

## EXECUTIVE DIGEST

### D. J. JACOBETTI HOME FOR VETERANS

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#### **INTRODUCTION**

This report contains the results of our performance audit of the D. J. Jacobetti Home for Veterans, Department of Military Affairs, for the period October 1, 1992 through September 30, 1994.

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#### **AUDIT PURPOSE**

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness and efficiency.

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#### **BACKGROUND**

The D. J. Jacobetti Home for Veterans, located in Marquette, began operations in 1981 and operates under Sections 36.1 - 36.12 of the *Michigan Compiled Laws*. The home provides domiciliary and nursing care to aged and disabled military veterans and to widows, widowers, spouses, former spouses, and parents of veterans.

Executive Reorganization Order 1991-7 transferred administration of the facility from the Department of Public Health to the Department of Military Affairs in September

1991. A Board of Managers establishes operating policies for the facility under the direction of the department.

As of September 30, 1994, the facility had 39 residents in domiciliary care, 179 residents in nursing care, and 157 employees. Facility operations (expenditures of \$9,560,514 in fiscal year 1993-94) are financed primarily from legislative appropriations of State general purpose revenue, cost of care paid by residents, and federal funding from the Department of Veterans Affairs and Medicare Program.

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**AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS**

**Audit Objective:** To assess the effectiveness of the facility's management of its medical and nursing care programs.

**Conclusion:** We concluded that the facility's management of its medical and nursing care programs was effective.

**Noteworthy Accomplishments:** The Department of Public Health determined that the facility had met the nursing home licensure standards effective November 1, 1993.

**Audit Objective:** To assess the effectiveness of the facility's management of selected operating practices.

**Conclusion:** We concluded that the facility's management of selected operating practices was generally effective. However, the facility's management could enhance its effectiveness in the following areas: payroll and personnel transactions, the daily transaction control log, employee evaluations, cash control, member pension trust fund

savings, administrative rules, nursing home licensure, and inventory reconciliations (Findings 1 through 8).

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**AUDIT SCOPE  
AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the D. J. Jacobetti Home for Veterans for the period October 1, 1992 through September 30, 1994. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit methodology consisted of reviewing reports and procedures and interviewing various personnel to gain an understanding of the facility's management of its medical and nursing care programs and selected operating practices.

We used this information to form a basis for evaluating the effectiveness of the facility's management of those programs and operating practices. In addition, we conducted tests of records related to medical care and nursing care. We also conducted tests of records related to personnel and payroll, purchasing, member funds, cost of care assessments, supplies and materials inventory, food service, and facility maintenance.

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**AGENCY  
RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our audit report includes eight findings and eight corresponding recommendations. The facility's preliminary response indicated that it agreed with all of the recommendations and had implemented or intended to implement them.

The agency had complied with 24 of the 25 prior audit recommendations included in our scope of audit. We repeated one prior audit recommendation in this report.