



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH & HUMAN SERVICES
BUREAU OF AUDIT
LEWIS CASS BUILDING
320 SOUTH WALNUT • LANSING, MICHIGAN 48933

NICK LYON
DIRECTOR

June 7, 2018

Larry Johnson, Health Officer
Shiawassee County Health Department
149 Corunna Avenue, 2nd Floor
Corunna, Michigan 48817

Dear Mr. Johnson:

Attached 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, 2016 through September 30, 2017.

The final report contains the following: Description of Agency; Funding Methodology; Purpose and Objectives; Scope and Methodology; Conclusions; and Statements of Grant Program Revenues and Expenditures. No exceptions were noted during our audit.

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 process.

Sincerely,

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

Shannah M. Havens, CPA, CISA
Audit Section Manager
Population Health and Community Services Section
Audit Division

cc: Debra Hallenbeck, Director, Audit Division
Lynette Biery, Administrator, Bureau of Family Health Services
Brittany LaRue, Manager, Financial Management & FMNP Unit
Matthew Tompkins, Auditor, Population Health and Community Services Section
Rex Pierce, Director of Finance, Shiawassee County Health Department

Audit Report

Shiawassee County Health Department
WIC Program

October 1, 2016 – September 30, 2017



Bureau of Audit
Audit Division
June 2018

TABLE OF CONTENTS

	Page
Description of Agency	1
Funding Methodology.....	1
Purpose and Objectives	1
Scope and Methodology.....	1

Conclusions, Findings, and Recommendations

<u>Financial Reporting</u>	2
<u>MDHHS Shares of Costs and Balance Due</u>	2
Statement of Grant Program Revenues and Expenditures - WIC	3
Statement of Grant Program Revenues and Expenditures – WIC Breastfeeding	4

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 Women, Infants, and Children (WIC) Program was funded by MDHHS Grant Funds 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 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 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 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, 2016 to September 30, 2017. 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 (FSRs) 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 equipment purchases over \$2,500 for WIC Programs.
- 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.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

FINANCIAL REPORTING

Objective 1: To assess the Health Department's effectiveness in reporting their WIC 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 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 SHARES OF COSTS AND BALANCE DUE

Objective 2: To determine the MDHHS shares of costs for the WIC 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, 2017, were \$349,249 and \$36,050, respectively. The attached Statements of MDHHS Grant Program Revenues and Expenditures show the budgeted, reported, and allowable costs. The audit made no adjustments.

**Shiawassee County Health Department
WIC Resident Services
Statement of Grant Program Revenues and Expenditures
10/1/16 - 9/30/17**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$349,249	\$349,249 ¹		\$349,249
Local Funds - Other	\$60,455	\$70,434		\$70,434
TOTAL REVENUES	\$409,704	\$419,683	\$0	\$419,683
EXPENDITURES:				
Salary & Wages	\$153,485	\$163,222		\$163,222
Fringe Benefits	\$88,292	\$87,144		\$87,144
Supplies & Materials	\$7,850	\$3,877		\$3,877
Travel	\$3,250	\$3,060		\$3,060
Communication	\$1,080	\$1,085		\$1,085
County-City Central Services	\$39,248	\$30,880		\$30,880
Space Costs	\$0	\$0		\$0
Other	\$7,700	\$302		\$302
Indirect Costs	\$0	\$0		\$0
Other Costs Distributions	\$108,799	\$127,404		\$127,404
TOTAL EXPENDITURES	\$409,704	\$416,973	\$0	\$416,973

¹ Actual MDHHS payments.

**Shiawassee County Health Department
WIC Breastfeeding
Statement of Grant Program Revenues and Expenditures
10/1/16 - 9/30/17**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$36,050	\$36,050 ¹		\$36,050
Local Funds - Other	\$8,697	\$8,489		\$8,489
TOTAL REVENUES	\$44,747	\$44,539	\$0	\$44,539
EXPENDITURES:				
Salary & Wages	\$21,420	\$21,109		\$21,109
Fringe Benefits	\$5,505	\$5,540		\$5,540
Supplies & Materials	\$100	\$77		\$77
Travel	\$350	\$150		\$150
Communication	\$800	\$603		\$603
County-City Central Services	\$4,256	\$3,257		\$3,257
Space Costs	\$0	\$0		\$0
Other	\$200	\$233		\$233
Indirect Costs	\$0	\$0		\$0
Other Costs Distributions	\$12,116	\$13,570		\$13,570
TOTAL EXPENDITURES	\$44,747	\$44,539	\$0	\$44,539

¹ Actual MDHHS payments.