

---

# Munson Medical Center

Ryan White Part B Program  
October 1, 2017 – June 30, 2019

---

Audit Report – March 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

March 11, 2020

Mr. Derk Pronger, Interim President  
Munson Medical Center  
3529 West Front Street  
Traverse City, Michigan 49684

Dear Mr. Pronger:

This is our audit report of the Ryan White Part B programs administered by Munson Medical Center for the audit period October 1, 2017 through June 30, 2019.

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 policies and procedures; 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.

Final reports are posted for public viewing on the [MDHHS website](#).

Thank you for the cooperation extended throughout the audit process.

Sincerely,

A handwritten signature in black ink that reads "Shannah M. Havens".

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

c: Debra Hallenbeck, MDHHS, Audit  
Cole Blades, MDHHS, Audit  
Matthew Tompkins, MDHHS, Audit  
Katie Macomber, MDHHS, HIV STD Programs  
Thomas Dunn, MDHHS, HIV STD Programs  
Dawn Lukomski, MDHHS, HIV STD Programs  
Lorrie Youngs, MDHHS, HIV STD Programs  
Stephen Haynes, Senior Accountant, Munson Medical Center  
Dave Rushlow, Program Manager, Munson Medical Center

# TABLE OF CONTENTS

Executive Summary .....	1
Exceptions, Recommendations, and Corrective Actions	
1. Non-Compliance with Travel Reimbursement Policy .....	2
Statements of Audited Grant Revenues and Expenses	
HIV/AIDS Ryan White Part B – 10/01/2017 – 09/30/2018.....	3
HIV/AIDS Ryan White Part B – 10/01/2018 – 06/30/2019.....	4
Federal and State Grant Award Information.....	5
Scope and Methodology.....	6
Glossary of Abbreviations and Terms .....	7

## EXECUTIVE SUMMARY

Below is a summary of exceptions and the Munson Medical Center's corrective action plan.

<b>Exception 1</b> Page 2	<b>Non-Compliance with Travel Reimbursement Policy</b>
<b>Criteria</b>	Title 2 CFR 200.474, Employee Travel Reimbursement Policy
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Agency will perform education of the Travel Reimbursement approval process to ensure that no expenses are approved, or submitted, for reimbursement without proper documentation including itemized receipts.
<b>Completion Date</b>	2/21/2020
<b>Persons Responsible</b>	Dave Rushlow, Manager Stephen Haynes, Sr. Accountant

## **Exception 1 Non-Compliance with Travel Reimbursement Policy**

### **Condition**

The Agency did not always comply with its own travel policy for some travel expenditures reported on its FSRs.

### **Criteria**

Title 2 CFR 200.474 states that costs incurred by employees and officers for travel, including costs for lodging, other subsistence, and incidental costs, are considered reasonable and allowable in compliance with the non-Federal entity's travel policy. The Agency's Employee Travel Reimbursement Policy states that employees will submit itemized receipts for all expenditures charged to MDHHS HIV-related grants.

### **Exception**

During our FY 2018 direct expenditure review, we noted that the Agency did not provide itemized receipts for four travel reimbursement expenses. We noted that the employee provided a credit card receipt; however, not itemized receipts to support the reimbursed expenses. The Agency did not have sufficient controls in place to ensure its employees submitted itemized receipts with all travel reimbursements in compliance with its own travel policy.

No funding adjustments are necessary since there was sufficient support for the travel expenses.

### **Recommendation**

We recommend that the Agency implement sufficient controls to ensure employees follow its travel policy and include itemized receipts as supporting documentation for all travel reimbursements to ensure compliance with Federal regulation.

### **Agency Response and Corrective Action Plan**

Agency will perform education of the Travel Reimbursement approval process to ensure that no expenses are approved, or submitted, for reimbursement without proper documentation including itemized receipts.

#### **Completion Date**

February 21, 2020

#### **Responsible Individuals**

Dave Rushlow, Manager

Stephen Haynes, Sr. Accountant

**Munson Medical Center  
RWHAP Part B  
Statement of Audited Grant Revenues and Expenses  
10/01/2017 - 09/30/2018**

	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
<b>REVENUES</b>					
MDHHS Grant	\$ 310,000	\$ 310,000	\$ 310,000	\$ -	
Fees and Collections - 1st and 2nd Party	\$ 15,343	\$ 13,140	\$ 13,140	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 325,343</b>	<b>\$ 323,140</b>	<b>\$ 323,140</b>	<b>\$ -</b>	
<b>EXPENSES</b>					
Salaries and Wages	\$ 170,793	\$ 193,021	\$ 193,021	\$ -	
Fringe Benefits	\$ 51,750	\$ 50,209	\$ 50,209	\$ -	
Capital Expenditures	\$ -	\$ -	\$ -	\$ -	
Contractual Services	\$ -	\$ -	\$ -	\$ -	
Supplies and Materials	\$ 5,300	\$ 4,795	\$ 4,795	\$ -	
Travel	\$ 7,000	\$ 5,553	\$ 5,553	\$ -	
Communications	\$ -	\$ -	\$ -	\$ -	
Space Costs	\$ -	\$ -	\$ -	\$ -	
Other Expenses	\$ 90,500	\$ 69,562	\$ 69,562	\$ -	
County Central Services	\$ -	\$ -	\$ -	\$ -	
Indirect Costs	\$ -	\$ -	\$ -	\$ -	
Cost Allocation Plan	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 325,343</b>	<b>\$ 323,140</b>	<b>\$ 323,140</b>	<b>\$ -</b>	

**Munson Medical Center  
RWHAP Part B  
Statement of Audited Grant Revenues and Expenses  
10/01/2018 - 06/30/2019**

	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
<b>REVENUES</b>					
MDHHS Grant	\$ 310,000	\$ 258,989	\$ 258,989	\$ -	
Fees and Collections - 1st and 2nd Party	\$ 25,616	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 335,616</b>	<b>\$ 258,989</b>	<b>\$ 258,989</b>	<b>\$ -</b>	
<b>EXPENSES</b>					
Salaries and Wages	\$ 178,029	\$ 147,731	\$ 147,731	\$ -	
Fringe Benefits	\$ 48,780	\$ 40,989	\$ 40,989	\$ -	
Capital Expenditures	\$ -	\$ -	\$ -	\$ -	
Contractual Services	\$ -	\$ -	\$ -	\$ -	
Supplies and Materials	\$ 5,297	\$ 4,309	\$ 4,309	\$ -	
Travel	\$ 7,000	\$ 914	\$ 914	\$ -	
Communications	\$ -	\$ -	\$ -	\$ -	
Space Costs	\$ -	\$ -	\$ -	\$ -	
Other Expenses	\$ 65,999	\$ 45,228	\$ 45,228	\$ -	
County Central Services	\$ -	\$ -	\$ -	\$ -	
Indirect Costs	\$ 30,511	\$ 19,818	\$ 19,818	\$ -	
Cost Allocation Plan	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 335,616</b>	<b>\$ 258,989</b>	<b>\$ 258,989</b>	<b>\$ -</b>	

## FEDERAL AND STATE GRANT AWARD INFORMATION

<b>Program Title</b>	<b>Ryan White HIV/AIDS Program Part B</b>
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Health Resources and Services Administration
Federal Program Title	HIV Care Formula Grants
CFDA Number	93.917
MDHHS Agreement No.	E20180249
MDHHS Agreement Period	10/01/2017 – 09/30/2018
Exception(s) Related to Program	1
Amount to be Returned	\$-0-
Exception(s) for Return Amount	Not Applicable

<b>Program Title</b>	<b>Ryan White HIV/AIDS Program Part B</b>
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Health Resources and Services Administration
Federal Program Title	HIV Care Formula Grants
CFDA Number	93.917
MDHHS Agreement No.	E20192034
MDHHS Agreement Period	10/01/2018 – 09/30/2019
Amount to be Returned	\$-0-



## SCOPE AND METHODOLOGY

We examined the Agency's records and activities for the October 1, 2017 through June 30, 2019.

Our audit procedures included the following:

- Reviewed the most recent Single Audit and Financial Statement Audit Reports for any RWHAP Part B related concerns.
- Reviewed the most recent RWHAP Part B site visit reports from the Program staff.
- Reviewed the Grant Agreement, Budgets, and Program Specific Assurances and Requirements.
- Reviewed policies to ensure they meet applicable requirements and guidelines.
- Reviewed the most recently completed Fiscal Questionnaire.
- Reconciled the RWHAP Part B 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 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
RWHAP	Ryan White HIV/AIDS Program