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Rep. Roth demands answers from MDHHS following audit finding major oversight failures

State Rep. John Roth is demanding greater accountability from the Michigan Department of Health and Human Services (MDHHS) following a recent Office of the Auditor General audit that identified significant deficiencies in the department's oversight of contracts and grants involving the Michigan Public Health Institute (MPHI).

"This is an internal failure of basic financial oversight," said Roth (R-Interlochen). "Michigan taxpayers deserve better than a state agency expecting our blind trust when it is spending hundreds of millions of dollars on no-bid contracts. MDHHS has an obligation to prove that those dollars are being spent appropriately. It seems they have a lot of work to do."

The audit found that MDHHS frequently could not document information it reviewed when approving project budgets, financial reports, and work plans. Auditors also found that nearly 70% of the financial status reports reviewed lacked supporting cost documentation and that MDHHS paid approximately \$108 million before receiving or reviewing documentation validating the work performed.

The report also found that MPHI affiliate staff and MDHHS employees who had previously worked for MPHI approved nearly half of the financial status reports reviewed for payment, representing approximately \$199 million in payments. Auditors further identified instances in which MDHHS approved indirect costs at reimbursement rates higher than authorized.

"MDHHS should not need an audit to remind them that documentation matters," Roth said. "This is taxpayer money. There needs to be accountability before the check goes out, not an explanation after the Auditor General discovers the problem."

Roth, who serves as chair of the House Appropriations Subcommittee on Human Services, called on MDHHS to provide the Legislature with a detailed response outlining how it will address each finding and strengthen oversight of contracts, financial reporting, payments and legislative reporting.

"People across Michigan work hard for every dollar they send to Lansing," Roth said. "They have every right to expect their government to keep track of how exactly that money is spent. This audit makes clear that MDHHS has work to do, and I expect the department to do it."

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