



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

April 11, 2017  
(Updated upon approval by SBO/OIAS 6/22/17)

Mr. Jeffrey S. Bankowski, Chief Internal Auditor  
Office of Internal Audit Services  
State Budget Office  
George W. Romney Building – Sixth Floor  
111 S. Capitol, P.O. Box 30026  
Lansing, Michigan 48909

Dear Mr. Bankowski:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the summary table identifying our responses and our corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit 641-0230-16 of the Bureau of Services to Blind Persons in the Department of Licensing and Regulatory Affairs (LARA).

If you have any questions regarding this report, please feel free to call me at (517) 335-9247.

Sincerely,

Signature Redacted

Allan R. Pohl, Deputy Director

Enclosure

cc: Audit Distribution List  
Bill Robinson, Director/BSBP  
LeAnn Droste, FAS

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**AUDIT RESPONSE SUMMARY (641-0230-16)**  
**Performance Audit of Bureau of Services for Blind Persons**  
**Department of Licensing and Regulatory Affairs (LARA)**

- I. Citations complied with:  
#1, #2, #3
- II. Citations to be complied with:
- III. Citations agency disagrees with:
- None

**Finding 1: We recommend that BSBP appropriately prepare and maintain all case file documentation to supported services provided to VR, IL Part B, and ILOB clients.**

**Agency Response:**

We agree with this recommendation and will take the following action steps:

- Any active files identified in the audit with incomplete documentation will be corrected by May 31, 2017. BSBP will continue internal case file reviews.
- BSBP Director to issue by February 6, 2017, a directive to all BSBP staff to adhere to the eligibility procedure [BSBP-19 issued 4/15/2016].
- The Lean Process Improvement Project is currently addressing case file management procedures at the source and ongoing training is provided at monthly teacher/counselor meetings.

Note: All individuals were ultimately determined eligible for services and no services were withheld or denied as a result of the lack of timeliness in eligibility determinations.

**Update as of 4/11/17**

- BSBP Director did issue the directive to all staff to adhere to the eligibility procedure by Feb 6 2017 (BSBP 19 issued 4/15/16)
- BSBP continues to review case files.

**Finding 2: We again recommend that BSBP increase its efforts to monitor and assist BEP operators with their vending facility operations.**

**Agency Response:**

We agree with the recommendation and the following action steps are already in progress or **will occur within the next 30 days:**

- A site visit checklist has been developed. BEP Manager and Asst. BEP Manager to audit site visits to ensure PA compliance with procedures.
- A repair log is currently in place. A repair “email box” has been established to centralize operators’ repair requests to ensure capture, logging and follow-up.

- Vending machine leasing program is currently in a 5 year roll-out stage. Lessor is responsible for repairs on new leased machines. Single vendor management will be conducive to ensuring timely follow-up on repairs.
- A complaint log is now in place.
- BEP has implemented a “risk-based” audit process of the Vending Machine Monthly Report produced by the licensed operator.

**Update as of 4/11/17**

- Site visit checklist is done and being used
- Repair log is in place
- Leasing program roll-out is continuing from the perspective of addressing some training with telemetry and making sure the vendor follows up timely on all installation issues.
- Complaint log is in place and on the S drive
- Risked based audit process by BEP staff is in place

**Finding 3: We recommend that BSBP continue to correct its BEP vending facility equipment inventory records.**

**Agency Response:**

We agree with the recommendation and action steps include:

- Bar coded equipment tags have been placed on all vending facility equipment (VFE) – promoting accuracy and efficiency of periodic inventories.
- Implemented Sept. 2016, 100% annual inventory of VFE at all sites by PA’s and audit of 20% of annual inventories by BEP Manager and Asst. Manager.
- Reconciliation of BEP VFE to LARA records.