



# MICHIGAN

OFFICE OF THE AUDITOR GENERAL

## AUDIT REPORT



THOMAS H. McTAVISH, C.P.A.  
AUDITOR GENERAL

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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*<http://audgen.michigan.gov>*



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*

Report Number:  
641-0246-11

*Rehabilitation Service Expenditures*

*Michigan Rehabilitation Services (MRS)  
Department of Licensing and Regulatory Affairs*

Released:  
January 2012

*MRS offers services to persons who need vocational rehabilitation services to prepare for, find, and retain a job. MRS's primary activity is the direct provision of vocational rehabilitation services. To be eligible for MRS services, customers must have a physical or mental disability that interferes with their ability to work except for those who are legally blind and served by the Michigan Commission for the Blind. MRS expended \$113.6 million during fiscal year 2009-10, of which \$47.1 million was spent directly on customer services, excluding vocational counseling.*

***Audit Objective:***

To assess the effectiveness of MRS's efforts to ensure the propriety of service payments.

***Audit Conclusion:***

We concluded that MRS's efforts to ensure the propriety of service payments were moderately effective. We noted five reportable conditions (Findings 1 through 5).

***Reportable Conditions:***

MRS did not always obtain required documentation related to vehicle purchases made on behalf of MRS customers (Finding 1).

MRS had not developed a process to recover equipment purchased for customers who no longer used the equipment (Finding 2).

MRS's controls over expenditures for maintenance services did not ensure that all such expenditures were necessary and made in accordance with established policy (Finding 3).

MRS did not obtain receipts to substantiate payments for purchases of services (Finding 4).

MRS did not consistently verify the identity of applicants before approving and providing services (Finding 5).

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***Audit Objective:***

To assess the effectiveness of MRS's efforts to facilitate the coordination of benefits and services.

***Audit Conclusion:***

We concluded that MRS's efforts to facilitate the coordination of benefits and services were moderately effective. We noted one reportable condition (Finding 6).

**Reportable Condition:**

MRS did not always identify comparable benefits and services from other sources (Finding 6).

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**Audit Objective:**

To assess the effectiveness of MRS's efforts to determine that services resulted in viable and sustainable employment.

**Audit Conclusion:**

We concluded that MRS's efforts to determine that services resulted in viable and sustainable employment were effective. Our audit report does not include any reportable conditions related to this audit objective.

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**Agency Response:**

Our audit report contains 6 findings and 6 corresponding recommendations. MRS's preliminary response indicated that it agrees with all 6 recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



Michigan Office of the Auditor General  
201 N. Washington Square  
Lansing, Michigan 48913

**Thomas H. McTavish, C.P.A.**  
Auditor General

**Scott M. Strong, C.P.A., C.I.A.**  
Deputy Auditor General



STATE OF MICHIGAN  
OFFICE OF THE AUDITOR GENERAL  
201 N. WASHINGTON SQUARE  
LANSING, MICHIGAN 48913  
(517) 334-8050  
FAX (517) 334-8079

THOMAS H. MCTAVISH, C.P.A.  
AUDITOR GENERAL

January 11, 2012

Mr. Steven H. Hilfinger, Director  
Department of Licensing and Regulatory Affairs  
Ottawa Building  
Lansing, Michigan

Dear Mr. Hilfinger:

This is our report on the performance audit of Rehabilitation Service Expenditures, Michigan Rehabilitation Services, Department of Licensing and Regulatory Affairs.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; two exhibits, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

A handwritten signature in black ink, reading "Thomas H. McTavish".

Thomas H. McTavish, C.P.A.  
Auditor General



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## Description of Agency

Michigan Rehabilitation Services (MRS), Department of Licensing and Regulatory Affairs, offers services to persons who need vocational rehabilitation services to prepare for, find, and retain a job. MRS serves customers at 36 field offices and 95 Michigan Works! Service Centers that are located throughout Michigan (see Exhibit 1). In addition, MRS provides services to customers at the Michigan Career and Technical Institute, a post-secondary, residential, and vocational trade-training program, with campuses located in Plainwell and Detroit, Michigan.

MRS's primary activity is the direct provision of vocational rehabilitation services. To be eligible for MRS services, customers must have a physical or mental disability that interferes with their ability to work except for those who are legally blind and served by the Michigan Commission for the Blind. MRS provides eligible customers with individualized services to meet their specific needs. Services may include:

- Vocational and guidance counseling.
- Vocational training.
- Job coaching and job placement.
- Medical treatment and restoration services.
- Transportation.
- College tuition assistance.
- Assistive technology.

MRS also provides specific post-employment services necessary to assist customers in maintaining employment. Services may include payment for items such as vehicles, vehicle and home modifications, and employment accommodations.

Rehabilitation counselors, in conjunction with the customers, determine the services that MRS will provide to the customers. The rehabilitation process requires considerable professional judgment by the counselor. Counselors service customers with a wide range of disabilities and frequently refer customers to receive services from other State and local social service agencies, school districts, private rehabilitation agencies, hospitals, medical professionals, and potential employers.

The U.S. Department of Education provides the majority of MRS's program funding with the State's General Fund and local entities providing the State's funding portion. The ratio of federal funds to State and local funds is 78.7% federal and 21.3% State and local. MRS expended \$113.6 million during fiscal year 2009-10, of which \$47.1 million was spent directly on customer services, excluding vocational counseling, as presented in Exhibit 2. MRS served 51,473 customers during fiscal year 2009-10, resulting in an average annual cost for services of \$915 per customer. MRS had 505 employees as of July 31, 2011.

## Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

### Audit Objectives

Our performance audit\* of Rehabilitation Service Expenditures, Michigan Rehabilitation Services (MRS), Department of Licensing and Regulatory Affairs, had the following objectives:

1. To assess the effectiveness\* of MRS's efforts to ensure the propriety of service payments.
2. To assess the effectiveness of MRS's efforts to facilitate the coordination of benefits and services.
3. To assess the effectiveness of MRS's efforts to determine that services resulted in viable and sustainable employment.

### Audit Scope

Our audit scope was to examine and evaluate rehabilitation service expenditures and other program records within Michigan Rehabilitation Services. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures, conducted from May through August 2011, generally covered the period October 1, 2008 through July 31, 2011.

As part of our audit report, we included supplemental information that relates to our audit objectives (Exhibits 1 and 2). Our audit was not directed toward expressing an opinion on this information and, accordingly, we express no opinion on it.

\* See glossary at end of report for definition.

### Audit Methodology

We conducted a preliminary review of MRS's operations to form a basis for defining our audit scope. Our preliminary review included interviewing MRS staff regarding their functions and responsibilities, reviewing MRS's policies and procedures and applicable laws and regulations, and analyzing program data.

To accomplish our objectives, we selected MRS customers who had received MRS services for the period October 1, 2008 through July 31, 2011 and reviewed supporting documentation maintained in each customer's case file to determine whether MRS had provided the services in accordance with established policies and procedures. We also reviewed the case files to ascertain whether comparable benefits and services were utilized before MRS funds were expended. In addition, we evaluated the effect that MRS services had on the customer's ability to obtain and retain viable and sustainable employment.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

### Agency Responses and Prior Audit Follow-Up

Our audit report contains 6 findings and 6 corresponding recommendations. MRS's preliminary response indicated that it agrees with all 6 recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require the Department of Licensing and Regulatory Affairs to develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

Within the scope of this audit, we followed up 1 of the 10 prior audit recommendations from our July 2002 performance audit of Michigan Rehabilitation Services (45-240-01). We also followed up 1 of 10 prior audit recommendations from our March 2009 performance audit of the Accessible Web-Based Activity and Reporting Environment (AWARE) (641-0591-08). MRS complied with 1 of the 2 prior audit recommendations included within the scope of our current audit. The other recommendation was rewritten in Finding 1, Finding 3, and Finding 4 for inclusion in this report.

COMMENTS, FINDINGS, RECOMMENDATIONS,  
AND AGENCY PRELIMINARY RESPONSES

## PROPRIETY OF SERVICE PAYMENTS

### COMMENT

**Audit Objective:** To assess the effectiveness of Michigan Rehabilitation Services' (MRS's) efforts to ensure the propriety of service payments.

**Audit Conclusion:** We concluded that MRS's efforts to ensure the propriety of service payments were moderately effective. Our audit disclosed five reportable conditions\* related to vehicles and related costs, equipment recovery, expenditures for maintenance services, receipts for purchased services, and identity verification (Findings 1 through 5).

### FINDING

1. Vehicles and Related Costs

MRS did not always obtain required documentation related to vehicle purchases made on behalf of MRS customers. As a result, MRS could not ensure that all funding utilized for vehicle purchases was expended in accordance with MRS policy.

MRS policy 6850, *Vehicle Purchase*, requires counselors to document that there is no other means of transportation available that meets the customer's rehabilitation needs. The policy states that a used vehicle in good condition is a less costly purchase than a new vehicle and will generally meet a customer's rehabilitation needs. Also, the policy requires that MRS retain a copy of the vehicle registration or vehicle title and proof of insurance in the customer's case record and that the MRS customer have a valid driver's license. Further, the policy states that the MRS customer is responsible for all routine maintenance of the vehicle after the purchase of the vehicle by MRS.

In addition, MRS's *Cost Management Strategies* guide states that vehicle purchases should be made only when the vehicle is essential to the customer for completion of the customer's Individualized Plan for Employment (IPE). The guide also states that if a vehicle is being purchased to assist a customer in accepting employment, a much older/high mileage vehicle may meet the customer's

\* See glossary at end of report for definition.

immediate need as the customer can replace the vehicle from earnings once employment has begun. The guide adds that a vehicle that is needed to transport a customer for several years of training should be a vehicle that can be expected to last long enough to complete that particular IPE service without major repairs. The guide further states that while it is difficult to do comparison-shopping for used vehicles, it is still possible to identify several options rather than purchasing the first vehicle that passes a vehicle inspection.

Of the 100 randomly selected MRS cases reviewed, 22 cases included 23 vehicle purchases totaling \$498,327. We identified 18 (78%) of 23 vehicle purchases totaling \$410,513 that were not documented in accordance with MRS policy. Our review disclosed:

- a. MRS did not document in the case records why vehicle purchases were essential to the individual's employment needs for 4 vehicle purchases totaling \$55,496. For example, MRS paid \$30,998 for a vehicle and vehicle modifications for a customer whose employment goal was to be a homemaker. The IPE for the customer stated that the reason for the goal was to allow the customer to maintain an independent lifestyle. As more fully described in MRS policy 5025, *Employment Goal and Outcome*, the MRS Homemaker Activities Chart outlines the core work areas that the customer will complete during the rehabilitation process to become a homemaker. The chart did not identify that the purchase of a vehicle was required for any of the core work areas to be completed to fulfill the IPE.
- b. MRS did not document in the case files for which MRS purchased 6 new vehicles totaling \$266,544 why a used vehicle was not a viable alternative. For example, MRS purchased a new vehicle with modifications for \$68,000 when MRS was informed by the vendor at the time of purchase that a used vehicle with all necessary modifications was available for \$51,185. Without appropriate documentation, MRS cannot justify its rationale for spending an additional \$16,815 for the purchase of a new vehicle.

- c. The MRS case files for 18 vehicle purchases did not contain basic driver-related documentation required by MRS policy:
  - (1) MRS did not document the required vehicle registration or vehicle title and proof of insurance for 12 (67%) of the vehicles purchased.
  - (2) MRS did not document that the customers possessed valid driver's licenses for 5 (28%) of the vehicles purchased.

### **RECOMMENDATION**

We recommend that MRS obtain required documentation related to vehicle purchases made on behalf of MRS customers.

### **AGENCY PRELIMINARY RESPONSE**

MRS agrees and will improve case management training and the case review process so that appropriate documentation is obtained for vehicle purchases made on behalf of MRS customers. MRS stated that this will involve increased monitoring along with individual, local, and system improvements.

### **FINDING**

#### **2. Equipment Recovery**

MRS had not developed a process to recover equipment purchased for customers who no longer used the equipment. As a result, MRS did not recover purchased equipment from unrehabilitated customers and subsequently redistribute equipment to other MRS customers.

MRS policy 6200, *Equipment and Tools*, states that MRS customers shall be informed of their responsibility to offer to return any equipment purchased that is no longer being used for its original intended purpose. However, the IPE, a signed agreement between MRS and the customer, states that it is the customer's responsibility to return any equipment purchased by MRS if the equipment is no longer being used as originally planned.

MRS defines equipment and occupational tools as tangible property of a more or less permanent nature. Examples include tools, equipment required for employment, machinery, computers, telecommunication devices, hand controls, and mobility devices.

During the period October 1, 2008 through July 31, 2011, MRS expended \$710,516 on equipment for 1,398 customers who were not rehabilitated and whose cases MRS had closed. Because MRS had closed the cases, the related equipment purchased by MRS was no longer being used for the intended use of assisting the MRS customers with their employment goals. Therefore, MRS customers were required to return the equipment to MRS.

Of the 100 randomly selected MRS cases reviewed, 14 cases included equipment, totaling \$50,916, purchased by MRS for customers. We identified 4 (29%) of the 14 cases in which the customer no longer used the equipment totaling \$8,642. Our review of these case files determined that MRS had not documented any efforts to recover the equipment from these customers. For example:

- a. An MRS customer had an initial IPE goal to become a film director. In October 2010, MRS purchased a \$2,589 laptop computer that was needed by the customer to complete video and video editing classes. In February 2011, the customer decided to change the initial IPE goal from becoming a film director to housekeeping. The customer did not return and MRS did not document any attempt to recover the computer.
- b. MRS purchased a computer that cost \$620 for a customer who had an IPE goal of becoming a nursing aide, orderly, or attendant. The case file documented that the customer needed a computer to assist the customer with homework while taking classes at a local community college. The customer completed two semesters of college but ultimately failed to cooperate with MRS. Such action resulted in a case closure of "not rehabilitated." Because the customer failed to perform satisfactorily, MRS should have recovered the computer from the customer.

## **RECOMMENDATION**

We recommend that MRS develop a process to recover equipment purchased for customers who no longer use the equipment.

## **AGENCY PRELIMINARY RESPONSE**

MRS agrees and will develop guidelines for recovering equipment purchased for customers who no longer use the equipment. MRS stated that, in accordance with MRS policy 6200, it will continue to inform customers at orientation, intake, and IPE development that equipment no longer used as planned must be offered for return.

## **FINDING**

### **3. Expenditures for Maintenance Services**

MRS's controls over expenditures for maintenance services did not ensure that all such expenditures were necessary and made in accordance with established policy. As a result, MRS paid for services not provided for in MRS policy.

MRS policy 6350, *Maintenance*, states that maintenance services may be provided only for additional costs, over and above normal living expenses, which customers incur because of their participation in assessments or IPE services. However, MRS's *Cost Management Strategies* guide states it is not the federal intent that MRS be a welfare program. The guide states that federal law and regulations clearly indicate that MRS is not responsible for the everyday costs that customers would incur for maintenance and transportation regardless of whether they participated in a rehabilitation program.

Of the 100 randomly selected MRS cases reviewed, 24 cases included maintenance service costs totaling \$28,305. We noted that 14 (58%) of the 24 cases did not support the need for maintenance service payments totaling \$14,071. As a result, the services may not have been necessary and, therefore, may not have been in accordance with MRS policy. For example:

- a. MRS provided assistance totaling \$5,080 to a customer who was employed full time for gas, food, clothing, and household bills. Also, MRS provided this customer with \$120 to assist with expunging the customer's criminal record.

- b. MRS continued to provide assistance to a second customer when the customer was employed full time. Such assistance totaled \$2,481 for mileage, lodging, and food costs during a three-month period while the customer was employed full time. In addition, MRS continued to provide job placement services totaling \$216 for travel costs, which the customer incurred while traveling to a job interview, after the customer's IPE goal was achieved and the customer already obtained full-time employment.
- c. MRS paid court costs totaling \$450 for a third customer. MRS documented that the customer needed to pay the court costs because the customer was at risk of going to jail for three months if the costs were not paid.

### **RECOMMENDATION**

We recommend that MRS improve its controls over expenditures for maintenance services to ensure that all such expenditures are necessary and made in accordance with established policy.

### **AGENCY PRELIMINARY RESPONSE**

MRS agrees and will improve case management training and the case review process so that appropriate documentation is obtained for maintenance services expenditures made on behalf of MRS customers. MRS stated that this will involve increased monitoring along with individual, local, and system improvements.

### **FINDING**

#### **4. Receipts for Purchased Services**

MRS did not obtain receipts to substantiate payments for purchases of services. As a result, MRS could not ensure that all payments were expended and utilized appropriately.

MRS policy 2080, *Hard Copy Case Records Content and Order*, and MRS policy 9200, *Billing and Payment for Services*, state that receipts for purchases of services shall be documented to substantiate those services provided.

Of the 100 randomly selected MRS cases reviewed, 30 cases lacked sufficient receipt-related documentation for 32 payments totaling \$105,885. We noted:

- a. MRS did not obtain receipts from 2 different vendors for vehicles and vehicle modifications totaling \$37,315 and \$39,645, respectively. The case files contained several quotes but did not contain final invoices for the vehicles and vehicle modifications purchased.
- b. MRS provided 3 checks totaling \$1,200 directly to a customer for the purchase of a vehicle. However, MRS did not receive documentation that the vehicle was actually purchased or received by the customer. In addition, shortly after MRS provided funds to the customer for the purchase of the vehicle, the case was closed by MRS at the request of the customer because of health concerns.
- c. MRS provided 5 checks totaling \$2,500 directly to a customer for employment-related relocation expenses. However, the case file did not contain any documentation substantiating these expenses.
- d. MRS provided a payment of \$471 directly to a customer to attend a real estate conference. This amount was to pay for transportation costs and hotel fees the customer incurred during the real estate conference. However, the case file did not contain any documentation substantiating these expenses.

### **RECOMMENDATION**

We recommend that MRS obtain receipts to substantiate payments for purchases of services.

### **AGENCY PRELIMINARY RESPONSE**

MRS agrees and will improve case management training and the case review process so that appropriate receipts to substantiate payments for purchases of services are obtained. MRS stated that this will involve increased monitoring along with individual, local, and system improvements.

## **FINDING**

### **5. Identity Verification**

MRS did not consistently verify the identity of applicants before approving and providing services. As a result, MRS expended \$1.02 million for services to applicants prior to ensuring that legal identity and social security documents were proper.

MRS policy 2075, *Case Record*, requires that each case file include a copy, made by MRS staff, of the customer's original social security card or other reliable proof of social security name and number generated by the Social Security Administration; a work visa (if necessary); and copies of information verifying date of birth and legal name, such as an insurance card, a birth certificate, a driver's license, or other similar legal document.

On June 4, 2004, MRS issued a memorandum to all MRS staff stating that accurate identification of MRS customers has taken on a greater urgency during a time of increasing identity theft and fabrication and shrinking case service dollars. The memorandum stated that preparing MRS customers for the work force requires that their legal identities and social security documents be in good order. However, 47 (47%) of the 100 customer case files reviewed, representing \$1.02 million in MRS service expenditures, did not contain the required identity verification documentation. Of the 47 customer case files, we noted that 25 (53%) did not contain both the required social security documentation and the other legal documentation identifying date of birth and legal name; 19 (40%) did not contain the required social security documentation; and 3 (6%) did not contain the required other legal documentation identifying date of birth and legal name.

We identified one local MRS office that had implemented a best practice of not authorizing any services until the MRS customer's identity was confirmed. As a result, all 20 case files reviewed at this location included the required identity verification documentation, thus demonstrating that 100% compliance with policy can be achieved.

## **RECOMMENDATION**

We recommend that MRS verify the identity of applicants before approving and providing services.

## **AGENCY PRELIMINARY RESPONSE**

MRS agrees and will improve case management training and the case review process so that appropriate documentation verifying applicants' identities is obtained before services are provided.

MRS stated that it is in the process of changing its customer identification policy in response to a corrective action required by the federal Rehabilitation Services Administration. This change will clarify that other forms of evidence are acceptable for proving an individual's state residency. MRS also stated that the policy change is necessary to ensure that MRS applicants are not subject to a duration of residency requirement, which is prohibited by Section 101(a)(12) of the Rehabilitation Act and Title 34, Part 361, section 42(c)(1) of the *Code of Federal Regulations*.

MRS informed us that it will continue to submit application records from its case management system (Accessible Web-Based Activity and Reporting Environment [AWARE]) to the Social Security Administration every week for social security number verification. MRS stated that these records include four pieces of identifying information. MRS added that a discrepancy occurs in approximately 2% of the applications. In these instances, MRS stated that it works with the customer for up to 90 days to obtain a correction or the case is closed.

## **COORDINATION OF BENEFITS AND SERVICES**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of MRS's efforts to facilitate the coordination of benefits and services.

**Audit Conclusion:** **We concluded that MRS's efforts to facilitate the coordination of benefits and services were moderately effective.** Our audit disclosed one reportable condition related to comparable benefits and services (Finding 6).

## **FINDING**

### 6. **Comparable Benefits and Services**

MRS did not always identify comparable benefits and services from other sources. As a result, MRS expended funds on benefits and services while comparable benefits and services from other sources existed.

MRS policy 5100, *Comparable Benefits*, states that comparable benefits and services available in whole or part from other programs for the services listed in the individual's IPE shall be used before MRS services are authorized. The policy also states that comparable benefits and services include:

- Services paid for, in whole or in part, by another federal, State, or local agency or as an employee benefit.
- Services available at the time the individual needs them.
- Services comparable to services available through MRS.

Of the 100 randomly selected MRS cases reviewed, we identified 13 cases with the potential for utilizing comparable benefits and services. However, MRS did not pursue comparable benefits and services totaling \$23,669 for 11 (85%) of the 13 case files. For example:

- a. MRS expended \$4,685 on relocation expenses for a customer when MRS was informed by the customer's new employer that relocation expenses were reimbursable.
- b. MRS expended \$3,852 for a riding lawn mower, push lawn mower, snow blade, snowblower, and power tools to help the customer perform his job as a building and grounds maintenance worker. However, MRS did not determine if the apartment complex at which the customer was employed would have provided this equipment as equipment of this type typically would be provided by the employer.

## **RECOMMENDATION**

We recommend that MRS identify comparable benefits and services from other sources.

## **AGENCY PRELIMINARY RESPONSE**

MRS agrees and will improve case management training and the case review process so that comparable benefits and services are utilized before MRS funds are expended. MRS stated that this will involve increased monitoring along with individual, local, and system improvements.

## **VIABLE AND SUSTAINABLE EMPLOYMENT**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of MRS's efforts to determine that services resulted in viable and sustainable employment.

**Audit Conclusion:** **We concluded that MRS's efforts to determine that services resulted in viable and sustainable employment were effective.** Our audit report does not include any reportable conditions related to this audit objective.

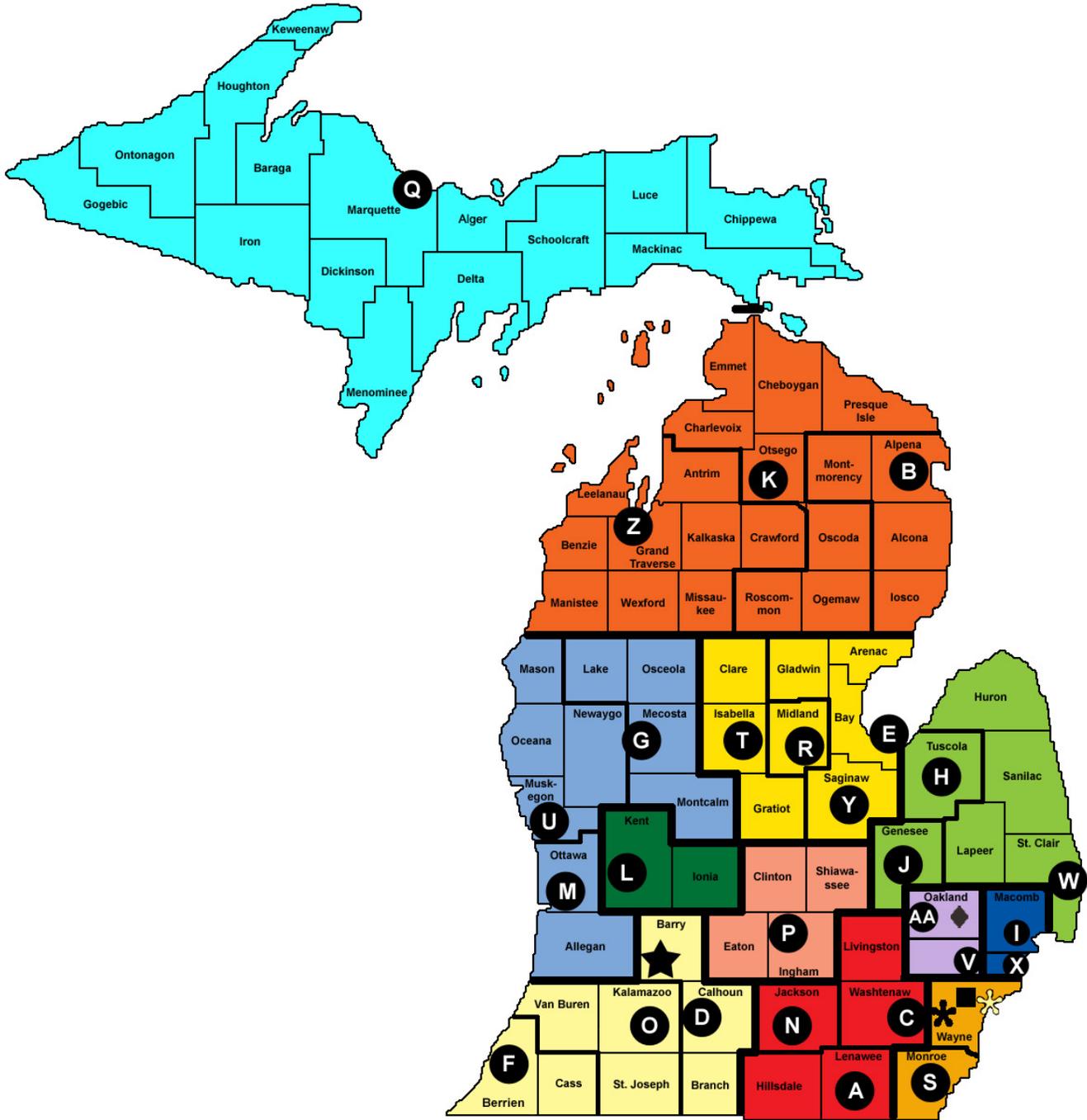
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# SUPPLEMENTAL INFORMATION

REHABILITATION SERVICE EXPENDITURES

Michigan Rehabilitation Services (MRS)  
Department of Licensing and Regulatory Affairs

Office Locations and Service Areas



- A. Adrian\*
- B. Alpena\*
- C. Ann Arbor
- D. Battle Creek
- E. Bay City
- F. Benton Harbor\*
- G. Big Rapids\*
- H. Caro
- I. Clinton Township\*
- J. Flint\*
- K. Gaylord
- L. Grand Rapids
- M. Holland\*
- N. Jackson\*
- O. Kalamazoo
- P. Lansing
- Q. Marquette\*
- R. Midland\*
- S. Monroe
- T. Mt. Pleasant
- U. Muskegon
- V. Oak Park
- W. Port Huron\*
- X. Roseville\*
- Y. Saginaw\*
- Z. Traverse City\*
- AA. Waterford

Statewide Programs

-  Business Network (Oakland)
-  Michigan Career and Technical Institute
-  Michigan Career and Technical Institute East

Detroit Renaissance Offices

-  Detroit Fort
-  Detroit Grand River
-  Detroit Mack
-  Detroit Milwaukee\*
-  Detroit Porter\*

Wayne District Offices

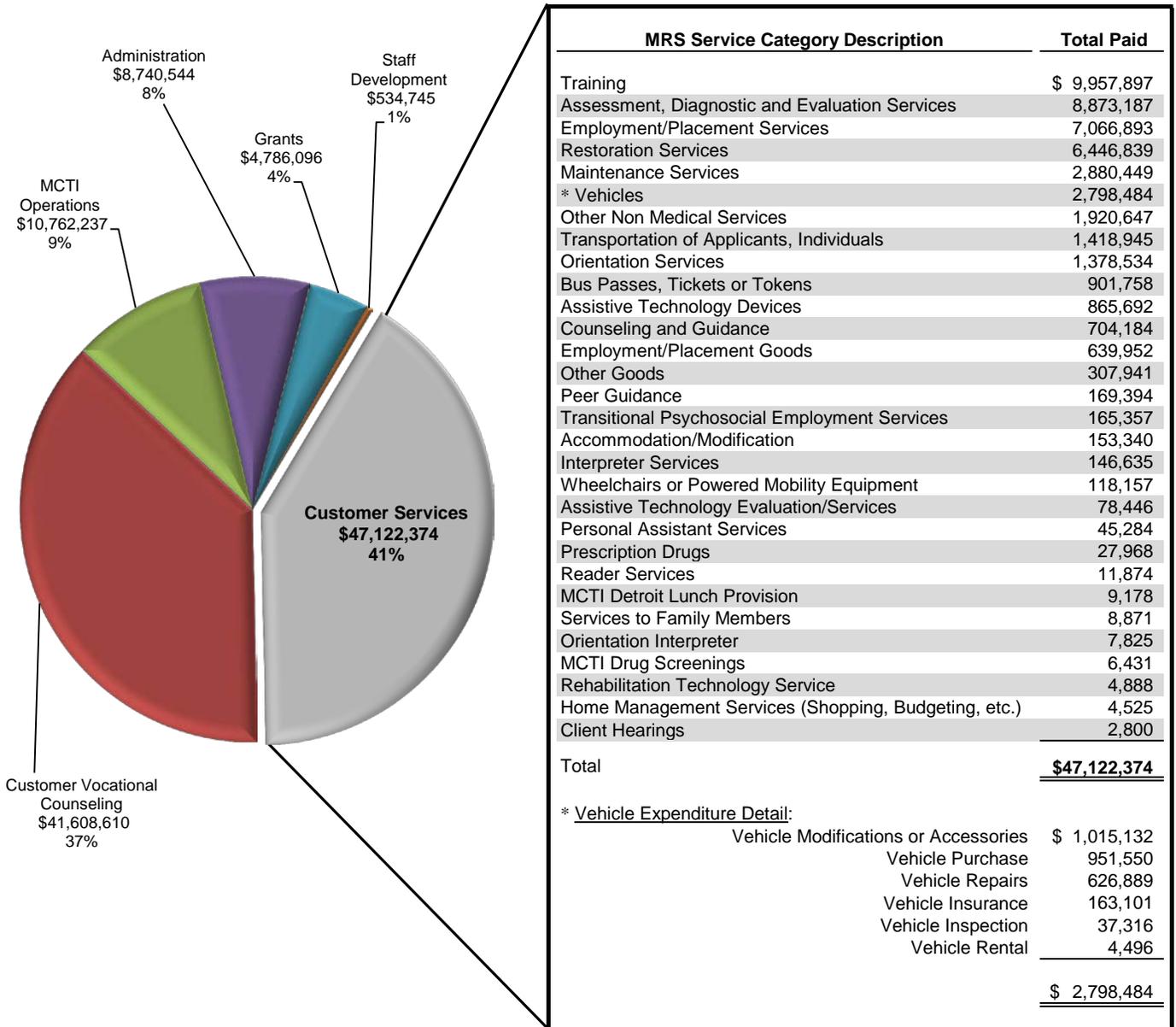
-  Livonia\*
-  Monroe
-  Taylor
-  Wayne\*

\* MRS office is located at Michigan Works! Service Center.

Source: MRS.

**REHABILITATION SERVICE EXPENDITURES**  
Michigan Rehabilitation Services (MRS)  
Department of Licensing and Regulatory Affairs

Fiscal Year 2009-10 Expenditures



Source: The Office of the Auditor General prepared this exhibit based on unaudited data obtained from MRS.

# GLOSSARY

## Glossary of Acronyms and Terms

effectiveness	Success in achieving mission and goals.
IPE	Individualized Plan for Employment.
MCTI	Michigan Career and Technical Institute.
MRS	Michigan Rehabilitation Services.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the objectives of the audit; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.







