



**Doug A. Ringler, CPA, CIA**  
Auditor General

January 31, 2025

Elizabeth Hertel, Director  
Michigan Department of Health and Human Services  
South Grand Building  
Lansing, Michigan

Director Hertel:

We are terminating our performance audit of the Shawono Center, Michigan Department of Health and Human Services (MDHHS), project number 491-0275-24. We concluded it would be an inefficient use of audit resources to continue with the quality assurance reviews and due process necessary to finalize our audit report, considering MDHHS's planned transfer of the affected youth beginning immediately and the impending complete closure of the facility by early summer.

We completed a significant amount of audit work since commencing the project in May 2024 and formulated preliminary observations. We are providing a summary of the observations for your consideration of potential and needed improvement areas that may exist at similar MDHHS facilities, and/or should the Shawono Center reopen in the future. The supporting detail related to these observations was provided to your staff during our audit work. Our preliminary observations include the need for:

1. Strengthened physical security and access control device management. These include facility entrance screening procedures; access control device assignment; and key storage, inventory, and monitoring procedures aligning with Shawono Center policy 517, MDHHS Juvenile Justice Residential Manual (JRM) policy 514, and other best practices.
2. Improved case record documentation and timeliness in procedures related to youth residential assessments, treatment plans, health screenings and examinations, and other general programmatic activities. These changes are needed to be consistent with various applicable Shawono Center and MDHHS policy requirements, including, but not limited to, Shawono Center policies 122, 200, 202, 203, 206, 207, 305, 310, 311, 312, 313, and 330 and MDHHS JRM policies 201, 202, 300, and 313.
3. Enhanced medication administration, handling, storage, and monitoring procedures to reflect policy requirements and best practices. They include MDHHS JRM policies 201, 380, 381 and 382; Shawono Center policies 200, 380, 381, and 382; Open Resources for Nursing (Open RN) available through the National Institutes of Health; Title 21, section 1317 of the *United States Code (USC)*; and Section 18.1285 of the *Michigan Compiled Laws*. These include consistently administering medication according to youth treatment plans and as prescribed; securing controlled substances; performing mouth and cup checks; referencing the youth's medication administration record (MAR) prior to administering medication; documenting applicable information in the MAR immediately upon medication administration; improving medication storage and inventory practices; and properly disposing of medications, when applicable.
4. Improvement in controls over facility maintenance and food service tools, including strengthened inventory, storage, and monitoring practices to correspond with MDHHS JRM policies 182 and 543, Shawono Center policies 182 and 543, and Section 18.1285 of the *Michigan Compiled Laws*.

5. Strengthened preventive maintenance and sanitation monitoring procedures, including performing and documenting weekly maintenance and sanitation checks on a facility specific checklist; capturing, tracking, and maintaining maintenance and repair records from submission through completion; and conducting surveillance system maintenance and monitoring. We used MDHHS JRM policy 181, Shawono Center policy 181, and Section 18.1285 of the *Michigan Compiled Laws* to formulate this observation.
6. Improvement in preemployment and ongoing employment screenings and documentation of required background checks, health screenings, and driver's license validations in accordance with MDHHS JRM policy 100 and Shawono Center policy 100.
7. Improved staff training, including more fully developed training plans, consistent documentation of employees' completion of required training activities, scheduling training at required frequencies, and providing orientation for contracted staff. We used Shawono Center policy 170, MDHHS JRM policy 170, and the *Michigan Administrative Code* R 400.4128 as the basis for this observation.
8. Strengthened incident and grievance reporting processes, including timely communication of incidents to required parties and implementation of a grievance process independent of individuals directly responsible for the oversight of the youth making the grievance. We used MDHHS JRM policies 213, 510, and 530; Shawono Center policies 213, 510, and 513; *Michigan Administrative Code* R 400.4150; recommendation 27 from the July 2022 Michigan Task Force on Juvenile Justice Reform report; and recommendation 2 from the July 2020 Annie E. Casey Foundation report to formulate this observation.
9. Improved retention of security video recordings to coincide with MDHHS's Juvenile Justice Programs Records Retention and Disposal Schedule item 37864 requirements.

We appreciate the courtesy and cooperation extended to us during the audit work. If you wish to discuss the termination of the audit or these observations, please contact me or Yvonne Benn, Audit Division Administrator for Health, Human Services, and Education.

Sincerely,



Laura Hirst  
Deputy Auditor General

c: Shannah Havens, Audit Liaison  
Yvonne Benn, Audit Division Administrator  
Kelly C. Miller, State Relations Officer