



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
MICHIGAN VETERAN HOMES
LANSING

ANNE ZERBE
EXECUTIVE DIRECTOR

November 5, 2025

Ms Jessica Thomas, Chief Internal Auditor,
State Budget Office,
Office of Internal Audit Services
111 South Capitol Avenue, 7th Floor
Lansing, Michigan 48913

Dear Ms Thomas,

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 Veterans' Facility Authority, Michigan Department of Military and Veterans Affairs (512-0150-24).

Questions regarding the corrective action plan should be directed to me by email at zerbeal@michigan.gov.

Sincerely,

Anne Zerbe, Executive Director, Michigan Veteran Homes

Enclosure (1)

cc: Representative Ann Bollin, Chair, House Appropriations
Senator Sarah Anthony, Chair, Senate Appropriations
Senator Kevin Hertel, Chair, Military, Veterans & State Police
Representative Kathy Schmaltz, Chair, Families & Veterans
Representative Ron Robinson, Chair, Military & Veterans Affairs Appropriations
Senator Veronica Klinefelt, Chair, Veterans & Emergency Services
Kathryn Summers, Senate Fiscal Agency
Dakota Soda, House Fiscal Agency
Doug Ringler, Office of Auditor General
Mike Ventura, Office of the Auditor General
JoAnne Huls, Executive Office
Shelia Marshall-Curtis, Executive Office
Trish Foster, Executive Office
MG Paul Rogers, Director, Department of Military and Veteran Affairs
David Henry, Chair, Michigan Veterans Facility Authority

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

Performance Audit

Project Number: 512-0150-24

Issued By OAG

Issued Month 09, 2025

Department Final Corrective Action Plan

Summary Response Matrix

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees			3	
Partially Agrees				
Disagrees				

Final Corrective Action Plan (CAP)

Finding 1: The Board had not conducted an annual performance evaluation of its executive director since May 2022.

Recommendation: We recommend the Board complete required annual performance evaluations of the MVH executive director.

Related IT system, if applicable: None

Department Response

Management Views: Michigan Veterans Facility Authority (MVFA) agrees with the recommendation.

Planned Corrective Action and Milestones (Management Response):

- a) The MVFA Board of Directors completed an Abbreviated Performance Review (APR) of the Executive Director in September 2024.
- b) As directed by current policy, the Board initiated a Standard Performance Review (SPR) for 2025 with the appointment of a Performance Evaluation

Committee (PEC) on March 18, 2025. Since the initiation of the SPR in March 2025, the PEC determined that resource availability remains a significant contributing factor undermining the Board's ability to complete the SPR as currently outlined in policy. Specifically, the collection and compilation of the feedback and additional relevant information necessary to inform and support the SPR exceeds the capacity of a Board that serves on a volunteer basis and can be subject to prolonged vacancies during the State's appointment process.

- c) To address this, the Board procured an outside independent contract for coordination and support of the SPR in July 2025.
- d) The outside contractor completed the data collection portion of the SPR in fall of 2025 and has presented an initial report to the PEC. The final report will be presented to the full Board at its next meeting.
- e) The Board will update Board Policy *MVFA-GEN-015 Executive Director Evaluation Process* to reflect the changes in the performance review process during its annual policy review in early 2026.

Anticipated Compliance Date: June 30, 2026

Responsible Individual: Beth Simonton-Kramer

Finding 2: Although MVH policy briefly outlines CLT's key responsibilities, CLT had not yet fully developed policies and/or procedures defining them, how they are carried out, and the related controls to ensure MVH achieves its objectives and goals, foremost being to provide oversight of veterans' facilities.

Recommendation: We recommend CLT develop and implement policies and/or procedures establishing its responsibilities and associated internal control.

We also recommend the MVFA Board consider review and approval of CLT policies and/or procedures to help ensure CLT is carrying out the intent of the Board.

Related IT system, if applicable: None

Department Response

Management Views: Michigan Veterans Facility Authority (MVFA) **and** Michigan Veteran Homes (MVH) agrees with the recommendation.

Planned Corrective Action and Milestones (Management Response):

- a) With respect to Recommendation 1, MVH reviewed CLT position descriptions to ensure they accurately reflect the responsibilities of the positions.
- b) In addition to the position description, MVH is developing procedures, in the form of position-specific desk manuals, that outline the primary responsibilities and expectations associated with each position, including information and guidance pertaining to the position's key tasks, monitoring activities, and any additional relevant resources. These materials will be reviewed annually and updated as needed.
- c) With respect to Recommendation 2, the Board will update Board Policy *MVFA-GEN-003 Delegation of Authority and Actions Subject to Review by the Board of Directors* to further clarify the Board's expectations related to the CLT's management and oversight of day-to-day operations of MVH. The updated policy will be reviewed by the Board during its annual policy review process in early 2026.

Anticipated Compliance Date: June 30, 2026

Responsible Individual: Anne Zerbe

Finding 3: CLT did not ensure all statutory reports were complete, accurate, and timely submitted to ensure reliable information is provided for oversight and decision-making purposes.

Recommendation: We recommend CLT ensure statutory reports are complete and accurate.

We also recommend CLT ensure all statutory reports are prepared, timely submitted, and properly posted on the MVH website, when applicable.

Related IT system, if applicable: None

Department Response

Management Views: Michigan Veteran Homes (MVH) agrees with the recommendation.

Planned Corrective Action and Milestones (Management Response):

- a) The legislative reports for FY24, FY25, and those required to date for FY26 have been submitted (and posted when required).
- b) MVH is revising relevant operating policies and procedures to support consistent reporting and data tracking processes among the homes.
- c) MVH has developed a process for the regular compilation, review, submission, and posting of these reports, including clarification of transmittal contacts and responsibilities within the Department.

Anticipated Compliance Date: December 31, 2025

Responsible Individual: Beth Simonton-Kramer