



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

*Performance Audit*

Report Number:  
511-0170-12L

*Grand Rapids Home for Veterans*

*Department of Military and Veterans Affairs*

Released:  
April 2013

*The Grand Rapids Home for Veterans provides nursing care and domiciliary services to military veterans and widows, widowers, spouses, former spouses, and parents of State veterans. As of September 30, 2012, the Home had 434 members receiving nursing care, 68 members residing in the domiciliary units, and 582 State and contract employees. The Home expended \$50.3 million for the fiscal year ended September 30, 2012.*

**Audit Objective:**

To assess the effectiveness of the Home's efforts to deliver selected member care services.

**Audit Conclusion:**

We concluded that the Home's efforts to deliver selected member care services were moderately effective. Our assessment did not disclose any reportable conditions regarding the nursing, nutritional, social, and activities therapy services provided to members. However, we noted one material condition regarding psychiatric services (Finding 1) and one reportable condition related to comprehensive care plans (Finding 2).

**Material Condition:**

The Home did not provide an on-site, board-certified psychiatrist for members with mental health disorders (Finding 1).

**Reportable Condition:**

The Home did not ensure that it effectively developed, executed, and monitored all comprehensive care plans in accordance

with federal regulations and Home policies (Finding 2).

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**Audit Objective:**

To assess the effectiveness of the Home's efforts to control and safeguard supplies and pharmaceutical inventories.

**Audit Conclusion:**

We concluded that the Home's efforts to control and safeguard food, maintenance supplies, and medical supplies were not effective, whereas the Home's efforts to control and safeguard pharmaceutical inventories were moderately effective. We noted two material conditions (Findings 3 and 4).

**Material Conditions:**

The Home had not implemented controls over its food, maintenance supplies, and medical supplies inventories (Finding 3).

The Home had not fully established controls over its pharmaceutical inventory (Finding 4).

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**Audit Objective:**

To assess the effectiveness of the Home's efforts to account for donations to the Home for the benefit of its members.

**Audit Conclusion:**

We concluded that the Home's efforts to account for donations to the Home for the benefit of its members were moderately effective. We noted two reportable conditions (Findings 5 and 6).

**Reportable Conditions:**

The Home had not established sufficient controls over monetary donations received from outside parties (Finding 5).

The Home had not established sufficient controls over the receipt and disposition of donated goods (Finding 6).

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**Audit Objective:**

To assess the effectiveness of the Home's efforts to administer member assessments and account for member funds.

**Audit Conclusion:**

We concluded that the Home's efforts to administer member assessments were moderately effective, whereas the Home's efforts to account for member funds were effective. We noted three reportable conditions (Findings 7 through 9) and one observation (Observation 1).

**Reportable Conditions:**

The Home had not established sufficient controls to ensure that it addressed all past due member assessments in a timely manner (Finding 7).

The Home had not established sufficient controls for calculating member maintenance assessments (Finding 8).

The Home had not implemented sufficient controls over the handling of member funds (Finding 9).

**Observation:**

Our analysis of the Home's monthly fee assessments resulted in an observation related to the excess of monthly costs over monthly fee assessments (Observation 1).

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**Audit Objective:**

To assess the effectiveness of the Home's efforts to address complaints.

**Audit Conclusion:**

We concluded that the Home's efforts to address complaints 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 9 findings and 9 corresponding recommendations. The Department of Military and Veterans Affairs' preliminary response indicates that it agrees with 8 recommendations and partially agrees 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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