



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
**MICHIGAN VETERAN HOMES**  
LANSING

ANNE ZERBE  
EXECUTIVE DIRECTOR

September 26, 2023

Mr. Rick Lowe, Chief Internal Auditor  
State Budget Office  
Office of Internal Audit Services  
George W. Romney Building  
111 South Capitol Avenue, 7<sup>th</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Lowe,

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is our final corrective action plan to address recommendations contained within the Office of the Auditor General report of the Michigan Department of Military and Veterans Affairs report for the Michigan Veterans' Facility Authority (511-0101-23).

Questions regarding the corrective action plan should be directed to me by email at [zerbea1@michigan.gov](mailto:zerbea1@michigan.gov).

Sincerely,

Anne Zerbe, Executive Director

*Enclosure (1)*

c: Representative Angela Witwer, Chair, House Appropriations  
Senator Sarah Anthony, Chair, Senate Appropriations  
Mary Ann Cleary, House Fiscal Agency  
Kathryn Summers, Senate Fiscal Agency  
Representative Jason Morgan, Appropriations Subcommittee  
Senator Kevin Hertel, Appropriations Subcommittee  
Representative Jennifer Conlin  
Senator Veronica Klinefelt  
Mark Freeman, Office of the Auditor General  
JoAnne Huls, Executive Office  
Trish Foster, Executive Office  
Maria Martinez, Executive Office  
Christine Apostol, DMVA  
Phillip Jeffery, DTMB

**Michigan Department of Military and Veteran Affairs: Michigan Veterans  
Facility Authority, Michigan Veteran Homes**

**Financial audit report on the Annual Comprehensive Financial Report for  
Fiscal Year Ended September 30, 2022**

**Project Number: 511-0101-23**

**Issued By OAG**

**Issued May 19, 2023**

**Department Final Corrective Action Plan**

**Summary Response Matrix**

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees			1	
Partially Agrees				
Disagrees				

**Final Corrective Action Plan (CAP)**

**Finding:** The Michigan Veterans' Facility Authority (MVFA) should improve internal control to help ensure the completeness and accuracy of accounting information.

**Recommendation:** We recommend that MVFA improve internal control to help ensure the completeness and accuracy of accounting information. The OAG noted:

- a) MVFA does not have a process in place for tracking Medicare claim collections against Medicare claims billed.
- b) MVFA did not properly account for the movement of cash between Michigan Veteran Homes' fiduciary fund bank accounts.

**Related IT system, if applicable:** SIGMA, RFMS

**Department Response**

**Management Views:** Department of Technology Management and Budget, Financial Services (DTMB-FS) agrees to further improve internal controls to help ensure the completeness and accuracy of accounting information.

**Planned Corrective Action and Milestones (Management Response):**

- a) DTMB-FS will comply with the issue noted by December 31, 2023. DTMB-FS will establish a process for tracking Medicare claims collections against Medicare claims billed. DTMB-FS, with support from MVH and Office of Internal Audit Services, is completing a process mapping session for the medical billings to analyze current processes and identify opportunity for improvement. Following the mapping sessions, DTMB-FS will enhance processes and procedures related to billings.
- b) DTMB-FS has complied with this issued noted as of April 19, 2023. DTMB-FS corrected the misstatement prior to the issuance of MVFA's financial statements and the *State of Michigan Annual Comprehensive Financial Report*.

**Anticipated Compliance Date:** December 31, 2023

**Responsible Individual:** Jackie Huhn, DTMB