



**RICK SWYDER**  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH

**JAMES K. HAYEMAN**  
DIRECTOR

September 20, 2012

Mr. Doug Ringler  
Office of Internal Audit Services  
Office of the State Budget  
George W. Romney Building  
111 South Capitol, 6<sup>th</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the preliminary summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of the Michigan Office of Services to the Aging's Community Services Division and State Long Term Care Ombudsman.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 373-1508 or Myersp3@michigan.gov.

Sincerely,

Signature Redacted

Pam Myers, Director  
DCH Office of Audit

Enclosure

Cc: Office of the Auditor General  
House Fiscal Agency  
Senate Fiscal Agency  
Executive Office  
DCH, James K. Haveman  
DCH, Timothy Becker  
DCH, Karla Garcia  
House Appropriations Committee  
House Standing Committee  
Senate Appropriations Committee  
Senate Standing Committee  
DCII, Nick Lyon  
DCH, Kari Sederburg

PERFORMANCE AUDIT OF THE  
MICHIGAN OFFICE OF SERVICES TO THE AGING'S  
COMMUNITY SERVICES DIVISION AND  
STATE LONG TERM CARE OMBUDSMAN

DEPARTMENT OF COMMUNITY HEALTH

June 2012

AUDIT RESPONSE

Approved: 

Karl Soderburg, Director  
Michigan Office of Services to the Aging

Date: August 13, 2012



## **AUDIT REPORT SUMMARY**

DEPARTMENT:      Community Health – Office of Services to the Aging

AUDIT PERIOD:    October 1, 2006 through June 30, 2009

REPORT DATED:    June 2012

### **DISPOSITION OF AUDIT RECOMMENDATIONS**

<u>CITATIONS COMPLIED WITH</u>	<u>CITATIONS TO BE COMPLIED WITH</u>	<u>CITATIONS DCH DID NOT AGREE WITH</u>
	Finding 1	Finding 1
	Finding 2	
	Finding 3	Finding 3
	Finding 4	Finding 4
Finding 5		

**Audit Response  
Performance Audit  
Michigan Office of Services to the Aging's Community Services Division and  
State Long Term Care Ombudsman  
Department of Community Health  
October 1, 2006 through June 30, 2009**

**Recommendation 1: Monitoring of AAA Sub-contractors**

OAG recommended that OSA-CSD ensure that AAA subcontractors are effectively monitored to help ensure that service programs are operated in accordance with service contracts and in compliance with OSA's operating standards for service programs.

**Response:**

OSA continues to disagree that AAA subcontractors were not effectively monitored. However, subsequent to the audit OSA abolished the Community Services Division (CSD) which was previously responsible for monitoring to ensure compliance with OSA operating standards and service contracts. OSA has created a new Technical Assistance, Support and Compliance Section (TASC) in the Quality Operations Division (QOD) to oversee many of the duties previously performed by the CSD, including monitoring sub-contractor assessments.

As part of the development of the new QOD, OSA has been conducting the following:

- Reviewing internal documentation practices and procedures regarding monitoring AAA sub-contractor assessments.
- Reviewing applicable policies/procedures and updating as necessary.
- Establishing a new field representative/financial specialist position to better support the monitoring of AAA sub-contractor fiscal assessments.

The new QOD in conjunction with its TASC will help ensure that subcontractor monitoring is conducted in accordance with OSA policies/procedures and that all future monitoring efforts are appropriately documented. OSA expects the QOD and TASC to be fully operational by October 2012.

**Recommendation 2: Criminal Background Checks**

OAG recommend that OSA-CSD establish effective internal control to help ensure that AAAs conduct criminal background checks of all service program paid and volunteer staff. Additionally, OAG recommended that OSA provide AAAs with standardized guidelines for assessment of convictions identified during criminal background checks.

**Response:**

OSA has drafted a policy clarification letter to all AAAs which will be distributed by October 1, 2012 and will cover the following:

**Audit Response  
Performance Audit  
Michigan Office of Services to the Aging's Community Services Division and  
State Long Term Care Ombudsman  
Department of Community Health  
October 1, 2006 through June 30, 2009**

- Reiteration of the requirement to maintain the results of all AAA criminal background checks conducted for paid and volunteer staff for review during OSA on-site assessments.
- Reminder to all AAAs to maintain access through the Michigan State Police to the Internet Criminal History Access Tool (ICHAT).
- Notify the AAAs if it is determined by OSA that periodic criminal background checks are necessary in addition to the required criminal background checks for paid and volunteer staff.
- Provide AAAs with standardized guidelines for assessment of convictions identified during future ICHAT reviews.

OSA expects to have all corrective actions completed by October 2012.

**Recommendation 3: Monitoring of AAA Service Plans and Assessments**

OAG recommended that OSA-CSD improve its monitoring of AAA service plans to ensure the plans meet all OSA requirements. OAG also recommend OSA-CSD strengthen controls to help ensure it always retains complete documentation of AAA compliance and program outcome assessments. OAG also recommend OSA-CSD improve its process for evaluating and analyzing significant information reported by the AAAs and following up on reported noncompliance.

**Response:**

Subsequent to audit period, OSA QOD TASC automated the service plan process by implementing an online service plan development, submission, and review process. This new system does not allow for the submission of incomplete service plans; all plan materials are now maintained in the online system. TASC conducts an online documented review of the plan requirements which are also maintained within the system. In addition, OSA is developing a draft policy to provide guidance to OSA QO TASC staff to ensure retention of complete documentation of AAA compliance and program outcome assessments.

OSA expects to have all corrective actions completed by October 2012.

**Audit Response  
Performance Audit  
Michigan Office of Services to the Aging's Community Services Division and  
State Long Term Care Ombudsman  
Department of Community Health  
October 1, 2006 through June 30, 2009**

**Recommendation 4: Monitor In-Service Trainings for AAA Care Managers**

OAG recommended that OSA-CSD monitor the in-service training levels of AAA care managers.

**Response:**

OSA is developing a policy clarification to ensure that all AAA in-service training documentation is maintained and is available for review during OSA on-site assessments. In addition, the TASC will ensure that field representatives review in-service training documentation during their site visits.

OSA expects to have all corrective actions completed by October 2012.

**Recommendation 5: OSA State Long Term Care Ombudsman (SLTCO) Monitoring**

OAG recommended that OSA-SLTCO establish policies and procedures for monitoring the activities of local LTCOs.

**Response:**

The OSA-SLTCO implemented two policies and one procedure subsequent to the audit period that provides the framework for increased monitoring of local ombudsman activities. These policies and procedures are included in the Michigan Long Term Care Ombudsman Designation and Certification policies, adopted by the Commission on Services to the Aging on April 15, 2011. The criteria located in these new policies is used by SLTCO staff for monitoring on a quarterly basis using information from the standardized ombudsman casework and data system, based on person-centered principles.