



STATE OF MICHIGAN

RICK SNYDER  
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

NICK LYON  
DIRECTOR

October 13, 2016

Karen Grunewald, Finance Director  
St. John Community Health Investment Corp  
28000 Dequindre  
Warren, MI 48092

Dear Ms. Grunewald:

Enclosed is our final report from the Michigan Department of Health and Human Services on-site audit of the St. John Community Health Investment Corp VOCA Program for the period October 1, 2014 through September 30, 2015.

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

Thank you for the cooperation extended throughout this audit process.

Sincerely,

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

Enclosure

cc: Pam Myers, Director, Bureau of Audit, Reimbursement and Quality Assurance  
James McCurtis Jr., Director, Crime Victim Services Commission  
Leslie O'Reilly, VOCA Program Specialist, Crime Victim Services Commission  
Robert Haske, Auditor, Bureau of Audit, Reimbursement and Quality Assurance

# Audit Report

St. John Community Health Investment Corp

Victim of Crime Act

Victim Assistance Program

October 1, 2014 – September 30, 2015



Bureau of Audit, Reimbursement, and Quality Assurance

Quality Assurance and Review

October 2016

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## **DESCRIPTION OF AGENCY**

The St. John Community Health Investment Corp is a non-profit health system governed under the provisions of Section 501(c)(3) of the Internal Revenue Code and is located in Warren, Michigan. The St. John Community Health Investment Corp operates under the legal supervision and control of the Community Health Investment Board which consists of 10 voting members of which three members have ties to the St. John Health System. The St. John Community Health Investment Corp provides community health program services to the residents of six counties. These services include: CareLink, Bridges to Hope, Community Outreach and Education, Faith and Community Nursing, Health Care for the Uninsured, Healthy Neighborhoods Detroit, Infant Mortality Program, Open Arms Grief Support, Physicians Who Care Project, Ryan White Program, School-Based Health Centers & Speakers Bureau.

## **FUNDING METHODOLOGY**

The St. John Community Health Investment Corp services are funded from local funds, fees and collections, and grant programs. The Michigan Department of Health and Human Services (MDHHS) provided the St. John Community Health Investment Corp with monthly grant funding based on Financial Status Reports in accordance with the terms and conditions of the grant agreement and budget.

The Victims of Crime Act (VOCA) Program was funded by MDHHS Grant Funds and other local funds. Grant funding from MDHHS for the VOCA Program is federal funding under federal catalog number 16.575.

## **PURPOSE AND OBJECTIVES**

The purpose of this audit was to assess the VOCA Program financial reporting, and to determine the MDHHS share of VOCA Program costs according to the applicable program guidelines. The following were the specific objectives of the audit:

1. To assess the St. John Community Health Investment Corp's effectiveness and accuracy in reporting their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, program standards and generally accepted accounting principles.
2. To determine the MDHHS share of costs and the St. John Community Health Investment Corp's match for the VOCA Program in accordance with applicable MDHHS requirements and agreements, applicable federal standards and program standards as well as any balance due to or due from the St. John Community Health Investment Corp.

## **SCOPE AND METHODOLOGY**

We examined the St. John Community Health Investment Corp records and activities for the fiscal period October 1, 2014 to September 30, 2015. Our review procedures included the following:

- Reviewed the most recent St. John Community Health Investment Corp Single Audit Report for any VOCA Program related concerns.
- Reviewed the most recent Crime Victim Services Commission (CVSC) site visit report.
- Reviewed the Grant Application, Budget, Program Assurances, Trial Balance and General Ledger.
- Reviewed policies to make sure they meet applicable requirements and guidelines.
- Reviewed the most recently completed Subrecipient Questionnaire and DOJ Financial Capability Questionnaire.
- Reconciled the Final VOCA Program Financial Status Report (FSR) and MDHHS payment schedule to the accounting records.
- Examined payroll records.
- Tested a sample of both payroll and non-payroll expenditures for program compliance; and adherence to policies, federal and program guidelines and approval procedures.
- Reviewed for adherence to suspension and debarment rules.
- Reviewed required match for program compliance.
- Reviewed financial records to ensure supplanting of federal awards did not occur.

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 St. John Community Health Investment Corp's effectiveness and accuracy in reporting their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, program standards and generally accepted accounting principles.

**Conclusion:** The St. John Community Health Investment Corp reported their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, program standards and generally accepted accounting principles. We noted no exceptions related to financial reporting.

### **MDHHS SHARE OF COSTS AND BALANCE DUE**

**Objective 2:** To determine the MDHHS share of costs and the St. John Community Health Investment Corp's match for the VOCA Program in accordance with applicable MDHHS requirements and agreements, applicable federal standards and program standards as well as any balance due to or due from the St. John Community Health Investment Corp.

**Conclusion:** The MDHHS obligation under the VOCA Program for fiscal year ended September 30, 2015, is \$173,732. The attached Statement of Grant Program Revenues and Expenditures shows the budgeted, reported, and allowable costs. The audit made no adjustments affecting VOCA grant program funding.

**St. John Community Health Investment Corp.**  
**VOCA - Crime Victims Assistance Program**  
**Statement of Grant Program Revenues and Expenditures**  
**10/1/14 - 9/30/15**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
<b>REVENUES:</b>				
MDHHS Grant	\$174,105	\$173,732 <sup>1</sup>	\$0	\$173,732
Local Funds - Other	\$32,806	\$32,806	\$0	\$32,806
Volunteer - Match	\$10,720	\$10,627	\$0	\$10,627
<b>TOTAL REVENUES</b>	<b>\$217,631</b>	<b>\$217,165</b>	<b>\$0</b>	<b>\$217,165</b>
<b>EXPENDITURES:</b>				
Salary & Wages	\$161,387	\$159,152	\$0	\$159,152
Fringe Benefits	\$33,892	\$33,892	\$0	\$33,892
Volunteer Salaries & Wages	\$9,958	\$9,958	\$0	\$9,958
Volunteer Fringes	\$762	\$669	\$0	\$669
Supplies & Materials	\$7,668	\$8,646	\$0	\$8,646
Travel	\$3,964	\$4,848	\$0	\$4,848
<b>TOTAL EXPENDITURES</b>	<b>\$217,631</b>	<b>\$217,165</b>	<b>\$0</b>	<b>\$217,165</b>

<sup>1</sup> Actual MDHHS payments.