



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
391-0900-05

Caro Center

*Bureau of Hospitals, Centers, and Forensic
Mental Health Services*

Department of Community Health

Released:
November 2006

The Caro Center is an inpatient psychiatric hospital that provides treatment for adults with mental illness. The mission of the Center is to provide the highest quality mental health services guaranteed by the Mental Health Code in a safe and supportive environment that maximizes individual growth and a successful transition to the community. The Center provides services for mentally ill patients from 45 counties. As of September 30, 2005, the Center had 172 patients.

Audit Objective:

To assess the effectiveness of the Center's efforts to deliver selected patient care services.

Audit Conclusion:

We concluded that the Center was effective in its efforts to deliver selected patient care services.

Material Condition:

The Center needs to perform ongoing reviews of its patient monitoring and security procedures to ensure the safety of patients, staff, and other individuals (Finding 1).

Reportable Condition:

Our audit also disclosed a reportable condition related to criminal history background checks (Finding 2).

Noteworthy Accomplishments:

The Center uses the Psychosocial Rehabilitation Program (PSR) to assist in the treatment of persons with severe or persistent mental illness. Patients are assigned to PSR programming based on clinical and functional needs as assessed by the patient and his/her treatment team. The Joint Commission on Accreditation of Healthcare Organizations recognized that PSR provides a model for positive patient outcomes.

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Audit Objective:

To assess the Center's efforts to safeguard and efficiently use selected resources.

Audit Conclusion:

We concluded that the Center's efforts were not effective in safeguarding and efficiently using selected resources.

Material Conditions:

The Center had not established effective controls over its commodity inventories (Finding 3).

The Center had not established effective controls over its medications (Finding 4).

The Center did not effectively complete its biennial internal control assessment. Also, the Center did not complete all planned control activities and monitoring activities before submitting its biennial internal control assessment to the Department of Community Health (DCH). (Finding 5)

Reportable Conditions:

Our audit also disclosed reportable conditions related to contract management, preventive maintenance, procurement cards, disposal of equipment and inventories, medication refunds and rebates, work order monitoring, and patients' personal property (Findings 6 through 12).

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Audit Objective:

To assess the effectiveness of the Center's efforts to investigate and resolve complaints about its operations.

Audit Conclusion:

We concluded that the Center's efforts to investigate and resolve complaints about its operations were moderately effective.

Reportable Condition:

Our audit disclosed a reportable condition related to complaints (Finding 13).

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Agency Response:

Our audit report includes 13 findings and 18 corresponding recommendations. DCH's preliminary response indicated that DCH and the Center generally agreed with 17 recommendations and disagreed with 1 recommendation.

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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>



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