



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

March 13, 2017

Gail Ryan, Assistant Vice President Sponsored Program Administration
Wayne State University
5057 Woodward Avenue 13th Floor
Detroit, MI 48201

Dear Ms. Ryan:

Enclosed is our final report from the Michigan Department of Health and Human Services on-site audit of the Wayne State University's (WSU) VOCA Program for the period October 1, 2014 through September 30, 2015.

The final report contains the following: Description of Agency; Funding Methodology; Purpose and Objectives; Scope and Methodology; Conclusions, Findings and Recommendations; Statement of Grant Program Revenues and Expenditures; and Comments and Recommendations. The Conclusions, Findings, and Recommendations are organized by audit objective. The Comments and Recommendations include the agency's paraphrased response to the Preliminary Analysis, and the Bureau of Audit, Reimbursement, and Quality Assurance's response to those comments where necessary.

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'Rielly, VOCA Program Specialist, Crime Victim Services Commission
Robert Haske, Auditor, Bureau of Audit, Reimbursement and Quality Assurance
LaShonda Cooley, Senior Director, Sponsored Program Administration, WSU

Audit Report

Wayne State University
Victims of Crime Act
Victim Assistance Program

October 1, 2014 – September 30, 2015



Bureau of Audit, Reimbursement, and Quality Assurance
Quality Assurance and Review
March 2017

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DESCRIPTION OF AGENCY

Wayne State University (WSU) was founded in 1868 and receives appropriations from the State of Michigan, however it is not considered a component unit of the State of Michigan. The administrative office is located Detroit, Michigan. WSU operates under the legal supervision and control of the Board of Governors, whom are publicly elected and consist of eight members. The services provided by WSU from Victims of Crime Act (VOCA) funding are: education, counseling, and assistance with victim compensation for victims of violent crime.

FUNDING METHODOLOGY

The WSU Victim Assistance Program is funded from local sources and a grant program from the Michigan Department of Health and Human Services (MDHHS). MDHHS provided WSU with monthly grant funding based on Financial Status Reports in accordance with the terms and conditions of the grant agreement and budget. The VOCA Program was funded by Federal funding under Federal catalog number 16.575.

PURPOSE AND OBJECTIVES

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

1. To assess WSU's effectiveness and accuracy in reporting their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable Federal regulations, program standards, and Generally Accepted Accounting Principles (GAAP).
2. To determine the MDHHS share of costs and WSU's match for the VOCA Program in accordance with applicable MDHHS requirements and agreements, applicable Federal regulations and program standards as well as any balance due to or due from WSU.

SCOPE AND METHODOLOGY

We examined WSU'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 WSU 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 required match for program compliance.
- Reviewed financial records to make sure 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 WSU's effectiveness and accuracy in reporting their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable Federal regulations, program standards, and GAAP.

Conclusion: WSU reported their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable Federal regulations, 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 WSU's match for the VOCA Program in accordance with applicable MDHHS requirements and agreements, applicable Federal regulations and program standards as well as any balance due to or due from WSU.

Conclusion: The MDHHS obligation under the VOCA Program for fiscal year ended September 30, 2015, is \$194,015; and the WSU match obligation is \$48,504. 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.

Wayne State University
VOCA Crime Victim Assistance Grant
Statement of Grant Program Revenues and Expenditures
10/1/14 - 9/30/15

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$194,835	\$194,015 ¹	\$0	\$194,015
Match - Local	\$48,709	\$48,504	\$0	\$48,504
TOTAL REVENUES	\$243,544	\$242,519	\$0	\$242,519
EXPENDITURES:				
Salary & Wages	\$195,038	\$198,148	(\$2,817) ²	\$195,331
Fringe Benefits	\$42,082	\$38,107	\$2,817 ²	\$40,924
Supplies & Materials	\$6,304	\$6,264	\$0	\$6,264
Other Expenses	\$120	\$0	\$0	\$0
TOTAL EXPENDITURES	\$243,544	\$242,519	\$0	\$242,519

¹ Actual MDHHS payments.

² Reclassify Volunteer Fringe Benefits to the Fringe Benefits category as originally budgeted (comment #2)

Comments and Recommendations

1. Incomplete Volunteer Time Reports

Volunteers failed to put their name (two instances), department (three instances), signature (three instances), and/or date (seven instances) on their Volunteer Time Report, while the Supervisor failed to sign and include the date of approval (34 instances) on the Volunteer Time Report out of a total 34 total Volunteer Time Reports sampled. The Crime Victim Assistance Grant Certified Assurances require the grantee to “maintain proper documentation for all volunteer time reported by using the Volunteer Match Distribution Time Report.” Good financial controls over the accuracy of grant match include the proper completion of the Volunteer Time Reports to help ensure accuracy and proper control over grant match records. We recommend WSU implement the proper controls and procedures to ensure the accuracy and completion of the volunteer time records to comply with the Certified Assurances.

Management Response:

The Project Director has informed the Coordinator of Volunteer Services of the concerns related to volunteer time reporting, including missing signatures, names, and dates on the Volunteer Time Reports. Effective immediately, the Project Director will monitor timesheets sent by the Coordinator of Volunteer Services to assure completion. Incomplete timesheets will be returned to the Coordinator for completion. Policies and procedures for timekeeping have been reviewed and updated to ensure proper timekeeping controls are in place, including but not limited to, completion of all areas of the timesheet (i.e., volunteer name, department, volunteer signature, date, and supervisor approval signature and date).

MDHHS Response:

None.

2. Volunteer Fringe Benefits Reported as Salaries & Wages on FSR

Volunteer fringe benefits were reported on the Salaries & Wages line on the final FSR when it was budgeted on the Fringe Benefits line. The instructions for completing the FSR state in Part IV, Section E: “Enter only the expenditures authorized under the terms of the agreement as specified in the budget...” Good financial controls over the accuracy of the FSR include making sure each line of the FSR reflects accurate information and has expenditures classified in the same category as reflected in the budget. We recommend WSU implement the proper controls and procedures to ensure the final FSR reflects the correct information for each line item.

Management Response:

The Sponsored Program Administration (SPA) financial team has reviewed the FSRs identified and noted this was an isolated reporting error. Our WSU financial reporting process includes review and approval of FSRs by the Associate Director of Post Award Services, as well as the Senior Director of SPA. Therefore, controls and procedures are in place for this process. The SPA Associate Director of Post Award Services will analyze the FSRs more closely to prevent future errors. Based on our clarification correspondence, we understand that no corrections are needed to the final FSR; however, we will continue to follow our process of review and approval to ensure consistent compliance.

MDHHS Response:

None.