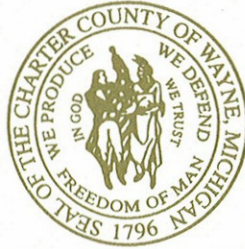


Office of Legislative
Auditor General

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December 15, 2011

Final Report Transmittal Letter

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Office of Legislative Auditor General's Jail Medical Health Services Program Corrective Action Plan and Auditor General's Assessment. Our report is dated November 14, 2011; DAP No. 2011-57-006. The contents of this report did not change significantly from the draft report previously issued. The report was accepted by the Audit Committee at its meeting held on December 6, 2011 and formally received by the Wayne County Commission on December 15, 2011.

We are pleased to inform you that officials from the Jail Medical Health Services Program and the Department of Health & Human Services provided their full cooperation. If you have any questions, concerns, or desire to discuss this 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 Office of Legislative Auditor General's final reports can be found on our website at: <http://www.waynecounty.com/commission/lagreports.htm>.

Willie Mayo, CPA, CIA, CGAP, CICA
Auditor General

REPORT DISTRIBUTION

Wayne County Jail Medical Health Services Program
Dr. Keith Dlugokinski, Director

Department of Health & Human Services
Edith Killins, Director, Health & Human Services
Andre Stringfellow, Director-Finance

Department of Management and Budget
Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants Compliance and Contracts Management
Kevin Haney, Budget Director

Wayne County Executive



Office of Legislative
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November 14, 2011

DAP No. 2011-57-006

Honorable Ilona Varga, Chairwoman
Audit Committee
Wayne County Commission
County of Wayne, Michigan
500 Griswold Ave., Suite 766
Detroit, MI 48226

Subject: **Corrective Action Plan**, including the Auditor General's Assessment, dated September 26, 2011 for the Jail Medical Health Services Program, Operational Assessment Review.

Dear Chairwoman Varga:

In accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, the Office of Legislative Auditor General (OAG) requested Jail Medical Health Services (JHS) to submit a Corrective Action Plan (CAP) for multiple recommendations identified in the operational assessment review report, dated September 26, 2011.

Jail Medical Health Services provided the CAP as requested. Attached is a Summary and Assessment of the CAP prepared by the OAG. The summary schedule includes: the recommendations; management's comments on the findings and recommendations; management's action taken or planned; whether management has or intends to implement the recommendations; responsible person(s)/area; implementation or targeted implementation date; and, the Auditor General's assessment.

Our assessment of the CAP indicated that JHS has taken sufficient action to address four of the six recommendations. Although a follow-up report will not be required for four of the recommendations, a follow-up report is necessary for one recommendation.

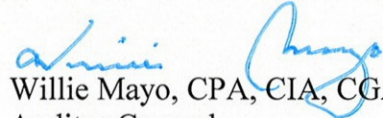


However, Management and Budget disagreed with the sixth recommendation summarized as follows:

- ❖ **Recommendation 11-06** – Create a control mechanism to enhance the budgeting process to accurately budget revenues from the Wayne County Airport Parking Tax or other revenue sources to more accurately reflect the amount received. When anticipated revenue will not be received, amend the budget appropriately.

We have discussed the above recommendation with management and they have elected to assume the risk related to the underlying risk inherent in the findings\recommendations by not implementing any corrective action. We disagree with their assertions about the risk; however, the OAG will consider this recommendation to be unresolved and no further action will be taken on our part.

Respectfully submitted,



Willie Mayo, CPA, CIA, CGAP, CICA
Auditor General

Pc: Dr. Keith Dlugokinski, Director, Jail Medical Health Services
Edith Killins, Director, Health and Human Services
Andre Stringfellow, Director-Finance, Health and Human Services
Carla E. Sledge, Chief Financial Officer, Management & Budget
Terry L. Hasse, Director, Grants Compliance and Contract Management, Management & Budget

Attachment

**Wayne County Department of Health and Human Services
Jail Medical Health Services Program
Operational Assessment Review Engagement Report**

**Summary and Assessment of
CORRECTIVE ACTION PLAN**

Auditor General's Recommendation	Management's Comments on Findings and Recommendations	Management's Action Taken or Planned	Management has or Intends to Implement the Recommendation Yes/No	Responsible Person(s)/ Area	Implementation or Targeted Implementation Date	Auditor General's Assessment
<p>11-01</p> <p>We recommend management of the Jail Medical Program maintain an on-going log of all controlled substance drugs received and disbursed as well as the implementation of an electronic perpetual inventory database of all controlled substances and reconcile those to a physical count on a biennial basis.</p>	<p>Agree</p>	<p>JHS, through the pharmacy, has established an on-going log of all controlled substance drugs that have been purchased and subsequently dispensed. In addition, an electronic database has been developed such that the inventory of controlled substances can be tracked and reconciled on a regular basis. This will provide a perpetual inventory.</p>	<p>Yes</p>	<p>Pharmacist</p>	<p>Implemented</p>	<p>During our review, we verified the pharmacy maintains a manual ongoing log of all controlled substances that have been purchased and/or distributed. In addition, the pharmacy has implemented the Correctional Institution Pharmacy Systems (CIPS) electronic database to maintain a perpetual inventory of all controlled substance medications.</p> <p>Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p>
<p>11-02</p> <p>We recommend management of the Jail Medical Program evaluate the identified key functions within the program and establish a cross-training system and/or hire support staff for the key functions to</p>	<p>Agree</p>	<p>JHS has provided cross training in the areas of payroll data entry and enrollment in the inmate Third Party Administrator (TPA) health benefits program. Key functions will be able to continue in these areas in the absence of the primary staff assignment. JHS is working with central payroll to schedule self-</p>	<p>Yes</p>	<p>Jail Medical Health Services Director</p>	<p>Implemented</p>	<p>During our review, the OAG obtained verification of the training that has taken place and its participants. Training encompassed procedures for Blue Cross/Blue Shield enrollment and payroll.</p>

**Wayne County Department of Health and Human Services
Jail Medical Health Services Program
Operational Assessment Review Engagement Report**

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ensure the goals and objectives for the program are met.		service time reporting entry training for all staff and approvers to reduce the burden of a centralized payroll entry system.				Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
11-03 We recommend management of the Jail Medical Program implement policies and procedures for all reporting units that will require a process for sign-ins and sign-outs along with a reconciliation from the time report to the sign-in sheets prior to approval.	Agree	JHS has established a standardized "sign in" procedure to account for all staff member's arrival and departure from the worksite. The "sign in" sheet will provide a primary data source to validate payroll time entry.	Yes	Jail Medical Health Services Director	Implemented	During our review, the OAG received a policy that requires all nine (9) units within Jail Health Services to adopt a sign-in/out process. We were able to review the sign-in sheets. The policy also describes the process for reconciliation between the time reports and the sign-in sheets. Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

**Wayne County Department of Health and Human Services
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<p>11-04</p> <p>We recommend the Jail Medical Program establish procedures to retain copies of the County's Annual Disclosure form, along with the transmittal within the program to demonstrate compliance with this new provision of the Procurement Ordinance.</p>	<p>Agree</p>	<p>JHS staff required to complete the County's Annual Disclosure form have done so on a regular basis but have not maintained a copy onsite at the Jail. JHS will keep a copy of all required Annual Disclosure forms onsite at the Jail.</p>	<p>Yes</p>	<p>Jail Medical Health Services Director</p>	<p>Next required cycle of disclosure requests.</p>	<p>During our review, the OAG received a copy of the revised policy statement which specifically identifies the procedure for the completion and maintenance of the Annual Disclosure form.</p>
<p>11-05</p> <p>We recommend the Jail Medical Program meet with Sheriff officials to ensure that revenue intended for medical services are allocated to Jail Medical Health Services Program.</p>	<p>Agree</p>	<p>HHS, as the Department for JHS Division, has requested from M & B and the Sheriff review of the accounting for revenue received from the United States Marshal Service (USMS) inmates. Documentation has been provided by the Department that validates JHS has an obligation to provide services to this population and that JHS expenditures were included in calculations to develop the per diem charge to the USMS. M & B is reviewing the proposal request.</p>	<p>Unable to Determine</p>	<p>HHS Central Finance</p>	<p>Not Implemented</p>	<p>Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p> <p>During our review, we requested verification of communication with M&B and the Sheriff's Office regarding this matter. We were unable to obtain verification that correspondence was sent to M&B and the Sheriff's Office.</p> <p>Based on our limited review of action taken, it appears management has not adequately addressed</p>

**Wayne County Department of Health and Human Services
Jail Medical Health Services Program
Operational Assessment Review Engagement Report**

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						the recommendation. A follow-up review may need to be conducted at a later time to determine whether management has implemented corrective action that adequately addresses the recommendation and mitigates its risk.
11-06 We recommend creating a control mechanism to enhance the budgeting process to accurately budget revenues from the Wayne County Airport Parking Tax or other revenue sources to more accurately reflect the amount to be received. When anticipated revenue will not be received, amend the budget appropriately.	Disagree	None other than current practice. The collection of Airport Parking Taxes (APT) is a function of the economy which dictates the number of individuals who are flying out of the airport, utilization of parking lots and the amounts charged by airport and private vendors for spaces at the lots in question. None of these variables are in the control of the County. The County is third in line behind the Aeronautics Fund (\$6 Million) and the City of Romulus (\$1.5 million). The County is entitled to the balance. The County begins receiving APT usually in February	No	Management and Budget	N/A	While we disagree with management's assertion about the risk related to the underlying finding and associated recommendation, it appears management has assumed the risk inherent in the finding/recommendation by not implementing any corrective action.

**Wayne County Department of Health and Human Services
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		or March (depending on collections that year) on a monthly basis in a semi-cyclical nature with the summer months providing the highest collections. The County receives the final taxes in late September – early October and as a result the total amount received is not known until after fiscal year end.				