



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).

~ ~ ~ ~ ~

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).

~ ~ ~ ~ ~

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.

~ ~ ~ ~ ~

Agency Response:

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

~ ~ ~ ~ ~

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