

Office of Legislative  
**Auditor General**

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March 4, 2024

**FINAL REPORT TRANSMITTAL LETTER**

Wayne County Commission

Enclosed is our final copy of the Office of Legislative Auditor General's Controls Over Family Medical Leave Act – Preliminary Summary Survey report. The report is dated January 11, 2024; DAP No. 2022-57-004. The report was accepted by the Committee on Audit at its meeting held on February 7, 2024, and formally received by the Wayne County Commission on February 15, 2024.

We are pleased to inform you that management and staff from the Department of Personnel/Human Resources provided their full cooperation during the engagement. If you have any questions, concerns, or desire to discuss the report in greater detail, we would be happy to do so at your convenience. This report is intended for your information and should not be used for any other purpose. Copies of all final reports of the Office of Legislative Auditor General can be found at our website at: <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>.

Sincerely,

Marcella Cora, CPA, CIA, CGMA, CICA  
Auditor General

**REPORT DISTRIBUTION**

**Department of Personnel/Human Resources**

Donna Wilson, Director  
Shirley Priskorn, Disability Director

**Department of Management & Budget**

John Wallace, Chief Financial Officer  
Yogesh Gusani, Deputy Chief Financial Officer  
Shauntika Bullard, Director, Grants, Compliance and Contract Management

**Wayne County Executive**

**Wayne County Office of Legislative Auditor General  
Preliminary Survey Summary Report**

**CONTROLS OVER FAMILY MEDICAL LEAVE ACT**

**Department of Personnel/Human Resources**

**January 11, 2024**

**DAP No. 2022-57-004**

# **PRELIMINARY SURVEY SUMMARY REPORT**

## **CONTROLS OVER FAMILY MEDICAL LEAVE**

### **RESULTS**

Our preliminary survey did not identify significant concerns that would warrant the additional use of our audit resources to complete a performance audit engagement. Therefore, we have terminated this engagement and did not conduct sufficient testing to provide conclusion on the overall effectiveness and efficiency of the Family Medical Leave process.

### **FACTORS IMPACTING AUDIT TERMINATION**

Wayne County's Family Medical Leave Program appears to be in compliance with regulations based on our review of County, State, and Federal policies governing FMLA utilization for the period of our review.

- For the departments/divisions for which our assessment was conducted (DPS-Roads; WCSO), sufficient reviews of employee FMLA eligibility and utilization are performed to ensure accuracy and appropriateness of FMLA usage. Specifically, at both the administrative and departmental levels, queries are conducted via PeopleSoft which allow approvers to determine employees' eligibility based on the following criteria:
  - The applicant has worked 1250 hours in the preceding 12-month period; and,
  - The applicant has not exceeded 480 hours of FMLA usage in the preceding 12-month period.

Should the applicant not meet either of the above criteria, PeopleSoft will notify the approver and the requested FMLA will be denied.

- Department of Public Service managers/timekeepers are communicating any observed timecard discrepancies directly with the FMLA participant, and, if necessary, Personnel/Human Resources and/or Management & Budget – Benefits and Disability Administration. Additionally, the Wayne County Sheriff's Office exercises substantial safeguards in the form of Conduct Incident Reports and potential docking of wages should an FMLA-participant record another type of leave for an FMLA-designated purpose/condition.
- The Audit Team conducted an analysis of the total utilization of FMLA for fiscal years 2021-2023. The results of this analysis were reconciled against the total Wayne County payroll compensation for the same period. The result of the analysis indicates that while significant FMLA is utilized throughout the county, there were no observed instances of unauthorized utilization and/or compensation for FMLA hours.

## **ENGAGEMENT SCOPE**

Our preliminary survey covered October 1, 2020 – March 2023 and included a limited review of the process of Family Medical Leave taken by county personnel.

## **PURPOSE**

Within a performance engagement, we design the preliminary survey to obtain an understanding of the core activities within an entity or program and to identify potential areas for improvement and/or deficiencies in the internal control environment that could result in management's inability to conduct its operations in an effective and efficient manner. If the results of our preliminary survey do not identify significant areas of risk, our practice is to terminate the planned performance engagement.

Preliminary survey procedures are limited in nature and should not be considered a completed performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. In addition, our preliminary survey procedures would not necessarily disclose the presence or absence of any material conditions and/or reportable conditions. Given that the procedures we conducted did not constitute a performance audit, we will not issue a performance audit report and do not express any conclusions regarding the Family Medical Leave Act processes for effectiveness and efficiency.

## **ENGAGEMENT OBJECTIVE**

Evaluate the internal controls over granting and tracking all types of Family Medical Leave and compliance with laws and regulations.

## **ENGAGEMENT METHODOLOGY**

- The Office of Legislative Auditor General (OAG) conducted a preliminary review of the county and state regulatory documentation (i.e., FMLA policies; Collective Bargaining Agreements (CBA), etc.) for Family Medical Leave as it pertains to Wayne County employees.
- The OAG conducted observational/informational walkthroughs with the administrative departments (Personnel/Human Resources; Management & Budget – Benefits) responsible for the coordination, approval, monitoring, compensation, and maintenance of FMLA processes and documentation in Wayne County.
- Informational walkthroughs were conducted with administrative personnel for the Wayne County Sheriff's Office (WCSO) and Department of Public Services-Roads Division

(DPS-Roads). These two (2) departments were selected for review on the basis that they were identified as utilizing significant intermittent FMLA leave during the scope of this engagement.

- Walkthroughs of the general processes and procedures for the entry of employee timecard data by Department of Public Services – Roads Division and Wayne County Sheriff's Office were conducted with Department Managers/Timekeepers.
- Analysis of the PeopleSoft FMLA utilization detail for identification of discrepancies or patterns of excessive FMLA use and/or abuse.
- Identification and documentation of the Audit Team's observations and suggested areas of improvement to mitigate potential risk factors.

## BACKGROUND

The Family and Medical Leave Act (FMLA) allows eligible county employees to take job-protected, unpaid leave, or to substitute appropriate paid leave if the employee has earned or accrued it, for up to a total of twelve (12) work weeks per rolling twelve (12)-month period for the following qualifying events:

- Incapacity due to pregnancy, prenatal medical care, or childbirth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or,
- For a serious health condition that makes the employee unable to perform the employee's job.

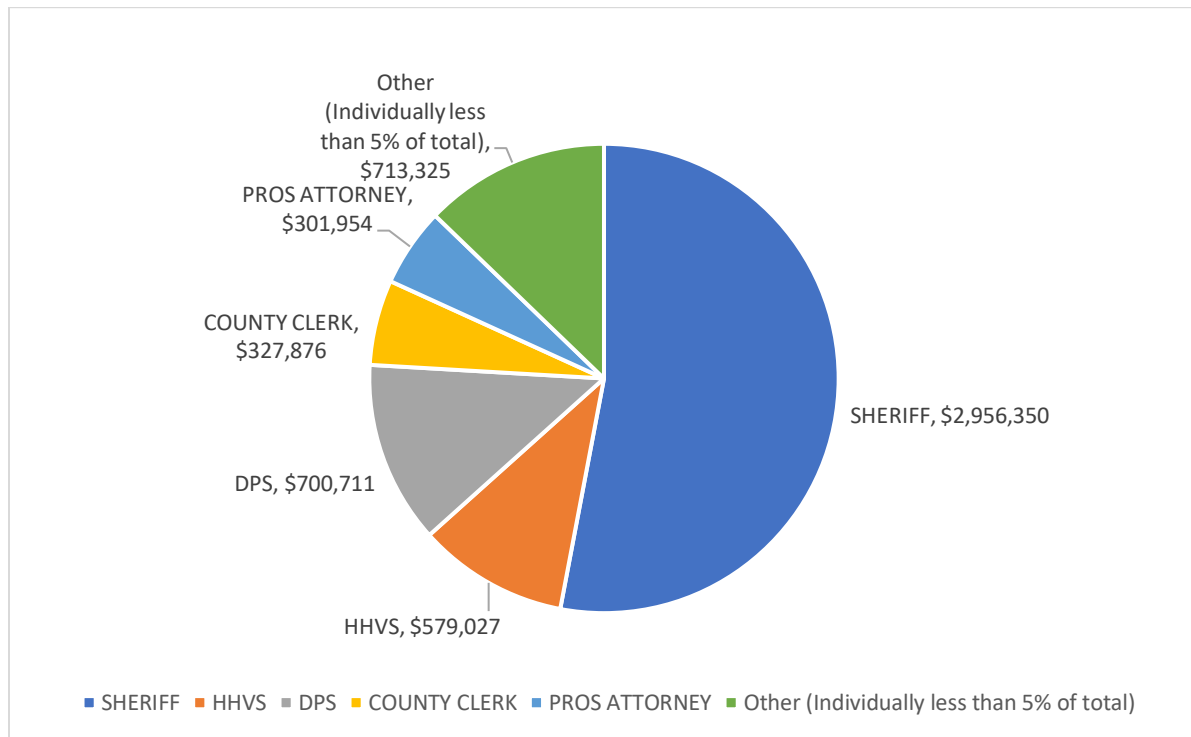
A husband and wife who are eligible for FMLA and are each employed by Wayne County are limited to a combined total of twelve (12) weeks of leave during any twelve (12)-month period if leave is taken for:

- The birth and care of a newborn child;
- Placement of a child with the employee for adoption or foster care; or,
- Caring for a spouse, child, or parent with a serious health condition.

An employee is eligible if he or she has worked for Wayne County for at least twelve (12) months and has 1,250 actual hours worked during the twelve (12)-month period immediately preceding the commencement of leave.

For the period of our review, October 1, 2020, through payroll period ending March 5, 2023, total gross payroll was \$520.9 million. Of the \$520.9 million, \$5.6 million was for a family medical leave. Of the total \$5.6 million, \$2.95 million was paid within the Sheriff's Office. See the chart below for a breakdown of the family medical leave pay.

**PAID FAMILY MEDICAL LEAVE BY DEPARTMENT OR ELECTED OFFICIAL**  
**Period October 1, 2020 through March 5, 2023**



**OBSERVATIONS & OPPORTUNITIES FOR IMPROVEMENT:**

**Enhance Reporting of FMLA Usage**

Based on our analysis of the FMLA utilization for the period of our review, The Sheriff's Office utilization represented 53 percent of the total utilization. Followed by the Department of Public Services with 13 percent and the Department of Health, Human and Veterans Services with 10 percent. A result of each of these Offices/Departments having mandated services, is the potential necessity for mandated overtime. Based on our discussion with the departments and representatives from P/HR, the amount of mandated overtime may contribute to the use of intermittent FMLA leave. While the use of intermittent FMLA during these periods of time may not result in monetary losses to the department as the employee may use their vacation/sick leave banks if available, however, it could result in operational losses.

Currently for these departments, employee timecards are completed and submitted to the departmental timekeeper(s). The requesting employee must identify and distinguish regular, personal, sick, and/or overtime hours from hours utilized for Family Medical Leave. The timekeeper is required to review all time entries for accuracy and must enter the appropriate detail for employee compensation codes to be accurately input into the county's PeopleSoft payroll system.

Discrepancies or misuse of FMLA may occur unintentionally if proper tools and information are not available, for example, when an employee calls in and using FMLA. If due diligence in timekeeper review of employee timecards is not applied, any inaccurate, erroneous, and/or unsubstantiated leave entries to individual employee timecards that are not identified at the department level are likely to remain unidentified for the remainder of the approval/compensation processes. Likewise, an employee who fails to identify or otherwise designate leave as FMLA may not have the hours deducted from the rolling twelve-month 480-hour allotment permitted under the Family Medical Leave Act.

Once the new Connect43 system is in place, a feature of the system is requiring all use of leave including FMLA to be electronically submitted to both the employee's supervisor as well as to the timekeeper, which could help ensure that all FMLA is being properly recorded.

#### **DocuSign Software**

On an introductory basis, the WCSO has recently implemented utilization of the DocuSign software system, which allows for the paperless exchange of the requisite FMLA documentation between the department and the requesting employees. This process promotes an efficient, direct, and reliable method for transmittal of FMLA documents and the necessary approvals. Additionally, an electronic record of the conducted exchanges is maintained automatically for all transmissions. County-wide implementation and utilization of the DocuSign software would allow a more efficient method for transmittal of FMLA documents for the necessary approvals.

Sincerely,

A handwritten signature in black ink that reads "Marcella Cora". The signature is fluid and cursive, with the first name "Marcella" being more prominent than the last name "Cora".

Marcella Cora, CPA, CIA, CICA  
Auditor General