Office of Legislative
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February 16, 2012

FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Corrective Action Plan (CAP) and Auditor General's Assessment for the Operational Assessment Review Report on the Food Safety Unit, Environmental Health Division, Wayne County Health Department, Department of Health and Human Services. Our report is dated January 30, 2012; DAP No. 2011-57-010. The contents of this report did not change from the draft report previously issued. The report was accepted by the Audit Committee at its meeting held on February 7, 2012 and formally received by the Wayne County Commission on February 16, 2012.

You will be pleased to know that officials and staff in the Food Safety Unit, Environmental Health Division, Wayne County Health Department, Department of Health and Human Services and Management & Budget offered their full and complete cooperation during the review. 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 purposes. Copies of all Office of Legislative Auditor General's final reports can be found on our website: http://www.waynecounty.com/commission/lagreports.htm

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

REPORT DISTRIBUTION

Wayne County Health and Human Services

Edith J. Killins, Director
Dr. Mouhanad Hammami, Acting Director, Public Health Division
Carol Austerberry, Environmental Health Director, Health Department
Andre Stringfellow, HHS Central Finance Director

Wayne County Department of Management & Budget

Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants Compliance and Contracts Management

Wayne County Executive

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January 30, 2012 DAP No. 2011-57-010

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 January 10, 2012 for the Operational Assessment Review report on the Food Safety Unit, Environmental Health Division, Wayne County Health Department, Department of Health and Human Services.

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 the Food Safety Unit, Environmental Health Division, Wayne County Health Department, Department of Health and Human Services to submit a Corrective Action Plan (CAP) for the four recommendations identified in the Operational Assessment Review report, dated June 8, 2011.

The Food Safety Unit, Environmental Health Division, Wayne County Health Department, Department of Health and Human 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 the Food Safety Unit, Environmental Health Division, Wayne County Health Department, Department of Health and Human Services has taken sufficient action to address three of the agreed upon recommendations. However, the fourth recommendation remains unresolved.

Respectfully submitted,

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

Pc: Edith J. Killins, Director, Wayne County Health and Human Services
Dr. Mouhanad Hammami, Acting Director, Public Health Division
Carol Austerberry, Environmental Health Director, Health Department
Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants Compliance and Contract Management
Andre Stringfellow, Director, HHS Central Finance

Attachment

Wayne County Health Department
Health and Human Services/ Environmental Health Division
Food Safety Unit
Operational Assessment Review

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
2011-01	We recommend that food inspection management work closely with the Department of Technology to restore the website to its original status prior to the upgrades, and the Food Safety Unit should review and update the website periodically.	Agree	The Food Safety Unit Wayne County website pages have been revised to include a link to restaurant inspection reports. At least annually, the website pages for the Food Safety Unit will be reviewed and updated.	Yes	Environmentalist	Implemented	We were able to verify that the Food Safety Unit website has been updated and includes a link to the restaurant inspection reports. We also confirmed that management will perform an annual review and any updates will be made. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2011-02	We recommend Management review the budget on a regular basis to ensure the budget is realistic and based on actual available revenue.	Agree	Each month the Finance Director is sending out monthly spreadsheets that detail the revenue and expenses for the Food Safety Unit. The Environmental Health (EH) Director reviews those spreadsheets and consults with the Deputy Health Officer on the revenue and expenditures.	Yes	HHS – Finance Director	implementation 7/01/12	We reviewed the spreadsheets for the first quarter of FY 2012 and noted that the budgeted revenues are over two times what were actually received in FY 2011. We spoke with the HHS – Finance Director who indicated the unit expects to receive this revenue. Officials further indicated they plan to monitor the collections monthly. However, the OAG questions whether the increased revenue is achievable even with an increase in fees. At this time we consider this recommendation to be unresolved and we will continue to monitor and a follow-up maybe necessary after July 1, 2012 to determine whether the budgeted revenue was actually received.

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
2011-03	We recommend program management review the license fee schedule on an annual basis and assess whether costs are being covered. Furthermore, when updates are necessary, management should submit the fee schedule to the commission for approval.	Agree	On August 4, 2011 the Wayne County Commission approved increases to the Environmental Health User Fee Schedule. Each year as part of the budget process the EH user fee schedule will be reviewed and adjustments made as necessary.	Yes	Public Health Director	Implemented	We verified that the fee schedule was approved by the commission. We also confirmed that the approved fees are being properly charged. We also confirmed through discussions with management, that the EH Division will review and compare fees collected by the end of April 2011 to determine if the fee increases are sufficient to cover costs for the program. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2011-04	The Food Safety Unit should consider purchasing a computerized cash register which provides basic functions which enhances accountability, or evaluate the cost benefit of eliminating cash as a method of payment and expand to other forms of payment. These methods could be debit cards, credit cards, etc.	Agree	The Environmental Health Division has installed a debit/credit card reader for the customer payments. Online payment of license fees and a computerized cash receipting program and hardware are being researched as improvements to the cash receipting process.	Yes	Environmentalist	Implemented	We confirmed that the debit/credit card reader has been installed and is being used. Going forward, the unit hopes to see a reduction in the amount of cash used for payments, and is reviewing the possibility of complete elimination of cash as a form of payment. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.