



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
MICHIGAN VETERANS AFFAIRS AGENCY
LANSING

JAMES ROBERT REDFORD
DIRECTOR

December 7, 2016

Richard Lowe, Chief Internal Auditor
Office of Internal Audit Services
Office of the State Budget
Constitutional Hall
525 W. Allegan Street, 3rd Floor
Lansing, MI 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary table identifying our responses and a corrective action plan to address the recommendations contained within the Office of the Auditor General's performance audit of the D.J. Jacobetti Home for Veterans covering the period October 1, 2013 through April 30, 2016.

Please direct questions regarding the summary table or corrective action plans to Steve Rolston at (906) 225-6888 or Brad Slagle at (906) 236-2779.

Sincerely,

Signature Redacted

James Robert Redford
Director

Enclosure

cc: Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
House Appropriations Sub-Committee Military and Veterans Affairs
Senate Appropriations Sub-Committee State Police and Military Affairs
Julie Sworden, MVAA Senior Executive Management Assistant
Steve Potter, MVAA Chief of Staff
Brad Slagle, Michigan Veterans Health System Interim CEO
Steve Rolston, DJJHV Interim COO
Randy Shaffer, DTMB

**Responses to Office of the Auditor General's Performance Audit of
D.J. Jacobetti Home for Veterans**

Summary Table
Audit recommendations the agency complied with:
1. Volunteer background check process needs improvement
2. Controls over pharmaceuticals need improvement

Corrective Action Plan

1. Volunteer background check process needs improvement

The auditors recommended that the Home improve its background check process by conducting timely, comprehensive background checks on all volunteers with direct access to members.

Agency Preliminary Response

The Home has complied.

Effective April 2016, 100% of active volunteers had comprehensive (all 5 databases) background checks on file, and a monitoring process is in place to ensure ongoing compliance. A log is kept by the Volunteer Coordinator of the names of the new volunteers and the background checks performed. Copies of the log are forwarded monthly to the Director of Nursing and Compliance Officer.

2. Controls over pharmaceuticals need improvement

The auditors recommended that the Home establish adequate controls over its pharmaceuticals by improving inventory processes and properly segregating duties.

Agency Preliminary Response

The Home agrees and has complied.

The Home has conducted an annual physical inventory of nonnarcotic pharmaceuticals and is conducting ongoing periodic inventories of nonnarcotic pharmaceuticals that are high cost and susceptible to theft or abuse based on best practices. Periodic inventories will be performed quarterly by pharmacy staff, led by the Pharmacy Director. The Pharmacy Director will report periodic inventory findings to DJJHV COO.

The Home has segregated duties among pharmacy staff and is using dual control for ordering, receiving and inventorying narcotic pharmaceuticals. The Home has hired two part-time pharmacy assistants and has segregated the duties (or is using dual control) among pharmacy staff that order and receive nonnarcotic pharmaceuticals.

The Home has updated its policy and procedure to reflect these changes.