



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

*Performance Audit*

Report Number:  
391-0300-12

*Caro Center*

*Bureau of State Hospitals and Behavioral  
Health Administrative Operations  
Department of Community Health*

Released:  
March 2013

*The Caro Center is an inpatient psychiatric hospital that provides treatment for adults with mental illness, including those that are not guilty by reason of insanity, that are court ordered, or that are incompetent to stand trial. 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 successful transition to the community. The Center provides services for patients from 45 counties. As of March 31, 2012, the Center had 143 patients.*

***Audit Objective:***

To assess the efficiency of the Center's use of selected resources.

***Audit Conclusion:***

We concluded that the Center's use of selected resources was moderately efficient. We noted two reportable conditions (Findings 1 and 2).

***Reportable Conditions:***

The Center had not implemented a comprehensive process to assign and monitor the cost and completion of work orders (Finding 1).

The Center did not ensure that it was fully refunded for all returned medications (Finding 2).

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***Audit Objective:***

To assess the effectiveness of the Center's efforts to safeguard selected State and patient assets.

***Audit Conclusion:***

We concluded that the Center's efforts to safeguard selected State and patient assets were moderately effective. We noted five reportable conditions (Findings 3 through 7).

***Reportable Conditions:***

The Center did not effectively monitor procurement card transactions to ensure that purchases were proper and authorized. Also, the Center did not ensure that procurement card account information was properly safeguarded (Finding 3).

The Center did not have effective controls over its inventories (Finding 4).

The Center needs to improve its controls over patients' personal property (Finding 5).

The Center did not maintain an inventory control program or periodically inventory its noncontrolled medications (Finding 6).

The Center did not conduct all of the preventive maintenance inspections required by its preventive maintenance system. Also, the Center did not ensure that information maintained in the preventive maintenance system was accurate (Finding 7).

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**Audit Objective:**

To assess the effectiveness of the Center's efforts to evaluate the services it provided to patients.

**Audit Conclusion:**

We concluded that the Center's efforts to evaluate the services it provided to patients were effective. Our audit report does not include any reportable conditions related to this audit objective.

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**Audit Objective:**

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

**Audit Conclusion:**

We concluded that the Center's efforts to investigate and resolve complaints were moderately effective. We noted two reportable conditions (Findings 8 and 9).

**Reportable Conditions:**

The Department of Community Health (DCH) Office of Recipient Rights (ORR) staff located at the Center had not established an effective process to ensure that all potential patient rights violations were identified (Finding 8).

The Center did not ensure that staff entered all administrative report forms and incident reports into the Center's complaint database (Finding 9).

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**Agency Response:**

Our audit report contains 9 findings and 11 corresponding recommendations. The Center's preliminary response indicates that it agrees with the 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