



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

ROBERT GORDON  
DIRECTOR

August 12, 2019

Mr. Gerald Messana, Health Officer  
Marquette County Health Department  
184 US 41 East  
Negaunee, Michigan 49866

Dear Mr. Messana:

Attached is our final report from the Michigan Department of Health and Human Services (MDHHS) audit of the Marquette County Health Department HIV Prevention Program for the period October 1, 2016 to September 30, 2017 and Ryan White Part B Program for the fiscal periods October 1, 2016 to September 30, 2017 and October 1, 2017 to June 30, 2018.

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 the MDHHS website at:  
[http://www.michigan.gov/mdhhs/0,5885,7-339-73970\\_43164-151236--,00.html](http://www.michigan.gov/mdhhs/0,5885,7-339-73970_43164-151236--,00.html).

Thank you for the cooperation extended throughout this audit.

Sincerely,

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

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

Attachment

cc: Debra Hallenbeck, Director, Audit Division  
Lance Yuan, Auditor, Public Health and Community Services Programs Section  
Shawna Brown, Operations Monitoring Unit Manager, Division of HIV and STD Programs  
Thomas Dunn, Operations, Training and Data Section Manager, Division of HIV and STD Programs  
Dawn M. Lukomski, HIV Care and Prevention Section Manager, Division of HIV and STD Programs  
Lorrie Youngs, Acting Manager, Continuum of Care Unit, Division of HIV and STD Programs  
Bill Matson, Finance Officer, Marquette County Health Department

# Audit Report

Marquette County Health Department

Ryan White Part B  
October 1, 2016 – June 30, 2018

HIV Prevention  
October 1, 2016 – September 30, 2017



Bureau of Audit

Audit Division  
August 2019

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## **DESCRIPTION OF AGENCY**

The Marquette 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 Marquette County, and the administrative office is located in Negaunee, Michigan. The Health Department operates under the legal supervision and control of the Board of Commissioners of Marquette County. The Health Department provides community health program services to the residents of Marquette County.

## **FUNDING METHODOLOGY**

The Health Department's 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 monthly grant funding, based on Financial Status Reports, in accordance with the terms and conditions of each grant agreement and budget.

The HIV Prevention Program was funded by MDHHS Grant Funds and local funding. Grant funding from MDHHS for the HIV Prevention Program is federal funding under federal catalog number 93.940.

The HIV Care Formula Grants (Ryan White HIV/AIDS Program (RWHAP) Part B) was funded by MDHHS Grant Funds and local funding. Grant funding from MDHHS for the RWHAP Part B Program is federal funding under federal catalog number 93.917.

## **PURPOSE AND OBJECTIVES**

The purpose of this audit was to assess the Health Department's financial reporting and to determine the MDHHS shares of cost according to the agreements, and program standards and regulations. The following were the specific objectives of the audit:

1. To assess the Health Department's effectiveness and accuracy in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, federal standards, program standards and generally accepted accounting principles.
2. To determine the MDHHS shares of cost in accordance with MDHHS requirements and the agreements, Federal standards and program standards, 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 HIV Prevention Program for the fiscal period October 1, 2016 to September 30, 2017 and RWHAP Part B for the fiscal periods October 1, 2016 to September 30, 2017 and October 1, 2017 to June 30, 2018. Our review procedures included the following:

- Reviewed the most recent Health Department Single Audit and Financial Statement Audit reports for any related Program concerns.
- Reviewed the completed Subrecipient Questionnaire.
- Reconciled the HIV Prevention Program and Ryan White Part B 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 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 and accuracy in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards, and generally accepted accounting principles.

**Conclusion:** The Health Department was effective and accurate in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, program standards, Federal standards, and generally accepted principles. No financial reporting exceptions were noted.

### MDHHS SHARES OF COST AND BALANCE DUE

**Objective 2:** To determine the MDHHS shares of cost in accordance with MDHHS requirements and agreements, Federal standards and program standards, and any balance due to or due from the Agency.

**Conclusion:** The MDHHS obligations under RWHAP Part B for fiscal year ended September 30, 2017 is \$199,453 and the period ended June 30, 2018 is \$148,557. The MDHHS obligations under HIV Prevention for fiscal year ended September 30, 2017 is \$21,600. The attached Statements of Grant Program Revenues and Expenditures show the budgeted, reported, and allowable costs. The audit made no adjustments.

**Marquette County Health Department  
HIV Ryan White B  
Statement of Grant Program Revenues and Expenditures  
10/1/16 - 9/30/17**

	<b>BUDGETED</b>	<b>REPORTED</b>	<b>AUDIT ADJUSTMENT</b>	<b>ALLOWABLE</b>
<b>REVENUES:</b>				
MDHHS Grant	\$215,451	\$199,453 <sup>1</sup>		\$199,453
Local Funds	\$13,891	\$43,377		\$43,377
<b>TOTAL REVENUES</b>	<b>\$229,342</b>	<b>\$242,830</b>	<b>\$0</b>	<b>\$242,830</b>
<b>EXPENDITURES:</b>				
Salary & Wages	\$70,424	\$79,824		\$79,824
Fringe Benefits	\$58,874	\$57,060		\$57,060
Supplies & Materials	\$1,850	\$4,254		\$4,254
Travel	\$7,000	\$7,127		\$7,127
Communication	\$1,500	\$1,240		\$1,240
County-City Central Services	\$515	\$0		\$0
Other Expenses	\$7,075	\$9,604		\$9,604
Indirect Costs	82,104	\$83,721		\$83,721
<b>TOTAL EXPENDITURES</b>	<b>\$229,342</b>	<b>\$242,830</b>	<b>\$0</b>	<b>\$242,830</b>

<sup>1</sup> Actual MDHHS payments

**Marquette County Health Department  
HIV Ryan White B  
Statement of Grant Program Revenues and Expenditures  
10/1/17 - 6/30/18**

	<b>BUDGETED</b>	<b>REPORTED</b>	<b>AUDIT ADJUSTMENT</b>	<b>ALLOWABLE</b>
<b>REVENUES:</b>				
MDHHS Grant	\$215,451	\$148,557 <sup>1</sup>		\$148,557
Local Funds	\$7,130	\$9,061		\$9,061
<b>TOTAL REVENUES</b>	<b>\$222,581</b>	<b>\$157,618</b>	<b>\$0</b>	<b>\$157,618</b>
<b>EXPENDITURES:</b>				
Salary & Wages	\$82,684	\$53,593		\$53,593
Fringe Benefits	\$41,342	\$35,694		\$35,694
Supplies & Materials	\$1,849	\$546		\$546
Travel	\$7,000	\$5,081		\$5,081
Communication	\$1,500	\$709		\$709
All Others	\$515	\$9,844		\$9,844
Indirect Cost	\$80,616	\$52,151		\$52,151
<b>TOTAL EXPENDITURES</b>	<b>\$134,890</b>	<b>\$157,618</b>	<b>\$0</b>	<b>\$157,618</b>
<sup>1</sup> Actual MDHHS payments				

**Marquette County Health Department  
HIV Prevention  
Statement of Grant Program Revenues and Expenditures  
10/1/16 - 9/30/17**

	<b>BUDGETED</b>	<b>REPORTED</b>	<b>AUDIT ADJUSTMENT</b>	<b>ALLOWABLE</b>
<b>REVENUES:</b>				
MDHHS Grant	\$21,600	\$21,600 <sup>1</sup>		\$21,600
Local Funds	\$16,562	\$15,414		\$15,414
<b>TOTAL REVENUES</b>	<b>\$38,162</b>	<b>\$37,014</b>	<b>\$0</b>	<b>\$37,014</b>
<b>EXPENDITURES:</b>				
Salary & Wages	\$12,719	\$13,703		\$13,703
Fringe Benefits	\$10,377	\$8,904		\$8,904
Contractual	\$0	\$0		
Supplies & Materials	\$200	\$178		\$178
Travel	\$200	\$78		\$78
Communication	\$0	\$0		\$0
County-City Central Services	\$0	\$0		\$0
Other Expenses	\$0	\$104		\$104
Indirect Costs	14,666	\$14,047		\$14,047
<b>TOTAL EXPENDITURES</b>	<b>\$38,162</b>	<b>\$37,014</b>	<b>\$0</b>	<b>\$37,014</b>

<sup>1</sup> Actual MDHHS payments