

Single Audit of the State of Michigan for the Fiscal Year Ended September 30, 2015 A-77-16-00015



September 2016

Office of Audit Report Summary

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration for resolution action.

Background

The Michigan Auditor General conducted the single audit of the State of Michigan. SSA is responsible for resolving single audit findings related to its disability programs. The Michigan Department of Health and Human Services (MDHHS) is the Michigan Disability Determination Services' parent agency.

Findings

The single audit reported MDHHS did not have appropriate controls over its cost allocation system. Specifically, MDHHS did not

- ensure an accurate narrative was included in its amended Public Assistance Cost Allocation Plan,
- appropriately allocate expenditures to Federal programs for 16 of 19 cost pools, or
- allocate Federal expenditures for 2 of 19 cost pools in accordance with the Public Assistance Cost Allocation Plan.

In addition, the single audit reported MDHHS needed to improve the monitoring of general controls for the vendor hosting its cost allocation system.

The Department of Health and Human Services will resolve these findings on the Government's behalf. Therefore, we are bringing these issues to your attention, but we are not making recommendations.