

# CHILD CARE FUND ON-SITE MONITORING OVERVIEW

Presented by:

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# General Description

The Michigan Department of Health & Human Services (MDHHS) is committed to ensuring high standards of integrity and accountability for public funds and improving government operations for the benefit of all Michigan citizens.

In 2015, the Office of the Auditor General conducted a performance audit of the Child Care Fund Monitoring Unit. The audit identified areas for improvement for the on-site reviews & MHDDS began evaluating ways to strengthen our monitoring practices of the Child Care Fund.



# General Description con't...

As a result, the Child Care Fund Monitoring Unit & the MDHHS Bureau of Audit Reimbursement & Quality Assurance (BARQA) are now working together to perform fiscal & programmatic reviews of county courts/tribes across the state to validate the expenses reported on the Monthly Cost Reports (207/206b) & to ensure compliance with the Child Care Fund program.



# Objectives of Monitoring Review

➤ The objectives of our Child Care Fund monitoring reviews are:



- To assess whether the county court/tribe program recorded and reported costs that were accurate, allowable and appropriate according to state laws, regulations and departmental policy.
- To assess whether the county court/tribe program met General Employee, In-Home Care & Basic Grant compliance requirements.

# Authorative Guidance

- The Department monitors the county courts and Indian Tribes for programmatic and fiscal compliance with CCF rules and guidelines as set forth by the Social Welfare Act, Michigan Court Rules, Child Care Fund Administrative Rules, and the Child Care Fund Handbook.





# What to Expect...Pre-Review

If your county is selected for review, Scott Werner from BARQA will reach out via telephone to inform you of the intention to start. An “agreed upon” date for the review will be discussed. In addition, an opportunity for a pre-review Entrance Meeting will be available to discuss the logistics of the review including topics like “General Description”, “Review Period” & “Preliminary Information Needed”. This is a perfect opportunity for agencies to ask questions about their upcoming review.



# What to Expect...Pre-Review

- After the “Entrance Meeting, but prior to the review itself, you will be asked to provide preliminary information such as:
  - Detailed General Ledger
  - Fiscal Questionnaire (*Asks questions pertaining to who completed the Cost Report and how the data is calculated.*)
  - Documents that support how numbers were derived for the Cost Report (207/206b)
  - CCF Staff Listing (charges time to CCF)

# Behind the Scenes

- Reviewers will be working to reconcile Cost Report to your General Ledger
- From the General Ledger, reviewers will select a sample of expenditure items for testing that will be sent to you prior to the review.
- From the CCF Staff Listing, reviewers will select a sample of employees for testing that will be sent to you prior to the review.
- Reviewers will also select case files that will be sent to you prior to the review that will be reviewed for compliance.



# What to expect...Onsite Review

Onsite reviews may take several days to complete, but we will not necessarily be onsite the whole time.

There also may be additional questions after we leave the “onsite” portion that will be handled over email or telephone.

We intend to complete our review with a minimum inconvenience to you & your staff.

**Sorry  
for the  
Inconvenience!**

# Fiscal Review Overview

- Objective #1: To assess whether the county court/tribe program recorded and reported costs that were accurate, allowable and appropriate according to state laws, regulations and departmental policy.
- Steps of Fiscal/Cost Report (206b/207) Review:
  - Cost Report Reconciliations
  - General Ledger Reviews
  - Sample Testing of Payroll/Non-Payroll Expenditure items & Revenue items

# Fiscal Review

- Reviewers will ask to provide supporting documentation for the sampled expenditures & revenue items including:
  - Invoices
  - Receipts
  - Memos/Policy
  - Specific Payroll Information
- Reviewers will test this sampled supporting documentation to verify that the numbers reported are accurate, allowable and appropriate.

# Compliance Review Overview

- Objective #2: To assess whether the county court/tribe program met General Employee, In-Home Care & Basic Grant compliance requirements.
- Steps of Compliance Reviews:
  - Sample Testing of General Employee Requirements
  - Sample Testing of Case File Reviews – In-Home Care
  - Sample Testing of Case File Reviews – Basic Grant
  - Sample Testing of Out-of-state Placements

# Compliance Review

- Reviewers will test sampled CCF Staff personnel files to ensure that General Employee Requirements are met
- Reviewers will test sampled case files for youth to ensure that all compliance requirements are met.





# Steps of the Review

Upon completion of our review, we will share a “preliminary memorandum” directly with County/Tribe outlining our initial conclusions. The purpose is to make sure that we did not miss anything important when making our conclusion and to give the County Court/Tribe an opportunity to provide any additional documentation for consideration. After the “memorandum”, we provide a “Draft Report”. We will ask the County/Tribe to respond in writing to any finding in the “Draft Report”. The written response of the County Court/Tribe will be put in a “Final Report” that will be provided to both the Country/Tribe & DHHS management.

***Any Questions?***

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