

Audit Report

Shiawassee County Health Department
WIC Program

October 1, 2014 – September 30, 2015



Bureau of Audit, Reimbursement, and Quality Assurance
Quality Assurance and Review
August 2016



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

NICK LYON
DIRECTOR

August 18, 2016

Larry Johnson, RS, MS, Health Officer/Director of Environmental Health
Shiawassee County Health Department
149 E. Corunna Ave., 2nd Floor
Corunna, Michigan 48817

Dear Mr. Johnson:

Enclosed is our final report from the Michigan Department of Health and Human Services audit of the Shiawassee County Health Department WIC Program for the period October 1, 2014 through September 30, 2015.

The final report contains the following: description of agency; funding methodology; purpose; objectives; scope and methodology; conclusions, findings and recommendations; and Statements of Grant Program Revenues and Expenditures. No exceptions were noted during our audit.

Thank you for the cooperation extended throughout this audit process.

Sincerely,

A handwritten signature in cursive script, reading "Debra S. Hallenbeck".

Debra S. Hallenbeck, Manager
Quality Assurance and Review
Bureau of Audit, Reimbursement and Quality Assurance

Enclosure

cc: Stan Bien, Director, WIC Division
Pam Myers, Director, Bureau of Audit, Reimbursement and Quality Assurance
Brenda Champion, Auditor, Quality Assurance and Review
Tonie Brovont, Director, Finance & Administrative Services, Shiawassee County Health Department

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DESCRIPTION OF AGENCY

The Shiawassee County Health Department (Health Department) is governed under the Public Health Code, Act 368 of 1978. The Health Department is a Special Revenue Fund of Shiawassee County, and the administrative office is located in Corunna, Michigan. The Health Department operates under the legal supervision and control of the Board of Commissioners of Shiawassee County. The Health Department provides community health program services to the residents of Shiawassee County.

FUNDING METHODOLOGY

The Health Department services are funded from local appropriations, fees and collections, and grant programs. The Michigan Department of Health and Human Services (MDHHS) provided the Health Department with grant funding monthly based on Financial Status Reports in accordance with the terms and conditions of each grant agreement and budget. The WIC Program was funded by MDHHS Grant Funds, Fees and Collections, and Other Local Funds. Grant funding from MDHHS for the WIC Program is federal funding under federal catalog number 10.557.

PURPOSE AND OBJECTIVES

The purpose of this audit was to assess the WIC Program and WIC Breastfeeding Program financial reporting, and to determine the MDHHS share of costs. The following were the specific objectives of the audit:

1. To assess the Health Department's effectiveness in reporting their WIC Program and WIC Breastfeeding Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, and generally accepted accounting principles.
2. To determine the MDHHS share of costs for the WIC Program and WIC Breastfeeding Program in accordance with applicable MDHHS requirements and agreements, and any balance due to or due from the Health Department.

SCOPE AND METHODOLOGY

We examined the Health Department's records and activities for the fiscal period October 1, 2014 to September 30, 2015. Our review procedures included the following:

- Reviewed the most recent Health Department Single Audit report for any WIC Program concerns.
- Reviewed the completed Subrecipient Questionnaire.
- Reconciled the WIC Program and WIC Breastfeeding Program Financial Status Reports (FSR's) to the accounting records.
- Reviewed a sample of payroll expenditures.
- Tested a sample of expenditures for program compliance and adherence to policy and approval procedures.
- Reviewed indirect cost and other cost allocations for reasonableness, and an equitable methodology.
- Reviewed WIC equipment inventory and general Health Department equipment inventory records.

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

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

FINANCIAL REPORTING

Objective 1: To assess the Health Department's effectiveness in reporting their WIC Program and WIC Breastfeeding Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, and generally accepted accounting principles.

Conclusion: The Health Department reported their WIC Program and WIC Breastfeeding Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, and generally accepted accounting principles. We identified no financial reporting exceptions.

MDHHS SHARE OF COSTS AND BALANCE DUE

Objective 2: To determine the MDHHS share of costs for the WIC Program and WIC Breastfeeding Program in accordance with applicable MDHHS requirements and agreements, and any balance due to or due from the Health Department.

Conclusion: The MDHHS obligations under the WIC Program and WIC Breastfeeding Program for fiscal year ended September 30, 2015, were \$338,414 and \$32,797, respectively. The attached Statements of MDHHS Grant Program Revenues and Expenditures show the budgeted, reported, and allowable costs. The audit made no adjustments affecting the WIC Program or WIC Breastfeeding Program funding.

Shiawassee County Health Department
WIC Supplemental Food Program
Statement of Grant Program Revenues and Expenditures
10/1/14 - 9/30/15

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MHHS Grant	\$338,414	\$338,414 ¹		\$338,414
Local Funds - Other	\$54,240	\$34,328		\$34,328
TOTAL REVENUES	\$392,654	\$372,742	\$0	\$372,742
EXPENDITURES:				
Salary & Wages	\$157,136	\$151,033		\$151,033
Fringe Benefits	\$71,324	\$70,525		\$70,525
Contractual	\$400	\$0		\$0
Supplies & Materials	\$7,850	\$6,482		\$6,482
Travel	\$4,000	\$2,224		\$2,224
Communication	\$1,200	\$1,049		\$1,049
County-City Central Services	\$35,000	\$33,782		\$33,782
Space Costs	\$0	\$0		\$0
Other	\$1,050	\$430		\$430
Indirect Costs	\$0	\$0		\$0
Other Costs Distributions	\$114,694	\$107,217		\$107,217
TOTAL EXPENDITURES	\$392,654	\$372,742	\$0	\$372,742

¹ Actual MDHHS payments.

**Shiawassee County Health Department
WIC Breastfeeding Program
Statement of Grant Program Revenues and Expenditures
10/1/14 - 9/30/15**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MHHS Grant	\$35,000	\$32,797 ¹		\$32,797
Local Funds - Other	\$3,257	\$0		\$0
TOTAL REVENUES	\$38,257	\$32,797	\$0	\$32,797
EXPENDITURES:				
Salary & Wages	\$16,923	\$15,901		\$15,901
Fringe Benefits	\$3,684	\$3,430		\$3,430
Contractual	\$0	\$0		\$0
Supplies & Materials	\$3,050	\$332		\$332
Travel	\$300	\$309		\$309
Communication	\$200	\$156		\$156
County-City Central Services	\$3,300	\$3,002		\$3,002
Space Costs	\$0	\$0		\$0
Other	\$800	\$688		\$688
Indirect Costs	\$0	\$0		\$0
Other Costs Distributions	\$10,000	\$8,979		\$8,979
TOTAL EXPENDITURES	\$38,257	\$32,797	\$0	\$32,797

¹ Actual MDHHS payments.