

Office of Legislative
Auditor General

MARCELLA CORA CPA, CIA, CICA
AUDITOR GENERAL



500 GRISWOLD STREET
STE. 842 GUARDIAN BLDG
DETROIT, MICHIGAN 48226

TELEPHONE: (313) 224-8354

January 24, 2024

FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is the final copy of the 2023 Annual Report from the Wayne County Office of Legislative Auditor General (OAG). The report is dated January 5, 2024; DAP No. 2024-57-800. The report was accepted by the Audit Committee at its meeting held on January 10, 2024, and formally received by the Wayne County Commission on January 18, 2024.

The report is submitted in accordance with the Rules of Procedures of the Commission, applicable standards of the Institute of Internal Auditors and best practices. The report covers the period of January 1, 2023 – December 31, 2023 and describes the significant activities, efforts and accomplishments of the OAG during that period.

Should you have any questions, concerns, or desire to discuss the report in greater detail, I am available to do so at your convenience. 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/oag/legislative-auditor.aspx>

Respectfully submitted,

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

REPORT DISTRIBUTION

County Executive

County-Wide Elected Officials

County Department / Agency Heads

Office of Legislative
Auditor General

MARCELLA CORA CPA, CIA, CICA
AUDITOR GENERAL



500 GRISWOLD STREET
STE. 842 GUARDIAN BLDG
DETROIT, MICHIGAN 48226

TELEPHONE: (313) 224-8354

Letter of Transmittal

January 5, 2024

DAP No. 2024-57-800

Honorable Alisha R. Bell, Chairwoman
Wayne County Commission,
Honorable Melissa Daub, Chairwoman
Wayne County Committee on Audit,
Members of the Wayne County Commission, and
Honorable Warren Evans, Chief Executive Officer,
County of Wayne, Michigan

Honorable Elected Officials:

On behalf of the dedicated staff members of the Wayne County Office of Legislative Auditor General (OAG), I am honored to submit our 2023 Annual Report (report). The report highlights the collective efforts and results of the OAG during the 2023 calendar year. The report is submitted in accordance with Section 3.119 of the Wayne County Home Rule Charter, applicable section(s) of the County Code of Ordinances, and Rules of Procedures of the Commission.

The Auditor General meets semi-monthly with the Committee on Audit to present audit reports containing recommendations for corrective action and other matters pertaining to county operations. Audit reports are discussed at the committee and referred to the Full Board for receipt and filing. In addition, the OAG reports annually all direct budgetary impacts as a result of our engagements to the Committee on Ways & Means.

Of the many successes and accomplishments achieved during the year, we are proud to complete 20 audit or review reports, which included 25 new recommendations, with a significant impact upon county operations. We are also proud to report that 100 percent of the previously issued recommendations we followed-up on had either been implemented or implementation was in process by management. Management's implementation rate is a clear indication of their shared commitment to mitigate and manage known and reported risk, and to improve the internal control environment here in the county.

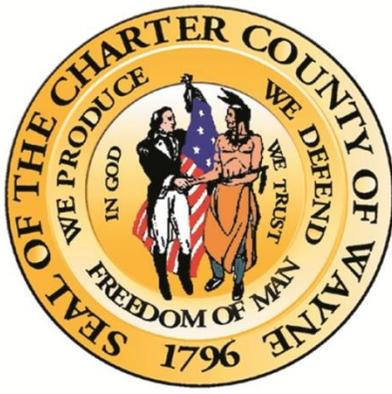
The OAG remains committed to providing high-quality audits, reviews, and special projects that present objective examinations conducted in accordance with professional auditing standards. You can be assured that throughout the audit process we will continue to work diligently to add value for commissioners and county management in their efforts to improve accountability in county government, and to enhance the delivery of services to the citizens of Wayne County.

We would like to thank the 2023 Committee on Audit Chairman Basham, the Committee on Audit members, Chairwoman Alisha R. Bell, and all Commissioners for their unwavering support of the internal audit function here at the county. We also recognize that any effectiveness we were able to accomplish was largely possible only through the support and cooperation of the executive branch and the other countywide elected officeholders. We look forward to continuing to work with the County Executive, Mr. Warren Evans and his executive management team. We are committed to continuing to improve the accountability of public funds and improve county operations for the benefit of the citizens.

Respectfully Submitted,

A handwritten signature in black ink that reads "Marcella Cora". The signature is written in a cursive, flowing style.

Marcella G. Cora, CPA, CIA, CICA
Auditor General



Annual Report 2023

Office of Legislative Auditor General

Focused * Helpful * Straight down the line * Determined * Firm * Decisive * Balanced * Objectivity * Confidentiality * Competency * Integrity * Independence



Marcella G. Cora, CPA, CIA, CICA
Auditor General



OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Table of Contents

Letter of Transmittal.....	i
Staff Directory	iii
Executive Summary	1
Office of Legislative Auditor General	2
Organizational Chart	3
Staff Biographical Sketches	4
Personnel Changes.....	10
Strategic Audit Group.....	10
Technical Assistance Group.....	11
Giving Back to the Community	11
2023 Significant Accomplishments.....	12
2023 Productivity in Review	14
Appendix A	
List of Training Seminars and Conferences Attended; 2023.....	22
Appendix B	
Completed Audit, and Review Reports, and Special Project Reports; 2023.....	24
Appendix C	
Statement of Organizational Independence	26



OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

STAFF DIRECTORY

<u>STAFF MEMBERS</u>	<u>POSITION*</u>	<u>E-MAIL ADDRESS</u>	<u>PHONE</u>
Marcella G. Cora	Auditor General	mcora@waynecounty.com	(313) 224-8354
Wilbur Hamner	Audit Manager	whamner@waynecounty.com	(313) 224-6358
John Kellett	Audit Manager	jkellett@waynecounty.com	(313) 224-0958
Crystal Thomas	Supervisory Auditor	cdavie@waynecounty.com	(313) 224-6706
Andrew Rea	Supervisory Auditor	area@waynecounty.com	(313) 224-7972
Tequila Warren	Supervisory Auditor	twarren@waynecounty.com	(313) 224-3682
Arica Jones	Principal Senior Auditor	ajones2@waynecounty.com	(313) 224-7442
Timothy Small	Principal Senior Auditor	tsmall1@waynecounty.com	(313) 224-0269
Maxwell Andries	Legislative Auditor III	mandries@waynecounty.com	(313) 224-3610
Sandra Allen	Legislative Auditor III	sallen@waynecounty.com	(313) 224-0690



OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Executive Summary

This Annual Report covers the period from January 1 through December 31, 2023. Much was accomplished during the year. In May 2023, the OAG adjusted its hybrid work environment allowing staff to work in office three days per week and remotely two days per week. During 2023, the OAG was able to complete 20 audit/review reports and four (4) administrative projects. Many of them were noteworthy affecting a wide range of programs, operations, and services offered by the county. The issued audit/review reports identified 25 new recommendations with a significant impact on county operations. Equally noteworthy, is of the 93 previously conveyed recommendations, all 93, or 100 percent of the recommendations that we followed-up on during the year through our corrective action plan engagements, have been implemented or management is in-process of implementing. The 100 percent implementation rate is a testament that county elected officials and managers share our commitment to strengthening the internal control environment by identifying, managing, and mitigating risk here in the county.

“...25 new recommendations with a significant impact on operations ... 100 percent implementation rate on the previously conveyed recommendations ...”

This report also includes brief biographical sketches for each of the Office of Legislative Auditor General (OAG) staff members. The value we are able to bring to the county is totally dependent on the quality of the personnel we are able to attract and retain. We believe the county is fortunate that the OAG has been successful in assembling an excellent team of professionals with differing and complimentary backgrounds and professional expertise.

We experienced four (4) personnel changes during the year. In January, Michael Sosnowski, Audit Manager, retired after serving the County with the OAG for 16 years. In February, Sandra Allen, Legislative Auditor III, joined the OAG. In August, Melinda Haner, Audit Manager, left the OAG to follow other job opportunities and the OAG wishes her well in her future endeavors. Also, in August, the OAG welcomed back John Kellett, Audit Manager, who returned to the OAG after departing in April 2022.

The OAG encourages staff to give back to the communities where they work and live. We highlighted organizations where two (2) of our staff members volunteered their time to serve others.

The report also describes noteworthy accomplishments achieved in 2023. In addition to the productivity performance and implementation of recommendations, we note the following: our commitment and success in achieving the professional continuing education and training for our staff required by the authoritative auditing standards we pledge to adhere to in the performance of our engagements. ■



OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Office of Legislative Auditor General

The establishment of the Wayne County Legislative Auditor General and related office (OAG) are provided for by Wayne County Home-Rule Charter, Section 3.119, within the Legislative Branch of county government. The duties and functions of the OAG were strengthened through a citizen approved revision to the Home-Rule Charter in 1996. The mission of the OAG is striving to be a world-class internal audit organization, offering value to county managers, officials responsible for governance, and citizens. Our purpose is to examine and evaluate county activities in order to achieve transparency and accountability of public funds and improve the operations of county government for the benefit of Wayne County citizens and the customers of its services.

The OAG reports and other work products have resulted in changes and improvements to county operations that benefit county taxpayers, programs and services, and assist the commission in its oversight of county operations and resources. The OAG has the responsibility to conduct performance, financial, operational, compliance, specific scope audits, and special projects of all county departments/agencies.

Wayne County government officials and employees are accountable to the citizens of Wayne County for the proper handling of public funds and are responsible for managing county resources effectively, efficiently, and economically.

The reports and other products issued by the OAG provide the citizens of Wayne County with a measure of accountability. Our work products also assist elected officials and department administrators by providing an independent and objective evaluation of their operations. The OAG's foremost goal is to improve accountability, transparency, and mitigate risk exposures while promoting effectiveness, efficiency, and economy in county government.

The reports and other products issued by the OAG are performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States and/or International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors (IIA).

The OAG has established 12 Codes of Principles and Conduct to assist and guide our professional staff members in performing their duties and responsibilities in an ethical and appropriate manner. These items require staff members to pledge their allegiance not only to the standards promulgated by GAGAS and IIA but also to the 12 Codes of Principles and Conduct.

- Focused
- Helpful
- Straight Down the Line
- Determined
- Firm
- Decisive
- Balanced
- Objectivity
- Confidentiality
- Competent
- Integrity
- Independent

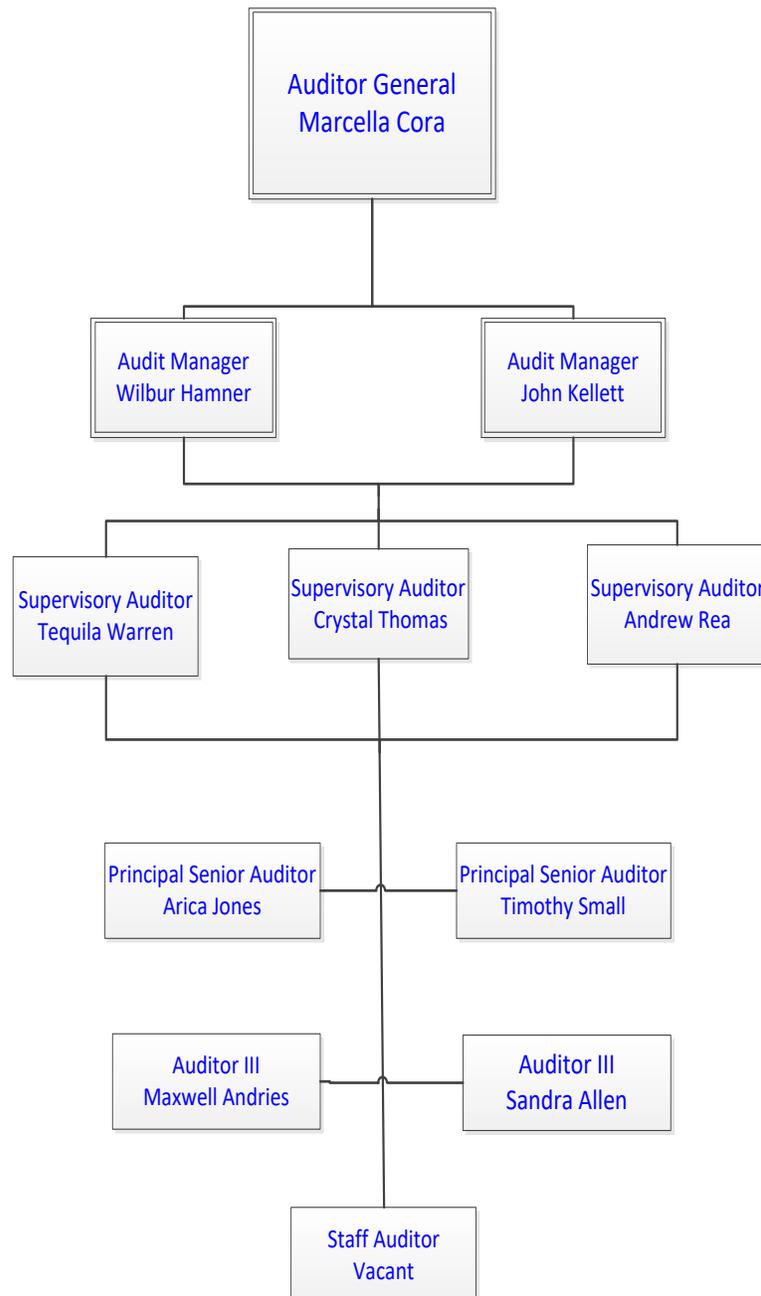


OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Wayne County Office of Legislative Auditor General Organizational Chart As of January 1, 2024





Staff Biographical Sketches

Marcella G. Cora, CPA, CIA, CICA – Auditor General

Ms. Cora brings over 29 years of internal auditing experience of governmental bodies. She began her career with the OAG in April 1999, after five years with the Army Audit Agency, Defense Department, United States. During her tenure with the Army Audit Agency, she received several awards for her outstanding performance. In FY 2005, Ms. Cora was promoted to Audit Manager and was appointed Deputy Auditor General January 2011 where she served until being appointed Auditor General effective January 1, 2015. In November 2017, Ms. Cora was reappointed for an additional five years and in November 2022 was reappointed for her final two years. As Auditor General, she is responsible for the planning, directing, and managing the day-to-day activities of the OAG.



Ms. Cora has played a key role in the implementation of, and numerous enhancements to the audit management software package, TeamMate. She has led the office's last three peer reviews that resulted in the office being in compliance with both Generally Accepted Government Auditing and Institute of Internal Auditing Standards.

She is a graduate of Davenport University. She is a licensed Certified Public Accountant in the State of Michigan, a Certified Internal Auditor, and Certified Internal Controls Auditor. She has memberships in several professional organizations including the American Institute of Certified Public Accountants, Michigan Association of Certified Public Accountants, Institute of Internal Auditors, Government Finance Officers Association, and the Association of Certified Fraud Examiners. She is extremely community minded including volunteering with No Kids Without A Christmas which provides coats, hats and gloves in the fall and gifts for children in the community at Christmas time. She also spent 12 years as a member of the River Rouge Board of Education.



Wilbur D. Hamner, CRMA, CICA, EA – Audit Manager

Mr. Wilbur Hamner joined the Auditor General’s staff in September 1998. He brought with him over 12 years of financial accounting experience in the legal and health care fields. Since joining the office, Mr. Hamner has excelled and in 2007, he was promoted to the position of Audit Manager and currently holds the position as an Audit Manager . Mr. Hamner has played a vital role in the development and implementation of the OAG’s risk-based audit approach, implementation of audit management software (TeamMate) and accompanying operational processes. He was a key member in the preparation of the Association of Local Government Auditors (ALGA) quality control documentation that resulted in the OAG obtaining a successful “orange book” peer review.



Mr. Wilbur Hamner has performed numerous operational, attestation, consulting, financial, and compliance audits. Mr. Hamner has been instrumental in conducting an annual agreed-upon procedures audit that has assisted the Treasurer’s Office in identifying a number of county businesses that were not remitting a mandated excise tax (Stadium Excise Tax) to the County Treasurer. As a result, the County Treasurer’s Office has increased its annual collections of excise tax revenues.

Mr. Hamner was selected as a Peer Review team member by the Association of Local Government Auditors (ALGA) to conduct a peer review of a governmental internal audit division and attest to their compliance with IIA auditing standards. Mr. Hamner is a graduate of Wayne State University and holds a Bachelor of Science Degree in Accounting. In July 2013, he obtained a professional certification from the Institute of Internal Auditors “Certification in Risk Management Assurance (CRMA).” The CRMA demonstrates an individual’s ability to evaluate the dynamic components that comprise an organization’s governance and enterprise risk management program and to provide advice and assurance on core business processes with a focus on strategic organizational risks and risk management.

He also is a Certified Internal Controls Auditor and an Enrolled Agent with the Internal Revenue Service. Mr. Hamner is presently pursuing the Certified Internal Auditor certification. He holds professional memberships with the Institute of Internal Auditors and the Association of Government Accountants.



OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

John C. Kellett, CGAP, CICA – Audit Manager

Mr. Kellett joined the Auditor General’s Office in April 1999. During his time with the office, Mr. Kellett has been the lead auditor on many types of audits and special projects including operational, attestation, consulting, financial, and compliance audits.



In 2013, Mr. Kellett served as a peer review team member for the Allegheny County, PA peer review and was also selected in 2014 to serve as a team member for the Los Angeles County, CA, Metropolitan Transportation Authority peer review. The Association of Local Government Auditors (ALGA) conducts peer reviews of a governmental internal audit division and attests to their compliance with IIA auditing standards. Mr. Kellett has also been instrumental in preparing the OAG office for its peer reviews that are conducted every three years by ALGA. The most recent being in 2022 where the office obtained an “orange book” peer review.

Over the last 17 years he has been the leader of the Auditor General’s Technical Assistance Group providing critical technical support for our Computer Aided Auditing Techniques and Tools (CAATT) software. These CAATT help the office become more efficient and streamline audit processes. He also oversees the implementation and updates of the TeamMate software for the OAG’s electronic work paper system.

He presently has a professional certification from the Institute of Internal Auditors Certified Government Auditing Professional (CGAP). The CGAP demonstrates an individual’s knowledge of Government Auditing Standards, Governance, Risk and Control Frameworks, Practice, and Auditing Skills and Techniques. He also is a Certified Internal Controls Auditor.

Mr. Kellett is a graduate of Walsh College where he received his Master of Arts Degree in Economics. Mr. Kellett is also a member of the Institute of Internal Auditors.



Crystal L. Thomas – Supervisory Auditor

Ms. Thomas joined the Office of Legislative Auditor General’s Staff in April 2005 as the Legislative Staff Assistant and Confidential Secretary I. She was promoted to Office Manager, and later to Senior Auditor in 2008 after earning her Bachelors of Science degree. Ms. Thomas was promoted to Principal Senior Auditor in the fall of 2010, and most recently, Ms. Thomas was promoted to Supervisory Auditor in the winter of 2016. Ms. Thomas has been the lead auditor on numerous OAG Engagements. She is a recipient of the Recognition of Achievement Award issued by Wayne County in 2006 and was one of the recipients of the Meritorious Team Achievement Award in 2008.



Crystal Thomas is the founder of Samaritans Mission Organization (SMO), whose focus and mission is to decrease the number of homeless & hungry individuals, families and at-risk teens in our communities and city by assisting with the basic necessities and needs. Samaritans Mission Organization currently provides job placement, life skill training and room and board for young adult girls aging out of foster care through SMO Transitional Housing Program.

Ms. Thomas currently holds a Certificate for Online Adjunct Teaching (COAT) from Maryland College, Associate of Arts degree from Henry Ford Community College, Bachelor of Science degree from Franklin University, Master of Management degree and Human Resource Management Graduate Certificate from Walsh College. She is currently a Certified Quick Books Advisor pursuing a certification designation as a Certified Internal Auditor (CIA). Ms. Thomas is a member of the Institute of Internal Auditors and Association of Certified Fraud Examiners.

Tequila Warren – Supervisory Auditor

Ms. Tequila Warren joined the Auditor General’s staff in September 2016 and was recently promoted to Supervisory Auditor. She joined after several years of working in the public sector. Ms. Warren has consulted on a wide variety of engagements for clients in various sectors, from Fortune 500 companies to nonprofits and local governmental units. During her time with the OAG, Ms. Warren has been the lead auditor on many types of audits and special projects and most recently the Performance Audits of the Department of Information Technology (DoIT) Controls over Computer Asset and the Wayne County Treasurer’s Office – Forfeiture, Foreclosure and Auction Processes.



Ms. Warren graduated with honors from Wayne State University and holds a Bachelor of Science in Business Administration with a major in Finance. She has also earned a Master of Science in Accounting from Wayne State University and a Master of Business Administration from Lawrence Technological University. Ms. Warren is a member of Michigan Association of CPAs and the Institute of Internal Auditors.



Andrew Rea – Supervisory Auditor

Mr. Andrew Rea joined the Office of Legislative Auditor General’s staff in June 2009. Mr. Rea brought to the OAG five (5) years of experience in the public/private sector. He also brought experience in investigative techniques acquired through his formal education and previous employment experience. In recognition of his efforts, he was promoted to Principal Senior Auditor in 2016. In February 2023, Andrew was promoted to the position of Supervisory Auditor. As an auditor, he has played a large role in several important engagements, notably, the audits/reviews of the Pinnacle Racetrack Development, Central Accounts Receivable/Billing and Collection Activity, Examination of Billing Processes - Children & Family Services, Wayne County Land Bank Corporation, and the 2021 Performance Audit of the Wayne County Medical Examiner’s Office.



Mr. Rea attended Michigan State University where he obtained a Bachelor of Arts Degree. His future goals include obtaining a master’s degree and pursuing the Certified Internal Auditor certification. Mr. Rea is a member of the Institute of Internal Auditors.

Arica Jones, CIA – Principal Senior Auditor

Ms. Arica Jones joined the Office of Legislative Auditor General’s staff in September 2019 as a Senior Auditor. She was most recently promoted to Principal Senior Auditor in July 2022. Ms. Jones brought to the OAG over five (5) years of auditing experience covering the areas of Sarbanes Oxley financial compliance, internal controls, and operational auditing within various industries. Ms. Jones became a Certified Internal Auditor (CIA) with the Institute of Internal Auditors in September 2018 and has continued to pursue her interests in the profession.



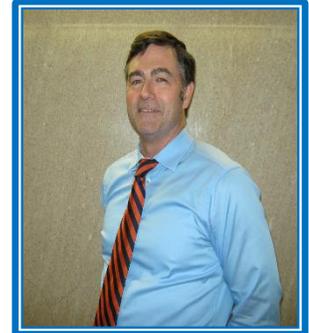
Ms. Jones earned her Bachelor of Arts in Finance from Michigan State University and her Master of Business Administration, with Accounting concentration from Wayne State University. During her graduate studies, she interned with the Wayne State University Office of Internal Audit, which began her career path in internal auditing. Ms. Jones is a member of the Institute of Internal Auditors and plans to pursue additional certifications as she specializes in her career in internal auditing.

During her tenure in the department, Ms. Jones has provided significant contributions towards financial assessments and performance engagements, including but not limited to the Building Authority Financial Assessment (s), the 2019 Parks Millage Distribution Audit, the 2020 DoIT Controls Over Computer Assets Audit, and the 2018 and 2019 Stadium Excise Tax engagements, and the 2022 Conflict of Interest Disclosure and DPS Roads Crew Hotline performance engagements.



Timothy Small – Principal Senior Auditor

Mr. Timothy Small joined the Auditor General’s staff in July 2022. Prior to that, he retired in 2018 after working 30 years as an auditor for the Department of the Army with the last 17 years as a supervisory auditor at the U.S. Army Audit Agency’s (USAAA) field office in Warren, Michigan. His audits centered on acquisition/maintenance of Army vehicle Systems (M1 Abrams, Strykers, HMMWVs, MRAPs, JLTVs) managed from Warren, MI, and the Washington, D.C. Area.



Tim’s audit career encompassed single location audits and multi-location audits including travel to 40 states and 5 countries. Along the way, it included a two-three year stint in each of the following locations:

- USAAA Korea Field Office including an audit in Japan
- USAAA Hawaii Field Office including an audit in the Marshal Islands
- Internal Review, HQ U.S. Army Reserve Command (Atlanta)
- Internal Review, HQ U.S. Army Europe (Germany)

During his career auditing for the Army, Tim earned the Department of the Army Civilian Service Commendation Medal and the Department of the Army Civilian Service Achievement Medal. He began his audit career spending two years auditing for the Sheet Metal Workers National Pension Fund. Tim obtained B.S. degrees in Accounting and Finance from the University of Illinois and has passed the CPA and CIA exams. He resides in Clarkston and has four children and three grandchildren. Tim has enjoyed playing and managing in the Detroit Men’s Senior Baseball League since locating here in 2001.

Maxwell Andries – Legislative Auditor III

Mr. Andries joined the Office of Legislative Auditor General’s staff in August 2022. He brings over 23 years in the Accounting and Auditing profession.

Mr. Andries’s professional career began in public accounting where he developed his accounting and auditing skills performing client write-ups, reviews, and financial audits. Mr. Andries also prepared taxes for individuals, businesses, and non-for-profit entities.



Prior to joining the OAG Maxwell worked for Motor City Casino for 18 years as Internal Auditor and eventually being promoted to Senior Auditor. While at Motor City Casino, Maxwell performed Compliance, Operational and Financial Audits of various areas of the casino such as, Title 31, General Accounting, Slot Accounting, Cage, Soft Count, Table Games, Table Games Accounting, Purchasing, Credit, Payroll and Hotel. Maxwell Andries holds a Bachelor of Science degree with a Major in Accounting from Wayne State University.



Sandra Allen, CIA - Legislative Auditor III

Ms. Allen joined the Office of Auditor General in February 2023. She brings over 25 years of audit experience in a variety of industries, including banking, consulting, healthcare, and nonprofits. She holds a BBA in Accounting from Eastern Michigan University and holds the CIA (Certified Internal Auditor) and CFSA (Certified Financial Services Auditor) designations. She is a member of the Detroit Chapter of the IIA (Institute of Internal Auditors) and the SEMCFE (Southeast Michigan Chapter of Certified Fraud Examiners). Some of the projects she has worked on for the Office of the Auditor General include Sole Source & Comparable Source Procurements, Community Based Residential Treatment Facilities, and Remonumentation Performance Audits, as well as the Building Authority Financial Assessment.



Ms. Allen is a synchronized swimmer and volunteers at several local youth and collegiate swim meets during each year.

Personnel Changes

During 2023, the OAG experienced four personnel changes. In January, Michael Sosnowski, Audit Manager, retired after serving the County with the OAG for 16 years. In February, Sandra Allen, Legislative Auditor III, joined the OAG. In August, Ms. Melinda Haner, Audit Manager, left the OAG to follow other job opportunities and the OAG wishes her well in her future endeavors. Also, in August, the OAG welcomed back Mr. John Kellett, Audit Manager, who returned to the OAG after departing in April 2022. ■

Strategic Audit Group (SAG)

The Strategic Audit Group (SAG) was established in 2007. The responsibilities of this group are to review, develop and revise audit policies and procedures and design appropriate audit/project procedures and processes to ensure the audit and other work products of the OAG are in compliance with authoritative professional standards and best practices. The members of the SAG team consist of the following OAG team members:

- Marcella Cora, Auditor General
- Wilbur Hamner, Audit Manager
- John Kellett, Audit Manager ■



OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Technical Assistance Group (TAG)

The OAG established the Technical Assistance Group (TAG) several years ago. The members of the TAG team consist of the following individuals:

- Marcella Cora, Auditor General
- John Kellett, Audit Manager
- Andrew Rea, Supervisory Auditor

This group has been very instrumental in providing leadership and technical support in the area of office technology including the selection, installation, implementation, and daily support for the OAG's computer systems, software, and related peripherals. It also develops policies and procedures for use and care of computer hardware, software, and peripherals. The group is comprised of a team with diverse disciplines committed to ensuring the OAG utilizes the most effective and efficient computer aided auditing tools and technologies, or Computer Assisted Auditing Tools and Techniques (CAATT), in our audit and administrative processes. The group has allowed the OAG to eliminate many of the routine service calls that otherwise may have gone to the county's help desk. ■

Giving Back to the Community

During the year, several staff members in the OAG volunteered their time, talents and professional expertise to assist in community charitable initiatives. A list and brief description of the organizations to which they volunteered are below:

Samaritans Mission Organization



Ms. Crystal Thomas, Supervisory Auditor, is founder of a non-profit with a goal to eliminate hunger, poverty, and homelessness within our communities. Ms. Thomas has an Independent Living Transitional Home for young adult girls aging out of foster care. This transitional home (Malaya Home) is located in Detroit - District 7

where Ms. Thomas family had resided for more than 54 years. This home provides job placement and life skills training and a safe haven to grow and become a positive productive citizen.

Michigan State University Black Alumni



Ms. Arica Jones, Principal Senior Auditor, has continued to support the Michigan State University Black Alumni Association (MSUBA) by serving on executive board committees and by volunteering at special events. MSUBA's purpose is to support and promote the welfare and interests of Black alumni, students, faculty, and staff of



Michigan State University. The organization awards scholarships to deserving students every year.

In 2022, Ms. Jones volunteered at the annual Welcome to Sparta program, to support incoming freshman from the metropolitan Detroit area in their adjustments to campus life, and prepared food for the homeless during the annual Spartan Serve Week.

Ms. Jones has continued to pursue her interests in volunteering and community service outside of her professional duties. In 2023, she attended the Detroit Regional Chamber’s Detroit Policy Conference and volunteered as a hostess at the Annual NAACP fundraising dinner in Detroit. She also served as a volunteer at the annual Wayne County Turkey Drive alongside other County employees. ■

2023 Significant Accomplishments

In 2023, the OAG had many accomplishments. Two of our most significant accomplishments included implementation of our report recommendations and achieving our staff member training goals as described below.

Recommendations Implemented

Arguably, the single most important measure of effectiveness of any internal audit organization is the level or rate of implementation of the recommendations contained in issued reports. We are extremely proud to report in 2023 the completion of four (4) corrective action plan engagements where we examined and assessed implementation status of a total of ninety-three (93) previously issued recommendations. Of the ninety-three (93) recommendations, management has either sufficiently implemented or is in the process of implementing all ninety-three (93), or 100 percent of the prior recommendations. Moreover, we recognize that the implementation rate achieved is a testament to elected officials and management’s desire and willingness to improve the risk environment here in the county, despite reduced resources. Listed below is a summary status of the recommendations addressed during 2023.

SUMMARY STATUS OF PRIOR RECOMMENDATIONS ADDRESSED IN 2023

Total Number of Recommendations Examined	Status				
	Resolved	Partially Resolved	In Process	No Longer Applicable	Un-Resolved
93	63	0	30	0	0



Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Training Goals Achieved

Ensuring that each audit professional staff member receives the required Continuing Professional Education (CPE) credits and training is essential for any effective internal audit organization, particularly peer-reviewed organizations such as the OAG. During 2023, the OAG provided education and training opportunities to each professional audit staff member. This training ensures each staff member receives the proper CPE credits of 80 hours (every two years) required under the Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States. During 2023, we also ensured staff obtained the required training to perform audits in accordance with the International Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and the American Institute of Certified Public Accountants.

We believe staff development is a continuous process that benefits both the staff and county by ensuring staff enhance their skills and stay abreast of current industry guidance and best practices. See Appendix A for a detailed listing of seminars and conferences attended by staff during 2023. All of the training received during 2023 was obtained through webinars, webcasts, and remote professional development conferences.

Another method in which the OAG provides staff development is through the support of staff members and their efforts to obtain professional certifications, including, but not limited to:

- Certified Public Accountant (CPA)
- Certified Internal Auditor (CIA)
- Certified Government Financial Manager (CGFM)
- Certified Government Audit Professional (CGAP)
- Certified Internal Controls Auditor (CICA)
- Certified Risk Management Auditor (CRMA)

The OAG professional development goal is to maximize the value of the Auditor General's work by continuing to promote quality, professionalism, and productivity. The OAG continuously encourages all staff to pursue professional certifications and maintain memberships in various professional organizations. These memberships allow staff to interact and network with professional colleagues and stay abreast of the latest trends and best practices in the industry. In addition, through these various professional organizations, members of the OAG are able to demonstrate their leadership skills by serving on various committees. Other members of the OAG also serve in leadership positions in various professional organizations. ■

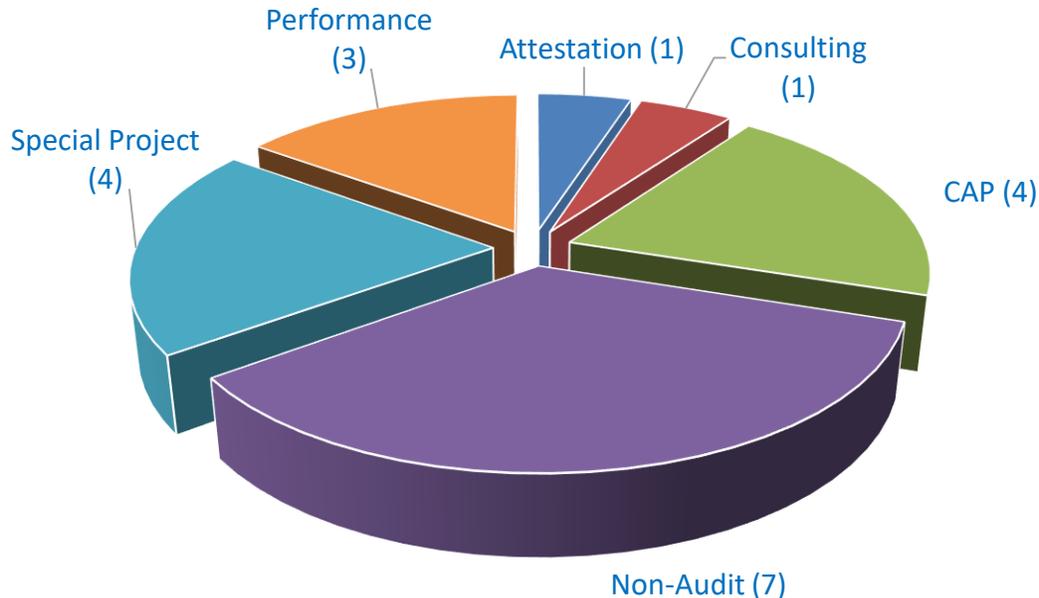


2023 Productivity in Review

Our 2023 audit work plan identified 20 engagements/projects with a goal to complete 20 audit/review reports or projects for the year. The OAG accomplished that goal completing and issuing 20 audit or review reports as well as four (4) administrative projects. The 20 completed audits or review reports consisted of three (3) Performance, one (1) Attestation, one (1) Consulting, four (4) Corrective Action Plan, seven (7) Non-Audit Services which were Financial Assessment – Limited Review engagements, and four (4) Special Projects. The audit/review reports contained 25 new recommendations for county management primarily aimed at strengthening controls through developing Disaster Recovery Plans, establishing and enforcing segregation of duties, and enhancing the monitoring and review of operational reports. Based on our productivity goal of 20 completed engagements/projects for 2023, we achieved 100 percent of that goal.

The following pie chart illustrates a breakdown of the 20 completed audits or review reports by type. We also included a synopsis of a few key reports/projects that could have a measurable impact on county operations if the recommendations contained in the reports are fully implemented. See Appendix B for a detailed listing of all completed 2023 audit/review reports. ■

Type of Audit or Review Reports Completed

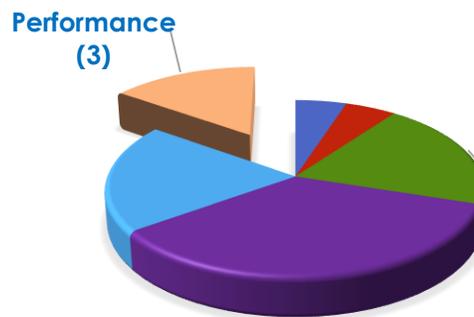




Performance

Three (3) Performance audits were completed by the OAG during 2023, which represented 15 percent of the total audits/projects. This type of engagement provides an objective analysis to assist management and those charged with governance and oversight. The information provided can help improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action and contribute to public accountability.

PERFORMANCE ENGAGEMENTS



Two (2) significant performance engagements that had an impact on county operations are summarized below.

[Wayne County Department of Personnel and Human Resources \(P/HR\) – Conflict of Interest \(COI\) Disclosure Process](#)

The Office of Legislative Auditor General conducted a performance audit of the Department of Personnel and Human Resources (P/HR), Conflict of Interest (COI) Disclosure process. Our engagement objectives and scope were to: 1) determine whether the Contract Manager’s Report was updated biannually in accordance with the Wayne County Procurement Ordinance; and 2) determine whether the COI Disclosure was filed by public servants of the County by March 15 each year in accordance with the Wayne County Ethics Ordinance during calendar years 2019 through 2021.

As a result of our audit, we identified several areas that should be addressed to manage and mitigate risks pertaining to the updating and maintenance of the Contract Manager’s Report, and the review of COI Disclosure Forms of Evaluation Committee members.



We also noted several areas in the internal control environment which needed to be strengthened, including but not limited to, the following areas: establishment of a written disaster recovery plan for the COI Application in advent of an emergency and/or system shutdown; enhance monitoring over the COI Disclosures that are unfiled by County employees; verification of the COI Disclosure files that are recorded within the COI Application; consistency in communication of COI Disclosure status reports to County officials; monitoring and review of the timeliness of COI Disclosures filed by new hires and rehires.

We noted that the Department of P/HR should also consider developing a process to effectively track the COI Disclosure Forms that have been amended and/or submitted after the reporting cutoff date to monitor compliance to the Ethics Ordinance to ensure the accuracy of the information reported in the COI Application.

There were six (6) issues and 16 recommendations made to strengthen controls and processes within the Department of Personnel and Human Resource and the Procurement Division's operations. Two (2) of these issues are classified as significant deficiencies, and four (4) of these issues are classified as control deficiencies, which are deemed to be low risk.

We discussed the issues and corresponding recommendations with representatives from the Department of Personnel and Human Resources and the Procurement Division. Management agreed with all 16 recommendations within the six (6) issues.

Department of Public Services (DPS), Roads Division – 1-888-Road Crew Hotline Process

The Office of Legislative Auditor General conducted a performance audit of the Department of Public Services (DPS), Roads Division, 1-888-Road Crew Hotline Process. Our objective was to assess the DPS Roads' process for handling publicly reported road conditions that are submitted through the 1-888-Road Crew hotline for efficiency, effectiveness, and timeliness.

As a result of our audit, we noted instances where the internal control environment will need to be strengthened, including but not limited to the following areas: monitoring of road hazard request to ensure that service requests are acknowledged, completed, and closed in a timely manner; maintaining segregation of duties between DPS personnel when processing and assigning road hazard requests; development of a process to track and report road hazards occurring outside the county's jurisdiction to local governments; and enhanced monitoring of operational reports to assess the status of open service requests.

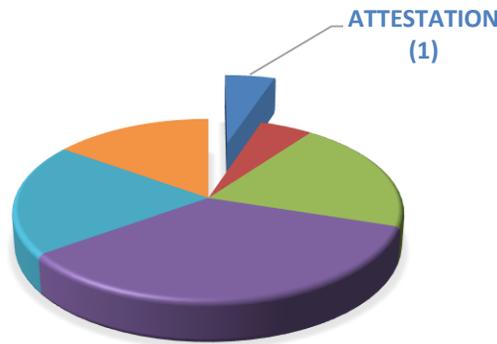
There were five (5) issues and nine (9) recommendations made to strengthen controls and processes within the DPS Roads Division operations. Two (2) of these issues are classified as significant deficiencies, and three (3) of these issues are classified as control deficiencies which are deemed to be low risk. We provided DPS Roads Division management with a copy of our report. Management agreed with all nine (9) recommendations.



Attestation

During the year, one (1) or 5 percent, of our completed reports/projects was an Attestation engagement. This type of engagement may include Examinations, Agreed-Upon Procedures, and Compliance. These engagements involve an internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system, or other subject matter.

ATTESTATION ENGAGEMENTS



The attestation engagement performed during the year was an Agreed-Upon Procedures engagement at the request of the Wayne County Commission.

Wayne County Commission Agreed-Upon Procedures January 1, 2019 through December 31, 2020

At the request of the Wayne County Commission, the OAG contracted with a certified public accounting firm to perform the engagement. The independent auditors performed procedures on the expenses, transactions, and policy controls of the Commission for the period from January 1, 2019 through December 31, 2020. Twenty procedures related to the areas of non-payroll disbursements, mailing expenditures, payroll and human resources management, minutes, commissioner budgets and monthly expense reports, and OAG reports were performed using reviews and sample tests. Exceptions were found in 3/20 procedures performed and management agreed with all procedure results.



OAG

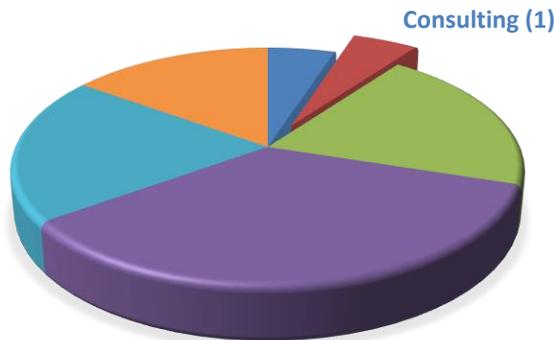
Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Consulting

The OAG receives requests from the county commission, other elected officials, and department heads to review specific activities or programs not necessarily identified in our annual audit/work plan. Frequently, because of their intimate knowledge of county government operations and close contact with constituents, commissioners become aware of problems or areas of concern that are communicated to the OAG and request for reviews and/or assessments to be performed. As a result, we have developed a consulting review engagement process to respond to these requests. Many of these engagements have resulted in confirmation of the existence of problems and formulation of solutions to address or improve county operations and services.

CONSULTING ENGAGEMENTS



Our responsiveness to these requests enhances the commission's and other county officials' ability to carry out their oversight responsibilities and respond to constituent concerns thoroughly and completely. During the year, one (1) of the completed reports/projects was a consulting engagement. The report was our annual report on Budget Sensitive Issues and Review of the County's FY 2022 Annual Comprehensive Financial Report. This report identifies matters of budgetary concerns, audits, consulting, and other engagement reports that contain issues which could have a budgetary impact on county operations and financial position. This report is instrumental for the benefit and use of the county's Ways & Means Committee during its budget deliberation process.



Special Projects

Four (4) Special Projects were completed by the OAG during 2023, which represented 20 percent of the total reports/projects. Special projects represent an array of work projects from development of our annual audit/work plan to our annual report.

SPECIAL PROJECTS



Non-Audit Services

Seven (7) Non-Audit Services were completed by the OAG during 2023, which represented 35 percent of the total reports/projects. The Non-audit service engagements were financial assessment – limited review engagements in which the OAG assessed the FY 2022 stand-alone financial statements issued by external auditors regarding the following county entities:

- Wayne County Employees' Retirement System - Defined Benefit Plan
- Wayne County Employees' Retirement System - Defined Contribution Plan
- Wayne County Land Bank Corporation
- Wayne County Sewage Disposal Systems
- Wayne County Building Authority
- Health Choice of Michigan
- Wayne County Detroit Community Development Entity

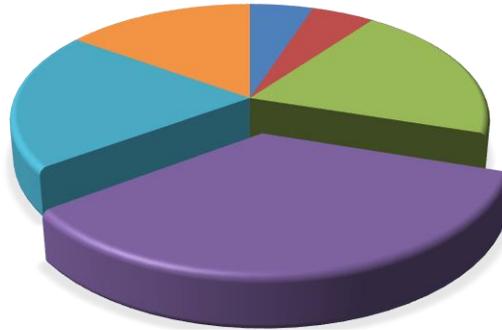


OAG

Office of Legislative Auditor General

500 Griswold, 8th Floor * Detroit, Michigan 48226 * Phone (313) 224-8354 * <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

NON-AUDIT SERVICES



Non-Audit (7)

APPENDIX A
LIST OF TRAINING COMPLETED
2023

**WAYNE COUNTY OFFICE OF LEGISLATIVE AUDITOR GENERAL
LIST OF TRAINING SEMINARS AND CONFERENCES ATTENDED
2023**

SPONSORING ORGANIZATION	SEMINAR / CONFERENCE	DATE(S) ATTENDED
Checkpoint Learning	Nonprofit and Government Auditing Series	Various
Wolters Kluwer	Various Topics	Various
Auditboard	Various Topics	Various
Rehman	Governmental GAAP Update	1/25/2023
Rehman	Nonprofit GAAP Update	1/26/2023
IIA	Fraud Fighters: Trends, Corruption, Flaws	3/2/2023
Plante Moran	Accounting Standards Update for Nonprofits	3/14/2023
Plante Moran	Plante Moran 2023 Tax Updates	3/21/2023
Plante Moran	Top Risks Your Nonprofit is Facing	3/28/2023
IIA	Proposed Standard – Quality Assessment	5/4/2023
IIA	Transforming Internal Audit	5/9/2023
Plante Moran	GASB 94 and 96: Preparing to Implement	5/23/2023
IIA	Important of Auditing Equity Factors in Public Sector	5/23/2023
ACFE	Disambiguating Entities with Identical Names	5/30/2023
IIA	IIA Canada Exec. Leadership Panel Digital Acceleration	5/31/2023
IIA	Implementing 2023 COSO Fraud Risk	6/22/2023
IIA	ESG Risk and Compliance Mgmt	6/27/2023
Plante Moran	2023 Compliance Supplement & Single Audit Update	6/29/2023
IIA	How Internal Audit Can Master Pervasive Economic	4/25/2023
MICPA	Making More Time	7/12/2023
MICPA	Servant Leadership 101	7/14/2023
MICPA	Why CPA Must Secure Their Own Mask	7/14/2023
Plante Moran	Inflation Reduction Act Tax Credits for Government	8/15/2023
ACFE	Advantage Undetected How Fraudsters Benefit	8/15/2023
IIA	Preparing for New SEC Cyber Disclosures	8/31/2023
IIA	Week in Life of Agile Auditor	9/12/2023
IIA	Data Privacy and AI:Four Pillars	9/19/2023
AICPA	Oversight of Corporate Culture	9/25/2023
IIA	How Audit Leaders Prepare for Digital Risk	10/5/2023
IIA	How Audit Leaders are Preparing for Digital Risk	10/5/2023
IIA	ESG Preparedness Internal Audit's Path	10/10/2023
AICPA	Behavioral Ethics - Assess Culture and Why	10/12/2023
IIA	How to Use Technology to Grow Internal Audit	10/24/2023
Rehman	Cybersecurity in the Public Sector	10/25/2023
AFPA	Professional Development Conference	11/20/2023

APPENDIX B

**COMPLETED AUDIT AND REVIEW REPORTS
AND SPECIAL PROJECTS
2023**

Proj. No.	Report/Activity Title	Report Date	Date to AC	DAP No.	Activity Type
1	Budget Sensitive Issues/Review of the County's ACFR for FY 2022	7/31/2023	8/23/2023	2023-57-803	CC
2	Commission Audit 2019-2020	2/22/2023	4/5/2023	2021-57-808	AA
3	WCERS Defined Benefit Plan FY 2022	2/20/2023	3/8/2023	2023-57-900	Non-Audit
4	WCERS Defined Contribution Plan FY 2022	2/20/2023	3/8/2023	2023-57-901	Non-Audit
5	Land Bank FY 2022 Financial Assessment	7/10/2023	7/26/2023	2023-57-902	Non-Audit
6	Sewage Disposal FY 2022 Financial Assessment	5/20/2023	8/9/2023	2023-57-903	Non-Audit
7	Building Authority FY 2022 Financial Assessment	7/12/2023	9/13/2022	2023-57-904	Non-Audit
8	Health Choice of MI FY 2022 Financial Assessment	5/15/2023	7/26/2023	2023-57-905	Non-Audit
9	Community Development Entity FY 2022	7/21/2023	9/13/2023	2023-57-906	Non-Audit
10	ERP System Implementation	12/22/2022	2/8/2023	2021-57-006	PER
11	Conflict of Interest	3/20/2023	5/10/2023	2022-57-001	PER
12	DPS 1-888 Road Crew	10/18/2023	11/8/2023	2022-57-002	PER
13	Contract to Provide MEO Services - Corrective Action Plan	3/21/2023	4/12/2023	2022-57-010	CAP
14	Parks Millage – Corrective Action Plan	5/2/2023	6/21/2023	2022-57-012	CAP
15	Jail Inmate Property – Corrective Action Plan	6/12/2023	6/21/2023	2022-57-003	CAP
16	DOIT – Corrective Action Plan	9/28/2023	10/11/2023	2023-57-001	CAP
17	2022 OAG Annual Report	1/6/2023	1/11/2023	2023-57-800	SP
18	2023 OAG Annual Plan	1/23/2023	1/25/2023	2023-57-801	SP
19	FY 22 External Audit AU 260 Letter	3/17/2023	5/24/2023	2022-57-906(A)	SP
20	WCAA External Audit Recommendation	8/2/2023	8/9/2023	2023-57-802	SP

CC - Consulting
AA - Attestation
PER – Performance
CAP – Corrective Action Plan
Non-Audit – Financial Assessment (Limited Review/ Limited Analytical
SP – Special Project

APPENDIX C

STATEMENT OF ORGANIZATION INDEPENDENCE

Office of Legislative
Auditor General

MARCELLA CORA CPA, CIA, CICA, CGMA
AUDITOR GENERAL



500 GRISWOLD STREET
STE. 842 GUARDIAN BLDG
DETROIT, MICHIGAN 48226

TELEPHONE: (313) 224-8354

Statement of Organizational Independence

IIA Standards – Attribute Standard

1110 – Organizational Independence

The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.

1110.01 – The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results.

GAS 3.17-3.64 – Independence

3.18 - In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent.

Two important requirements to ensure success and credibility of the Office of Legislative Auditor General (OAG) are independence and objectivity. This involves maintaining a mental attitude and perspective of independency in fact and appearance. The internal audit activity must be free from interference in determining the scope of internal auditing, performance of work, conclusions drawn, and reporting and communicating the results. These parameters are set forth in the Wayne County Charter Section 3.119 and Wayne County Code of Ordinances Chapter 65 and are applied to the OAG functions and auditors who are involved in the activities prescribed.

The Auditor General shall be appointed by a majority of the Commissioners serving. The Auditor General may be removed for cause by a 2/3 vote of the Commissioners serving. The Auditor General reports directly to the Chairs of the Audit Committee and the Wayne County Commission who is authorized the responsibility for independently managing the audit function. Therefore, the OAG is considered free from impairment to independence as stated in 3.28.b and 3.29b of the Government Auditing Standards.

Along with the structure as outlined above, the OAG assure this concept as it applies to the internal audit function on an annual basis and/or as required. These elements joined together must meet the requirement for Organizational Independence required under Standard 1110 of the International Standards for the Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors and the Government Auditing Standards

NOTE: The most relevant Government Auditing Standard (GAS) and Institute of Internal Auditors (IIA) Standards are listed at the bottom of this statement.

Identify audit areas that may be affected or where organizational independence may be impaired:

Wayne County Commission Audit (Completed once every two years) – Audit is completed by external agency

POSSIBLE ORGANIZATIONAL IMPAIRMENTS TO THE OAG’S INDPENDENCE

I have reviewed the activities, functions, organizational structure, and reporting lines with respected to Wayne County and the component departments, elected officials, component units, agencies, programs, and processes. I am not aware of any circumstances that might impair or lead others to question the OAG’s ability to be independent, impartial, and objective on any audit/engagement, except as indicated above. Therefore, any potential impairment listed above are areas that the OAG does not engage.

RESPONSIBILITY TO UPDATE THIS DISCLOSURE

I understand that I am also responsible to make timely written notification in the event any other circumstance arises during the course of the year that might impair or appear to impair the OAG’s independence with respect to an audit or activity (this includes external impairments and required disclosure related to non-audit services as noted in GAGAS and the IIA Standards).



12/20/2023

Marcella Cora, Auditor General

Date

Wayne County Commission 2023 Leadership

Chairwoman

Vice Chair



Joseph Palamara



Alisha R. Bell

Vice Chair Pro Tempore



Sam Baydown

2023 Committee on Audit Members

Responsibilities: Mandated by the Wayne County Charter, the committee reviews the reports of the Auditor General and the independent external auditor. It also monitors compliance with audit findings and the county's internal control environment.



Ray Basham
Chairman



David M. Knezek Jr.
Vice Chair



Melissa Daub



Tim Killeen



Irma Clark-Coleman



2023 ANNUAL REPORT
WAYNE COUNTY OFFICE OF LEGISLATIVE AUDITOR GENERAL

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>