

## EXECUTIVE DIGEST

# FAIRLANE BEHAVIORAL SERVICES

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### INTRODUCTION

This special report contains the results of our performance audit of Fairlane Behavioral Services (FBS), which is a Detroit-Wayne County Community Mental Health Board (DWCCMHB) contract agency.

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### AUDIT PURPOSE

This performance audit was the result of a legislative request based on a potential for peril to FBS clients. Performance audits are 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

FBS, located in Dearborn, Michigan, is a private nonprofit mental health agency under contract with DWCCMHB to deliver the following services: adult outpatient\*, case management\*, assertive community treatment\*, fairweather training and lodge program\*, hospital liaison\*, nightline\*, partial day\*, and walk-in crisis and referral. FBS is governed by a 12-member board of directors selected from the Cities of Dearborn and Dearborn Heights.

FBS's mission is to meet the ongoing and dynamic needs of southeastern Michigan residents by providing high quality behavioral health care services that will enhance individual, family, and community success. FBS operations are funded by State, federal, and local funds. As of December 3, 1996, FBS had 48 full- and part-time staff. For fiscal year 1995-96, FBS served approximately

640 clients and its revenue and expenditures totaled \$1,995,789 and \$1,985,128, respectively.

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AUDIT OBJECTIVES  
AND CONCLUSIONS

**Audit Objective:** To assess the appropriateness of the Hotel Fordson as a housing option for FBS client referrals.

**Conclusion:** We concluded that, by physical appearances, the Hotel Fordson was a reasonable temporary housing option for FBS clients until its licenses to operate were revoked. We did not identify any reportable conditions\*. However, factors related to the setting of the Hotel Fordson resulted in a reportable condition addressed under our second audit objective .

**Audit Objective:** To assess FBS responsibilities and practices related to monitoring living conditions of clients residing at the Hotel Fordson.

**Conclusion:** FBS generally met its responsibilities in monitoring living conditions of the 11 clients who intermittently resided at the Hotel Fordson during the period October 1, 1994 through December 3, 1996. However, our assessment disclosed a reportable condition related to monitoring client living conditions (Finding 1).

**Audit Objective:** To assess the propriety of FBS purchasing practices for computer hardware and software.

**Conclusion:** We concluded that FBS purchasing practices for computer hardware and software were generally proper. However, our assessment disclosed a reportable condition related to FBS's internal control structure\* for purchasing goods and services from employees (Finding 2).

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AUDIT SCOPE AND  
METHODOLOGY

Our audit scope was to examine the program and other records related to Fairlane Behavioral Services. 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 work included examinations of accounting, program, and other records of FBS, the City of Dearborn, and the Hotel Fordson covering the period October 1, 1994 through December 3, 1996. Our methodology included inquiries of various City of Dearborn officials; attendance at the November 21, 1996 Dearborn City Council hearing and review of selected Dearborn City Council hearing transcripts; inquiries of DWCCMHB personnel; a tour of the Hotel Fordson and interviews with the Hotel's owners; inquiries of FBS management and staff; review of FBS policies and procedures; interviews with selected FBS clients and residents of the Hotel Fordson; and an examination of client clinical records.

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AGENCY  
RESPONSES