
Detroit Health Care for the Homeless dba Advantage Health Centers

Human Immunodeficiency Virus Prevention Program

For the Period October 1, 2016 – May 31, 2018

Audit Report – Issued January 2020

State of Michigan
Department of Health and Human Services
Bureau of Audit
Audit Division





STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ROBERT GORDON
DIRECTOR

January 13, 2020

Nina Abubakari, Executive Director
Detroit Health Care for the Homeless dba Advantage Health Centers
100 River Place Drive, Suite 450
Detroit, Michigan 48207

Dear Ms. Abubakari:

This is our audit report of the Human Immunodeficiency Virus (HIV) Prevention Program administered by Detroit Health Care for the Homeless dba Advantage Health Centers for the audit period October 1, 2016 through May 31, 2018.

The Michigan Department of Health and Human Services (MDHHS) is committed to ensuring high standards of integrity and accountability for public funds. To that end, we periodically perform audits to assess the agency's compliance with fiscal reporting and other requirements contained in MDHHS agreements and requirements, and Federal regulations.

The report includes the Executive Summary, Exceptions, Recommendations, Corrective Actions, Statements of Audited Grant Revenues and Expenses, Federal and State Grant Award Information, and Scope and Methodology.

As noted in the Federal and State Grant Award Information, a total of \$58,790 is due to MDHHS. Please remit a check, payable to the State of Michigan, to the following address by February 12, 2020:

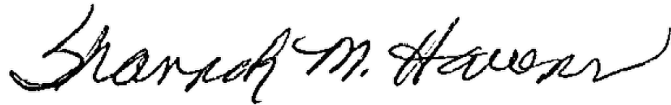
Michigan Department of Health and Human Services
Cash Receipting
PO Box 30437
Lansing, Michigan 48933

Nina Abubakari, Executive Director
Detroit Health Care for the Homeless dba Advantage Health Centers
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Final reports are posted for public viewing on the [MDHHS website](#).

I would like to extend my appreciation for the cooperation extended throughout the audit process.

Sincerely,



Shannah M. Havens, CPA, MBA
Audit Section Manager
Public Health and Community Services Programs Section
Audit Division

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EXECUTIVE SUMMARY

Below is a summary of exceptions and the Detroit Health Care for the Homeless dba Advantage Health Centers' responses.

Exception 1 Page 2	FSRs Not Supported by Accounting Records
Criteria	Title 2 CFR 200.302
Amount Underreported	\$ 512 (FY 2017)
Amount Overreported	\$ 5,251 (FY 2018)

Exception 2 Page 3	Reported Salaries and Wages and Fringe Benefit Expenses Not Supported
Criteria	Title 2 CFR 200.403, Title 2 CFR 200.430(i)
Amount Overreported	\$ 47,426 (FY 2017)
Amount Underreported	\$ 14,989 (FY 2018)

Exception 3 Page 4	Insufficient Documentation to Support Expenditures
Criteria	Title 2 CFR 200.403(g)
Amount Overreported	\$ 11,876 (FY 2017)

Exception 1 FSRs Not Supported by Accounting Records

Condition

Detroit Health Care for the Homeless dba Advantage Health Centers' (Agency's) FSRs did not reconcile with its accounting records.

Criteria

Title 2 CFR 200.302 states, "(a)...non-Federal entity's financial management systems...must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to Federal statutes, regulations, and the terms and conditions of the Federal award. (b) The financial management system of each non-Federal entity must provide for the following... (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program..."

Exception

During our reconciliation of the Agency's FSR to its accounting records, we noted the following discrepancies for the period October 1, 2016, through September 30, 2017.

- Salaries and wages were overreported on the FSR by \$11,411
- Fringe benefits were underreported on the FSR by \$11,411
- Travel expenses were underreported on the FSR by \$2,601
- Other expenses were overreported on the FSR by \$2,089

During our reconciliation of the Agency's FSR to its accounting records, we noted the following discrepancies for the period October 1, 2017, through May 31, 2018.

- Salaries and wages were overreported on the FSR by \$11,622
- Fringe benefits were overreported on the FSR by \$2,397
- Travel expenses were underreported on the FSR by \$1,932
- Contractual expenditures were underreported on the FSR by 2,753
- Other expenses were overreported on the FSR by \$210
- Indirect expenses were underreported on the FSR by \$4,293

The Agency did not have sufficient controls to ensure HIV Prevention Program expenses reported on the FSRs were supported by its accounting records. As a result, the Agency underreported expenditures by \$512 on its final FY 2017 FSR, and overreported expenditures by \$5,251 on its May 2018 FSR.

Adjustments are shown on the attached Statements of Audited Grant Revenues and Expenses.

Recommendation

We recommend the Agency implement sufficient controls and procedures to ensure that FSRs are supported by the accounting records in accordance with Federal regulations.

Agency Response

The Agency agrees with the exception.

Exception 2 Reported Salaries and Wages and Fringe Benefit Expenses Not Supported

Condition

The Agency reported salaries and wages, and fringe benefit expenses to the HIV Prevention Program which were not supported by source documents.

Criteria

Title 2 CFR 200.400 (b) states that the non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award...(d)...the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award. It also states in Title 2 CFR 200.403 that costs must meet the following general criteria in order to be allowable under Federal awards...be necessary and reasonable for the performance of the Federal award.

Exception

During our review of July 2017 salaries and wages, and fringe benefit expenses, we noted that only nine (39%) of the 23 employees charged to the HIV Prevention Program actually worked in the Program based on the supervisor's approved employee attestations for the percentage of time actually worked in the Program. As a result, we recalculated the amount of salaries, wages, and fringe benefit expenditures charged to the HIV Prevention Program for FY 2017 based on the approved employee attestations and noted that the Agency overreported \$21,885 in salaries and wages, and overreported \$25,541 in fringe benefit expenditures. The Agency did not have sufficient controls and procedures in place to ensure that only the employees who actually worked in the HIV Prevention Program were charged to the Program.

During our review of HIV Prevention Program salaries and wages and fringe benefit expenses for the period of October 1, 2017, through May 31, 2018, we noted that Agency's general ledger expenditures were not supported by source documentation. The Agency's general ledger reflected salaries and wages of \$15,186; however, the source documentation showed salaries and wages were actually \$23,778, which resulted in under-reported salaries and wages of \$8,592. The Agency's general ledger reflected fringe benefit costs of \$3,657. We recalculated the fringe benefits based on the actual salaries and wages and determined that the Agency should have reported \$10,054. This resulted in under-reported fringe benefits of \$6,397.

Adjustments are shown on the attached Statements of Audited Grant Revenues and Expenses.

Recommendation

We recommend the Agency implement sufficient controls and procedures to ensure only HIV Prevention Program employees' salaries and wages, and fringe benefits are reported to the HIV Prevention Program to ensure compliance with Federal regulations.

Agency Response

The Agency agrees with the exception.

**Exception 3
Insufficient Documentation to Support Expenditures****Condition**

The Agency did not provide sufficient documentation to support some expenditures reported on its FSRs.

Criteria

Title 2 CFR 200.302(b) states, "The financial management system of each non-Federal entity must provide for the following... (3) Records that identify adequately the source and application of funds for federally funded activities. These records must...be supported by source documentation." Also, Title 2 CFR 200.403 states, "...costs must meet the following general criteria in order to be allowable under Federal awards...(g) Be adequately documented."

Exception

During our review, we noted that the Agency did not provide sufficient documentation to support 10 (77%) of 13 tested expenditures in FY 2017 for a total of \$11,876.

Adjustments in FY 2017 expenditures are shown on the Statement of Audited Grant Revenues and Expenses and reflected on the Travel, Supplies and Materials, Contractual, and Other line items.

Recommendation

We recommend that the Agency provide sufficient documentation to support all expenditures reported on the FSRs to ensure compliance with Federal regulation.

Agency Response

The Agency agrees with the exception.

Detroit Health Care for the Homeless HIV Prevention Statement of Audited Grant Revenues and Expenses 10/01/2016 - 09/30/2017					
	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
REVENUES					
MDHHS Grant	\$ 259,100	\$ 223,223	\$ 164,433	\$ (58,790)	1, 2, 3
Fees and Collections - 1st and 2nd Party	\$ -	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
Total Revenues	\$ 259,100	\$ 223,223	\$ 164,433	\$ (58,790)	
EXPENSES					
Salaries and Wages	\$ 186,855	\$ 149,462	\$ 116,166	\$ (33,296)	1, 2
Fringe Benefits	\$ 45,406	\$ 41,743	\$ 27,613	\$ (14,130)	1, 2
Travel	\$ 399	\$ 719	\$ 1,232	\$ 513	1, 3
Supplies and Materials	\$ 4,903	\$ 6,694	\$ (1,899)	\$ (8,593)	1, 3
Contractual	\$ 19,137	\$ 22,416	\$ 19,232	\$ (3,184)	3
Equipment	\$ -	\$ -	\$ -	\$ -	
Other	\$ 2,400	\$ 2,189	\$ 2,089	\$ (100)	3
Indirect Costs	\$ -	\$ -	\$ -	\$ -	
Total Expenses	\$ 259,100	\$ 223,223	\$ 164,433	\$ (58,790)	
Exception 1: FSRs Not Supported by Accounting Records Exception 2: Reported Salaries and Wages and Fringe Benefit Expenses Not Supported Exception 3: Direct Expenditures Not Supported					

Detroit Health Care for the Homeless HIV Prevention Statement of Audited Grant Revenues and Expenses 10/01/2017 - 05/31/2018					
	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
REVENUES					
MDHHS Grant	\$ 259,100	\$ 53,472	\$ 53,472		
Fees and Collections - 1st and 2nd Party	\$ -	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ 9,738	\$ 9,738	1, 2
Total Revenues	\$ 259,100	\$ 53,472	\$ 63,210	\$ 9,738	
EXPENSES					
Salaries and Wages	\$ 156,235	\$ 26,808	\$ 23,778	\$ (3,030)	1, 2
Fringe Benefits	\$ 37,966	\$ 6,054	\$ 10,054	\$ 4,000	1, 2
Travel	\$ 5,871	\$ -	\$ 1,932	\$ 1,932	1
Supplies and Materials	\$ 7,255	\$ 2,604	\$ 2,604		1
Contractual	\$ 20,000	\$ 16,480	\$ 19,233	\$ 2,753	1
Equipment	\$ 25,000	\$ -	\$ -	\$ -	
Other	\$ 6,773	\$ 1,526	\$ 1,316	\$ (210)	1
Indirect Costs	\$ -	\$ -	\$ 4,293	\$ 4,293	1
Total Expenses	\$ 259,100	\$ 53,472	\$ 63,210	\$ 9,738	
Exception 1: FSRs Not Supported by Accounting Records Exception 2: Reported Salaries and Wages, and Fringe Benefit Expenses Not Supported					

FEDERAL AND STATE GRANT AWARD INFORMATION

Program Title	HIV Prevention
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Centers for Disease Control and Prevention
Federal Program Title	HIV Prevention Activities Health Department Based
CFDA Number	93.940
MDHHS Agreement No.	E20170344
MDHHS Agreement Period	10/01/2016 – 09/30/2017
Exception(s) Related to Program	1, 2, 3
Amount to be Returned	\$ 58,790
Exception(s) for Return Amount	1, 2, 3
See the Statement of Audited Grant Revenues and Expenses for line item adjustment details for exceptions.	

Program Title	HIV Prevention
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Centers for Disease Control and Prevention
Federal Program Title	HIV Prevention Activities Health Department Based
CFDA Number	93.940
MDHHS Agreement No.	E20180123
MDHHS Agreement Period	10/01/2017 – 09/30/2018
Exception(s) Related to Program	1, 2
Amount to be Returned	\$ -0-
Exception(s) for Return Amount	Not Applicable
See the Statement of Audited Grant Revenues and Expenses for line item adjustment details for exceptions.	

SCOPE AND METHODOLOGY

We examined the Agency's records and activities for the period October 1, 2016, through May 31, 2018.

Our audit procedures included the following:

- Reviewed the most recent Single Audit and Financial Statement Audit Reports for any HIV Prevention Program related concerns.
- Reviewed the most recent HIV Prevention Program site visit reports from the Program staff.
- Reviewed the Grant Agreement and Budgets.
- Reviewed policies to ensure they meet applicable requirements and guidelines.
- Reviewed the most recently completed Fiscal Questionnaire.
- Reconciled the HIV Prevention Program Financial Status Reports (FSRs) and MDHHS payment schedules to the accounting records.
- Tested a selection of payroll and non-payroll expenditures for program compliance; and adherence to policies, Federal and program guidelines and approval procedures.
- Reviewed building space/lease costs for proper reporting and compliance with Federal requirements.
- Reviewed any equipment purchases over \$5,000 for the HIV Prevention Program.
- Reviewed indirect cost and other cost allocations for reasonableness, and an equitable methodology.

Our audit did not include a review of program content or quality of services provided.

GLOSSARY OF ABBREVIATIONS AND TERMS

AIDS	Acquired Immunodeficiency Syndrome
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
FSR	Financial Status Report
HIV	Human Immunodeficiency Virus
MDHHS	Michigan Department of Health and Human Services