



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH & HUMAN SERVICES
BUREAU OF AUDIT, REIMBURSEMENT AND QUALITY ASSURANCE
CAPITOL COMMONS CENTER • 400 SOUTH PINE • LANSING, MICHIGAN 48913

NICK LYON
DIRECTOR

December 19, 2017

Lisa McCormick, Chief Assistant Prosecutor
Ingham County Prosecutor's Office
303 W. Kalamazoo St.
Lansing, MI 48933

Dear Ms. McCormick:

Enclosed is our final report from the Michigan Department of Health and Human Services (MDHHS) on-site audit of the Ingham County Prosecutor's Office VOCA Program for the period October 1, 2015 through September 30, 2016.

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; Corrective Action Plan; and Comments and Recommendations. The Conclusions, Findings, and Recommendations are organized by audit objective. The Corrective Action Plan and 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.

Final reports are posted for public viewing on MDHHS's website at: http://www.michigan.gov/mdhhs/0,5885,7-339-73970_43164-151236--,00.html.

Thank you for the cooperation extended throughout this audit.

Sincerely,

Shannah Havens, CPA, CISA
Audit Manager
Population Health and Community Services Section
Bureau of Audit, Reimbursement and Quality Assurance

Enclosure

cc: Deb Hallenbeck, Director, Audit Division
James McCurtis Jr., Director, Crime Victim Services Commission
Leslie O'Reilly, VOCA Program Specialist, Crime Victim Services Commission
Nicholas Sekmistrz, Analyst, Crime Victim Services Commission
Ronald Puruleski, Auditor, Bureau of Audit, Reimbursement and Quality Assurance
Sheila Wheeler, Accountant, Ingham County Prosecutor's Office

Audit Report

Ingham County Prosecutor's Office
Victim of Crime Act (VOCA)
Victim Assistance Program

October 1, 2015 – September 30, 2016



Bureau of Audit, Reimbursement, and Quality Assurance
Audit Division
December 2017

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DESCRIPTION OF AGENCY

Ingham County was created by the Act of Organization in 1838. The Agency's administrative office is located in Mason, Michigan. The county is governed by a 14-member Board of Commissioners. The board members are elected for two year terms. VOCA funded services provided by the Ingham County Prosecutor's Office include: support for domestic and/or family violence, crisis intervention, crisis counseling, criminal justice support and advocacy, therapy, victim impact statement assistance, assistance with restitution, and assistance in filing compensation claims for the citizens of Ingham County.

In addition, the Ingham County Prosecutor's Office has supported Small Talk Children's Assessment Center (Small Talk) since it opened in September of 2011. Small Talk provides a comprehensive, multidisciplinary response to child victims of sexual and physical abuse that reduces the trauma to child victims and their families by coordinating the investigation, prosecution, and treatment services. Small Talk is accredited with the National Child Alliance and is a 501 (c) (3) Corporation. In 2016, the Ingham County Prosecutor's Office contracted \$40,052 in VOCA funded services and \$18,049 in local and match funds with Small Talk.

FUNDING METHODOLOGY

The Ingham County Prosecutor's Office Victim Assistance Program is funded from local funds and a grant program from the Michigan Department of Health and Human Services (MDHHS). The Michigan Department of Health and Human Services (MDHHS) provided the Ingham County Prosecutor's Office 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 Federal funding under Federal catalog number 16.575.

PURPOSE AND OBJECTIVES

The purpose of this audit was to assess the Ingham County Prosecutor's Office financial reporting and to determine the MDHHS share of VOCA Program costs. Following are the specific objectives of the audit:

1. To assess the Ingham County Prosecutor's Office effectiveness and accuracy in reporting their VOCA 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 and Ingham County Prosecutor's Office match for the VOCA Program in accordance with applicable MDHHS requirements and agreements, applicable Federal and program standards, as well as any balance due to or due from the Ingham County Prosecutor's Office.

SCOPE AND METHODOLOGY

We examined the Ingham County Prosecutor's Office records and activities for the fiscal period October 1, 2015 to September 30, 2016. Our review procedures included the following:

- Reviewed the most recent Ingham County Prosecutor's Office Financial Statement 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, Agency 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 payroll and non-payroll expenditures for program compliance and adherence to policy, Federal and program guidelines and approval procedures.
- 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 Ingham County Prosecutor's Office 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 Ingham County Prosecutor's Office 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 Ingham County Prosecutor's Office 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 Ingham County Prosecutor's Office.

Conclusion: The MDHHS obligation under the VOCA Program for fiscal year ended September 30, 2016, is \$129,552; and Ingham County Prosecutor's Office required match is \$32,388. The attached Statement of Grant Program Revenues and Expenditures shows the budgeted, reported, and allowable costs. The audit made no adjustments affecting the VOCA Grant Program funding.

**Ingham County Prosecutor's Office
VOCA Crime Victim Assistance Grant
Statement of Grant Program Revenues and Expenditures
10/1/15 - 9/30/16**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$144,974	\$129,552 ¹		\$129,552
Local Funds - Other	\$19,809	\$18,049		\$18,049
Volunteer - Match	\$16,435	\$14,339		\$14,339
TOTAL REVENUES	\$181,218	\$161,940	\$0	\$161,940
EXPENDITURES:				
Salary & Wages	\$49,698	\$49,695		\$49,695
Fringe Benefits	\$23,358	\$23,610		\$23,610
Volunteer Wages	\$16,321	\$14,225		\$14,225
Volunteer Fringe	\$114	\$114		\$114
Travel	\$6,972	\$1,449		\$1,449
Supplies & Materials	\$16,391	\$10,795		\$10,795
Contractual	\$59,914	\$58,101		\$58,101
Equipment	\$0	\$0		\$0
Other Expenses	\$8,450	\$3,951		\$3,951
Indirect Costs	N/A	N/A		N/A
TOTAL EXPENDITURES	\$181,218	\$161,940	\$0	\$161,940

¹ Actual MDHHS payments.

Comments and Recommendations

1. Invoices Do Not Contain Proper Approval

The Ingham County Prosecutor's Office did not obtain management approval on its invoices prior to payment. 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 contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During our review, we noted that 2 (11%) of 18 expenditure transactions did not include management approval on the invoice authorizing payment. We recommend the Ingham County Prosecutor's Office implement appropriate controls to ensure proper management approval on its invoices prior to payment to ensure compliance with Federal regulation.

Management Response:

Effective immediately, Financial Services will email the invoice to the Chief Assistant Prosecutor. The Chief Assistant Prosecutor will review and electronically approve the payment of the invoice and email the approval back to Financial Services for payment. The email correspondence will be retained with the invoice as source documentation.

MDHHS Response:

None.