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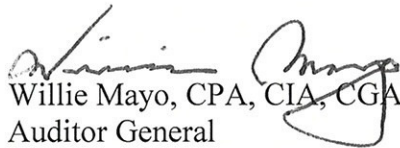
March 13, 2012

FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is the final copy of the Corrective Action Plan (CAP) and Auditor General's Assessment for the Limited Compliance Review Engagement on the Department of Management & Budget/Purchasing Division, Audit of Ethics in Public Contracting Disclosures. Our report is dated January 27, 2012; DAP No. 2011-57-011. The report was accepted by the Audit Committee February 21, 2012, and formally received by the Wayne County Commission on March 1, 2012.

We are pleased to inform you officials from the Wayne County Purchasing Division provided their full cooperation. 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 Office of Legislative Auditor General's final reports can be found on our website at:
<http://www.waynecounty.com/commission/lagreports.htm>



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REPORT DISTRIBUTION

Wayne County Purchasing Division
Muddasar Tawakkul, Director

Department of Management & Budget
Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants Compliance and Contract Management

Wayne County Clerk
Honorable Cathy Garrett, Wayne County Clerk
Caven West, Chief Deputy

Office of the County Executive
Clarence McNeal, Senior Executive

Wayne County Executive



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January 27, 2012

DAP No. 2011-57-011

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 7, 2012 for the Ethics in Public Contracting Disclosures, Limited Compliance Review.

Dear Chairwoman Varga:

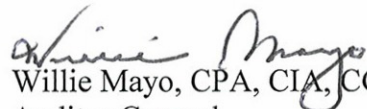
In accordance with Generally Accepted Government Auditing Standards, the Office of Legislative Auditor General (OAG) requested Wayne County Management & Budget/Purchasing Division and the Wayne County Clerks Office to submit a Corrective Action Plan (CAP) for multiple recommendations identified in the Limited Compliance Review engagement dated May 23, 2011.

Wayne County Management & Budget/Purchasing Division and the Wayne County Clerk's Office provided the CAP as requested. Attached is a Summary and Assessment of the CAP prepared by the OAG with six recommendations. 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 the Purchasing Division along with the Wayne County Clerk and the Department of Personnel/Human Resources has taken or plan to take sufficient action to address the recommendations identified in the report. However, a follow-up review may be necessary in the near future to ensure that the intended action addresses the recommendations.

Respectfully submitted,



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

Pc: Muddasar Tawakkul, Director, Purchasing Division
Honorable Cathy Garrett, Wayne County Clerk
Caven West, Chief Deputy, Wayne County Clerk
Clarence McNeal, Senior Executive, Office of the County Executive
Carla E. Sledge, Chief Financial Officer, M&B
Terry L. Hasse, Director, Grants Compliance and Contracts Management

Attachment

Wayne County Management and Budget/ Purchasing Division
Ethics in Public Contracting Disclosures
Limited Compliance 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
<p>2011-01</p> <p>In order to strengthen the controls over the receipt of the annual financial disclosure forms, we recommend the County Clerk's Office expedite the completion of an electronic online database for submission of annual financial disclosure forms in order to verify receipt of critical documents as well as the date the documents were actually received.</p>	<p>Agree</p>	<p>We are date stamping Annual Disclosure Forms upon receipt. Also, working with the Department of Personnel/HR toward implementation of the online electronic database.</p>	<p>Yes</p>	<p>Wayne County Clerk's Office Dept. of Personnel/ Human Resources M&B/ Purchasing Division</p>	<p>Partially Implemented March 15, 2012</p>	<p>During our review, we were able to verify the County Clerk's Office is time stamping the annual financial disclosure forms upon receipt. We also spoke with a representative from the Clerk's Office and the Department of Personnel and confirmed they are working toward implementation of the online database system for filing of the disclosure forms and hope to have it implemented for this reporting cycle.</p> <p>If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to verify that the described action has occurred.</p>
<p>2011-02</p> <p>In order to comply with Section 120.222 of the Procurement Ordinance and provide better transparency in government, we recommend that the CEO and the CFO establish systems and coordinate efforts to compile the contract managers list for</p>	<p>Agree</p>	<p>We are consistently working to develop a system to compile and report Contract Managers. The CEO's office will make sure that all employees of the County, including elected officials, comply with this section of the Ordinance.</p>	<p>Yes</p>	<p>M&B/ Purchasing Dept. of Personnel/ Human Resources</p>	<p>Implemented</p>	<p>During our review, we obtained and reviewed the current contract managers list. The list includes other elected officials in addition to the CEO departments. According to officials in purchasing, going forward, M&B,</p>

Wayne County Management and Budget/ Purchasing Division
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submission to the commission for review and approval and, if requested, it be made available to contract awardees prior to awarding of contracts.				County Clerk's Office		Purchasing, and Personnel will discuss and agree on which department/division will be responsible for updating the list and soliciting approval from commission.
2011-03 We recommend that the CEO coordinate efforts to require that each county employee that is selected to serve on a selection committee complete and submit a financial disclosure form prior to the committee's review and selection of contracts.	Disagree	We dispute whether this is required under the current ordinance. Prior to the beginning of each evaluation committee, we ask all evaluators the question as to whether there exists a conflict of interest with the proposed respondents. If an evaluator has a potential Conflict of Interest, they are excused and we request that they immediately file or update their Conflict of Interest form.	No	Purchasing Director	Implemented a compensating control.	Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation. During our inquiry, management disagreed with requiring each county employee that may be selected to serve on a selection committee be required to complete and submit a financial disclosure form, due to it not being included within the current approved ordinance. However, management has included a compensating control to address the recommendation by including a statement on the Recommendation Memorandum that identifies the conflict of interest question being posed to each evaluator and addressed prior to submission of the

Wayne County Management and Budget/ Purchasing Division
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2011-04 We recommend that the executive branch amend their executive directive for appointees to submit an annual financial disclosure form so as not to conflict with the County's Procurement Ordinance which requires an annual submission of March 15.	Agree	The CEO's office will make sure that all employees of the County, including elected officials, comply with this section of the Ordinance. Furthermore, see the Executive Order No. 2011-03 which incorporates this recommendation.	Yes	Personnel Director	Implemented	If the compensating control is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary in the near future to verify that the described action has occurred. During our review, management provided a copy of the amended Executive Order 2011-3 Re: Disclosure of Conflicts of Interest, which included language that also requires elected officials to comply with this section of the Ordinance. The order also requires submission by March 15th. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

Wayne County Management and Budget/ Purchasing Division
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<p>2011-05</p> <p>We recommend that the Wayne County Purchasing Division implement a mechanism using an electronic database to record and track documentation of all disclosed conflicts of interest between businesses, county officers and employees and modify their policies and procedures to include a review of the contract manager's list prior to awarding a contract. Also, if a conflict is identified, address any occurrence according to the Procurement Ordinance in a timely manner.</p>	<p>Agree</p>	<p>The CEO's office will make sure that all employees of the County, including elected officials comply with this section of the Ordinance.</p>	<p>Yes</p>	<p>M&B/ Purchasing Division Dept. of Personnel/ Human Resources County Clerk's Office</p>	<p>90-180 Days</p>	<p>During our review and inquiry, management provided us with correspondence from representatives of Management and Budget, Personnel, and County Clerk regarding the implementation of an electronic list and who will be the responsible department/division to maintain and update the list.</p> <p>If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to verify that the described action has occurred.</p>
<p>2011-06</p> <p>We recommend that the Wayne County Purchasing Division continue to expedite the development and formalization of a comprehensive set of policies and procedures that addresses daily operations and also reflects the stated requirements within the Procurement Ordinance.</p>	<p>Agree</p>	<p>The CEO's office concurs and will make certain that all employees of the County, including elected officials, comply with the policies and procedures. The Policies and Procedures can be found on Document Manager: http://legov/wc-les01/llisapi.dll?func=11&objid=3083433&objAction=browse&viewType=1</p>	<p>Yes</p>	<p>Purchasing Director</p>	<p>Implemented</p>	<p>We reviewed policies and procedures that the Purchasing Division developed and formalized. The policies and procedures are accessible on the WC Link website.</p> <p>Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p>