All legislative inquiries should be directed to Chardae Burton, Michigan Department of Health and Human Services (MDHHS) Director of Legislative Affairs, at burtonc5@michigan.gov. All other questions regarding the corrective action plan should be directed to me at havenss2@michigan.gov.

Sincerely,

Shannah Havens, CPA, MBA
Director, MDHHS Bureau of Audit

Enclosure (1)

c: Executive Office
Office of the Auditor General
House and Senate Fiscal Agencies
House and Senate Oversight Committees
House and Senate Appropriations Committees
House Appropriations Subcommittee on Human Services
Senate Appropriations Subcommittee on MDHHS
House Families and Veterans Committee
Senate Housing and Human Services Committee
Elizabeth Hertel, MDHHS, Director
David Knezek, MDHHS, Chief Operating Officer
Amy Epkey, MDHHS, Senior Deputy Director, Financial Operations Administration
Chardae Burton, MDHHS, Director, Legislative Affairs
Jean Ingersoll, MDHHS, Chief Administration Officer
Laura Blodgett, MDHHS, Senior Deputy Director, Communications Administration

Michigan Department of Health and Human Services
 Michigan State Disbursement Unit (491-0142-25)
 Issued by the Office of the Auditor General
 January 2026
 Department Final Corrective Action Plan

Summary Response Matrix

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees	Finding 2			
Partially Agrees				
Disagrees				Finding 1

Final Corrective Action Plan

Finding Number 1

Finding Title: Improvements needed in monitoring of MiSDU vendor's sub-service organizations and their relevant related controls.

Department Response

Management Views: MDHHS disagrees with the finding. Refer to the department's response in report 491-0142-25.

Comment on CAP from Michigan Office of the Auditor General (03/20/2026, 10:00 AM)

In its response, MDHHS's asserts it complied with applicable State of Michigan Financial Management Guide (FMG) requirements and indicates above it will not comply with our recommendation. However, as described in the Finding and Auditor's Comments, MDHHS did not comply with FMG requirements for monitoring the MiSDU vendor's sub-service organizations. Please refer to pages 10 through 14 of the [audit report](#) for full details.

Finding Number 2

Finding Title: Improvement needed in OCS's monitoring of MiSDU employee conflict of interest disclosures.

Department Response

Management Views: OCS agrees with the finding.

Planned Corrective Action and Milestones: OCS has submitted an updated conflict of interest disclosure form to MDHHS Office of Human Resources for the employee and no conflicts were identified. Since the prior audit, MDHHS Office of Human Resources established a process to send employees an annual reminder of disclosure responsibilities. OCS will continue to remind staff during required annual and quarterly trainings that conflict of interest forms must be submitted if there is a change in circumstances and a potential conflict exists.

Anticipated Compliance Date: Completed

Responsible Individuals: Mike DeRose, MCSC

