

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY

MEMORANDUM

To: Lynda Crandall, Director
Family Independence Services Administration

September 26, 2001

From: Rita Barker, Director
Office of Internal Audit

Subject: Audit of Lake County Friend of the Court and Prosecuting Attorney
Assignment #2001-222, Period: 10/1/99 – 9/30/00

The Lake County Friend of the Court and Prosecuting Attorney (FOC/PA) had a contract with the Michigan Family Independence Agency (FIA) to establish paternity, enforce support orders, locate absent parents, and to provide certain reports on child support collections to FIA for all cases where the Lake County FOC/PA had jurisdiction. Lake County FOC/PA billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Lake County for their costs based on the Federal IV-D Program regulations.

We performed an audit of the costs submitted for reimbursement by the Lake County FOC/PA for the period October 1, 1999 through September 30, 2000. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We performed audit tests that we determined were necessary to determine if costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

Based on our audit, we concluded that the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

We noted that the Lake County FOC/PA did not escheat funds to the State as of June 29, 2001 for outstanding checks dated 2/7/95 to 5/31/2000. The amount of outstanding checks totaled \$2,284.48. Per FOC letter 99-025 the County is to escheat funds that are more than a year old.

WE RECOMMEND that the Family Independence Services Administration follow up with the Lake County FOC/PA to ensure that these funds are properly escheated.

Please contact me if you have any questions regarding this audit.

c: C. Wallace
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A. Shah
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