



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

April 14, 2023

Richard Lowe, Chief Internal Auditor
Office of Internal Audit Services
Michigan State Budget Office
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, I submit to you LARA's Corrective Action Plan (CAP) addressing the recommendations contained within the Office of the Auditor General's performance audit report (# 641-0453-22) involving LARA's Bureau of Community and Health Services (BCHS).

Please direct any questions you may have to me at (517) 243-5895.

Sincerely,

Kevin Kubacki
Audit Liaison

Enclosure: BCHS CAP

cc: JoAnne Huls, Chief of Staff, Executive Office
Maria Martinez, Chief Compliance Officer, Executive Office
Trish Foster, Chief Operating Officer, Executive Office
Doug Ringler, Office of the Auditor General
Mary Ann Cleary, House Fiscal Agency
Kathryn Summers, Senate Fiscal Agency
Representative Angela Witwer, House Appropriations Committee
Representative Phil Skaggs, House Appropriations Subcommittee
Representative Tyrone Carter, House Regulatory Reform Committee
Senator Sarah Anthony, Senate Appropriations Committee
Senator Mary Cavanagh, Senate Appropriations Subcommittee
Senator Jeremy Moss, Senate Regulatory Affairs Committee

Orlene Hawks, Director, LARA
Marlon Brown, Chief Administrative Officer, LARA
Dustin Kamerman, Deputy Operations Officer, LARA
Adam Sandoval, Deputy Director, LARA
Courtney Adams, Deputy Operations Officer, LARA
Abby Rubley, Director, Office of Communications, LARA
Paige Fults, Director, Office of Policy and Legislative Affairs, LARA
Dan Horn, Director, Finance and Administrative Services, LARA
Larry Horvath, Director, BCHS, LARA
Jay Calewatts, Director, Adult Foster Care & Camps Licensing Division, BCHS, LARA
Jocelyn Krueger, Compliance Specialist, LARA

Department of Licensing and Regulatory Affairs (LARA)
 Bureau of Community and Health Services (BCHS)
 Camp Licensing
 Report Number 641-0453-22
 Office of the Auditor General
 April 14, 2023
 Department Final Corrective Action Plan

Summary Response Matrix

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees	2, 5	1, 3, 4		
Partially Agrees				
Disagrees				

Final Corrective Action Plan (CAP)

Finding Number: 1

Finding Title: Inspection process needs improvement.

Related IT system, if applicable: Bureau Information Tracking System (BITS)

OAG Recommendation

We recommend that BCHS improve its children's camp inspection process.

Department Response

BCHS agrees with this recommendation.

Milestone 1: Converted all paper camp licensing files to electronic records

Task(s):

- Paper camp licensing files were scanned and uploaded to the bureau's SharePoint site.
- Management monitored the process to ensure all records were successfully converted.

Compliance Date: November 30, 2021

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 2: Revised 2022 Licensing Study Report template

Task(s):

- Report template revised to clearly document each high adventure activity (HAA) provided at a camp for the season.
- Revised report template routed to the division director for approval.

- Management communicated the changes to staff by email and through a staff meeting.
- Revised report template was uploaded to the bureau's website.

Compliance Date: June 1, 2022

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 3: Revised camp licensing application

Task(s):

- Revised camp licensing application to remove the section containing HAAs.
- Routed the revised application to the division director for approval.
- Management communicated the changes to staff by email and through a staff meeting.
- Revised application was uploaded to the bureau's website.
- Management monitored the process to ensure the successful implementation of the revised application.

Compliance Date: November 30, 2022

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 4: Revise policy manual to include self-certification process

Task(s):

- Revise the policy manual to include the self-certification process.
- Route the revised policy manual to the division director for approval.
- Management will communicate the changes to staff by email and through a staff meeting.

Anticipated Compliance Date: May 8, 2023

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 5: Create BITS event to track and monitor self-certifications

Task(s):

- Management will work with the IT Services Division to create the BITS event.
- Management will monitor BITS to ensure camp licensing consultants are entering the appropriate information into BITS when self-certifications are permitted.

Anticipated Compliance Date: May 8, 2023

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 6: Train camp licensing consultants

Task(s):

- Management will provide remedial training to the camp licensing consultants on how to enter the Public Sex Offender Registry (PSOR) event in BITS prior to license renewal for the 2023 camp season.
- Management will review a random sampling of records in BITS to ensure the PSOR event is being properly entered.

Anticipated Compliance Date: May 8, 2023

Responsible Individual: Russ Misiak, State Administrative Manager

Finding Number: 2

Finding Title: Review of camps' background checks needs improvement.

OAG Recommendation

We recommend that BCHS improve its process and documentation related to reviewing background checks performed by camps.

Department Response

BCHS agrees with this recommendation.

Milestone 1: Collected staff feedback and provided training on proposed Licensing Study Report template changes

Task(s):

- Revised the report template to identify a minimum sample of employee and volunteer background checks, including Central Registry checks, to be reviewed by camp licensing consultants during the inspection.
- Routed the revised report template to the division director for approval.
- Management trained staff on inspection process expectations for implementing the proposed licensing study report template changes.

Compliance Date: April 29, 2022

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 2: Implemented Licensing Study Report template changes

Task(s):

- Revised report template was uploaded to the bureau's website.

Compliance Date: June 1, 2022

Responsible Individual: Russ Misiak, State Administrative Manager

Finding Number: 3

Finding Title: Authority needed to establish, assess, and collect appropriate and reasonable children's camp license fees.

OAG Recommendation

We recommend that LARA work with the Legislature to clarify its authority to establish, assess, and collect children's camp license fees sufficient to cover the related licensing and inspection costs.

Department Response

LARA agrees with this recommendation.

Milestone 1: Submitted Fee Proposal to LARA's Finance and Administrative Services (FAS) Bureau

- Division director worked with the bureau director and FAS director to develop the fee proposal.

Compliance Date: September 13, 2022

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division

Milestone 2: Office of Policy and Legislative Affairs (OPLA) received approval from LARA to work on this policy concept

Compliance Date: October 27, 2022

Responsible Individual: Paige Fults, OPLA Director

Milestone 3: Submitted draft camp licensing act to OPLA

Task(s):

- Division director and bureau director drafted a proposed camp licensing law that includes a fee structure.
- Draft proposal was submitted to OPLA.

Anticipated Compliance Date: March 1, 2023

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division

Milestone 4: Camp licensing fee becomes official

Task(s):

- BCHS, OPLA, and the legislature will work through the appropriate legislative committees and Floor discussions.
- OPLA will secure bill sponsor and educate lawmakers on why the change is needed.
- BCHS will educate stakeholders and licensees on why the change is needed.
- Bill will be sent to the Governor's desk for signature.

Anticipated Compliance Date: December 31, 2023

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division

Milestone 5: Implement camp licensing fee

Task(s):

- Revise applicable documents and processes to include the fee.
- Route the revised documents to the bureau director for approval.
- Management will work with the IT Services Division to make the necessary changes in BITS.
- Management will train staff on the licensing fee changes.
- Management will communicate the implementation of the camp licensing fee to applicants and licensees.
- Management will monitor the process to ensure successful implementation.

Anticipated Compliance Date: March 31, 2024

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division

In addition to the milestones above, the Department is seeking to amend the Childcare Organization Act, where childcare fees are currently included, to establish a reasonable fee structure.

Finding Number: 4

Finding Title: Continued improvement needed in complaint handling process.

Related IT system, if applicable:

OAG Recommendation

We recommend that BCHS continue to improve its complaint handling process.

Department Response

BCHS agrees with this recommendation.

Milestone 1: Revise policy manual to include complaints process updates

Task(s):

- Revise the policy manual to incorporate specific information on documenting the reason for dismissing a complaint intake.
- Revise the policy manual to incorporate the accommodation of delays in completing an investigation report due to workload prioritization and the time it takes to receive the necessary reports from outside agencies.
- Route the revisions to the division director for approval.

Anticipated Compliance Date: May 8, 2023

Responsible Individual: Russ Misiak, State Administrative Manager

Milestone 2: Train staff on complaints process updates

- Management will hold a training session to review the revised policy manual and complaints process.
- Management will monitor the process to ensure the successful implementation and continued adherence to the updated process.

Anticipated Compliance Date: May 15, 2023

Responsible Individual: Russ Misiak, State Administrative Manager

Finding Number: 5

Finding Title: Statutory reporting needs improvement.

Related IT system, if applicable: BITS

OAG Recommendation

We recommend that LARA improve its statutory reporting of camp regulatory activity.

Department Response

LARA agrees with this recommendation.

Milestone 1: Implemented fee reporting changes

Task(s):

- Division director and bureau director worked with FAS to determine how the fees should be adjusted to appropriately consider the costs of licensing and inspecting children's camps.
- Division director changed the reporting of fees charged to detail the fee for each type/size of license instead of giving a fee range.

Compliance Date: December 1, 2022

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division

Milestone 2: Created new single report and updated annual reports binder

Task(s):

- Division director changed the process to generate a single report at the end of the fiscal year that includes the license renewals that were previously missed by cumulative monthly reports.
- Created new procedure outlining how the report is to be run by the BCHS-IT manager or designee. The report is then sent to the division director to review for accuracy before being sent to the Legislative Reporting, Training & FOIA Section manager to compile data into the report to the legislature.

- Updated the binder outlining the required annual reports to the legislature, which is maintained by the Legislative Reporting, Rules, Training & FOIA section within BCHS.

Compliance Date: December 1, 2022

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division

Milestone 3: Modified timeline for investigations

Task(s):

- Process changed to provide an average number of days to complete an investigation instead of a less than or greater than 45 days when reporting to the Legislature to eliminate potential errors and provide clearer statistics. An average number of days gives the camp licensing consultants adequate time to perform a thorough investigation and collect additional information they may be waiting on from outside parties.

Compliance Date: December 1, 2022

Responsible Individual: Jay Calewarts, Director, Adult Foster Care and Camps Licensing Division