

Office of Legislative  
**Auditor General**

**WILLIE MAYO, CPA, CIA, CICA**  
AUDITOR GENERAL

March 14, 2011



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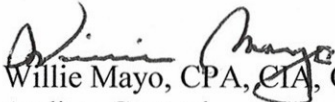
**FINAL REPORT TRANSMITTAL LETTER**

Honorable Wayne County Commissioners:

Enclosed is the final copy of the Office of Legislative Auditor General's Engagements and Other Projects, Audit/Work Plan, Year 2011 (Plan). The Plan is dated February 11, 2011; DAP No. 2011-57-801. The contents of this final report did not change from the draft report previously issued. The report was accepted by the Audit Committee at its meeting held on February 22, 2011, and formally received by the Wayne County Commission on March 3, 2011.

If you have any questions, concerns, or desire to discuss the Plan in greater detail, please feel free to contact me 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/agreports.htm>

  
Willie Mayo, CPA, CIA, CICA  
Auditor General

**REPORT DISTRIBUTION**

**Wayne County Executive**  
Honorable Robert A. Ficano

**County-wide Elected Office Holders**  
Honorable Raymond J. Wojtowicz, Treasurer  
Honorable Kym L. Worthy, Prosecuting Attorney  
Honorable Cathy M. Garrett, County Clerk  
Honorable Bernard J. Youngblood, Register of Deeds  
Honorable Benny N. Napoleon, Sheriff  
Honorable Virgil C. Smith, Chief Judge, Third Circuit Judicial Court

**Department of Management and Budget**  
Carla E. Sledge, Chief Financial Officer



Office of Legislative  
**Auditor General**

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**Letter of Transmittal**

February 11, 2011

DAP No. 2011-57-801

Honorable Ilona Varga, Chairwoman  
Audit Committee, County Commission  
County of Wayne, Michigan  
500 Griswold Street, Suite 756  
Detroit, Michigan 48226

**Re: Engagements and Other Projects, Audit/Work Plan, Year 2011**

Dear Chairwoman Varga:

I, along with the staff of the Office of Legislative Auditor General (OAG), are honored and pleased to provide for your consideration the enclosed report on Engagements and Other Projects, Audit/Work Plan, for Year 2011 (Plan). The attached plan or listing is provided in accordance with the Performance Standard – 2010, *Planning*, of the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors.

This standard, along with best practices for professional internal auditing, requires internal audit organizations to submit their annual audit engagement plan to their oversight body for acceptance. It also requires the internal audit organization to obtain input from management to ensure their concerns, regarding risk and other factors that could impede the entity from achieving its operational objectives and goals, are considered in developing the annual plan.

The plan, prior to being finalized and transmitted, was shared with county leadership officials in its draft form. We requested input and asked for their views and comments. Nevertheless, the plan as transmitted is largely based on our internal assessment of potential risk to the county across all executive branch departments, offices managed by county-wide elected office-holders, as well as the component units and agencies of the county.





The plan, which lists 84 engagements, includes audits, consulting, reviews and other engagement types that will be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the U.S. Comptroller General and the International Standards for the Professional Practice of Internal Auditing (IIA) issued by the Institute of Internal Auditors.

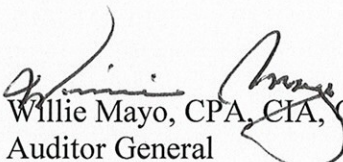
The engagements were selected to assist county leadership and management with better oversight and decision making; improve on the effectiveness and efficiency within county operations; and enhance accountability for resources. In addition, in an effort to further add value to county management and leadership, certain engagements will focus on an assessment of governance, risk management and control activities. The planned engagements will take place within county departments/agencies/divisions, Wayne County Commission, and include components units.

The plan will also afford the OAG to increase the range of audit/review coverage across the entire county. Based on the results obtained from these engagements, the plan will also allow us to move toward our long-term goal of developing an entity-wide risk management tool.

As with most annual plans of activity, this plan should not be considered static, instead it should be considered dynamic or flexible and able to adapt to changing conditions during the year, if they arise. We will continuously assess the deployment of audit resources throughout the year to ensure they are being utilized in the most effective manner for the benefit of the county, its citizens and users of its services.

In conclusion, I want to assure you that we in the OAG remain motivated and committed to carrying out this plan and fulfilling the mission and purpose for which we were established.

Respectfully submitted,

  
Willie Mayo, CPA, CIA, CICA  
Auditor General

Attachment

Pc: Honorable Gary Woronchak  
Honorable Robert Ficano  
Honorable Wayne County Commissioners  
County-wide Elected Office-holders  
Carla E. Sledge



**SUMMARY SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN  
YEAR 2011**

<b>Department / Audit Area</b>	<b>Engagements/Projects Scheduled</b>
Children & Family Services	1
Commission / Legislative Branch *	2
Corporation Counsel	1
Office of the County Clerk **	2
Economic Development Growth Engine *^	3
Office of the County Executive	0
Health & Human Services *	8
Homeland Security **	2
Management & Budget * ** ^	7
Personnel/Human Resources * ** ^	4
Office of the Prosecuting Attorney **	4
Public Services * **	6
Office of the Register of Deeds *	1
Senior Citizens & Veterans Affairs	1
Office of the Sheriff * ** ^	6
Technology *	1
Michigan Judicial Third Circuit Court *^	2
Office of the Treasurer * **	5
Wayne County Employees Retirement System	1
Wayne County Component Units *	15
Office of Legislative Auditor General	12
<b>Total</b>	<b>84</b>

\* Denotes project(s) started in 2010 or prior year

\*\* Denotes project(s) listed on 2010 Plan but not started

^Commission requested/approved engagement(s)



**DETAIL SCHEDULE OF  
ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN  
YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
<b><i>Children &amp; Family Services (1)</i></b>			
Community Corrections	Alternative Work Force	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Commission / Legislative Branch (2)</i></b>			
Commission*	Commission	Follow up to determine whether previously conveyed findings/recommendations are resolved	Follow Up
Commission	Commission/Administration	Conduct operational review and compliance with rules and procedures	Operational/ Compliance
<b><i>Corporation Counsel (1)</i></b>			
Human Relations Division	Business Diversity Program	Summarize and assess measures taken to resolve previously conveyed findings/recommendations	Corrective Action Plan
<b><i>Office of the County Clerk (2)</i></b>			
General Services**	Vital Services	Assess controls over cash receipts	Assurance/ Corrective Action Plan
Election	Campaign Finance	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Economic Development Growth Engine (3)</i></b>			
Pinnacle Aeropark *^	Pinnacle Racetrack Project	Assess compliance with terms of development agreement	Consulting

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^ Commission requested/approved engagement



**DETAIL SCHEDULE OF  
ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN  
YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Community Development Block Grants*	CDBG Projects	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Administration **	Administration	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Office of the County Executive (0)</i></b>			
<b><i>Health &amp; Human Services (8)</i></b>			
Patient Care Management System*	Patient Care Management System	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Head Start*	Head Start Program	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
DWCCMHA	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review
Jail Health Services	Jail Medical	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Public Health	HUD Lead Grant	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Public Health	Women Infants & Children Food Program	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Public Health	Food Inspection Program	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review

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^ Commission requested/approved engagement



**DETAIL SCHEDULE OF  
ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN  
YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Public Health	Dental Program	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Homeland Security (2)</i></b>			
Homeland Security	Department-wide	Summarize and assess measures taken to resolve previously conveyed findings/recommendations	Corrective Action Plan
Homeland Security**	Emergency Readiness	Perform an operational assessment of the county's emergency readiness to natural disasters and terrorist attacks	Operational/ Corrective Action Plan
<b><i>Management &amp; Budget (7)</i></b>			
Cash Management/ Accounts Payable*	Accounts Payable	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Grants Management/ Accounts Receivable*	Billing and collection procedures	Assess billing and collection procedures, including timeliness of collections and thoroughness	Assurance/ Corrective Action Plan
Division of Financial Reporting**	Chargebacks 2008-2009	Summarize and assess measures taken to resolve previously conveyed findings/recommendations	Corrective Action Plan
Division of Financial Reporting^	Chargebacks FY 2010	Evaluate the allocation of chargeback cost in the FY 2009-2010 budget	Consulting/ Corrective Action Plan
Purchasing	Ethics/Procurement Ordinance	Assess compliance with the Ethics article of the procurement ordinance	Special Project

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^ Commission requested/approved engagement



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YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Purchasing*	Procurement – Policies and Procedures	Summarize and assess corrective action management has implemented for outstanding recommendations	Follow-up
Risk Management*	Procurement of Insurance Contracts	Summarize and assess corrective action management has implemented for outstanding recommendations	Follow-up
<b><i>Personnel / Human Resources (4)</i></b>			
Benefits Administration Division*	Procurement of Insurance Contracts	Summarize and assess corrective action management has implemented for outstanding recommendations	Follow-up
County-wide *^	Salary Compensation Review	Determine the extent and reasonableness of salary increase	Special Project
County-wide**	Independent Contractors	Determine whether the contractual agreements comply with Internal Revenue Codes for Contracted Employees	Compliance
Benefits Administration Division	Workers' Compensation	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Office of the Prosecuting Attorney (4)</i></b>			
Special Operations**	Child Abuse Unit	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review

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AUDIT/WORK PLAN  
YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Administration**	Compliance Reporting with FIP	Facilitate compliance reporting presentation before the Committee on Audit	Compliance
Special Operations**	Forfeiture Unit	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
Special Operations	Nuisance Abatement	Summarize and assess measures taken to resolve previously conveyed findings/recommendations	Corrective Action Plan
<b>Public Services (6)</b>			
Parks*	Revenues Collected at Wayne County Park Events	Assess controls and accountability over fee collections at county park events	Consulting/ Corrective Action Plan
Parks**	Golf Courses	Assess vendor compliance with key contract terms and adequacy of controls over cash receipts and reporting	Consulting/ Corrective Action Plan
Equipment**	Inventory/Personal Property Management Unit (IPPM)	Assess the controls over the procurement, safeguarding, accounting, distribution and disposing of stock inventory	Attestation/ Corrective Action Plan
Environment/ Facilities Management **	Solid Waste Management Inspection & Enforcement Program	To assess compliance with County Ordinances and State Public Act 451 and adequacy of controls to curtail the contamination, erosion, and stream sedimentation of soil	Compliance/ Corrective Action Plan
Environment/ Land Resource Management**	Environmental Programs	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review

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AUDIT/WORK PLAN  
YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Environment/ Drains*	Assessment of Sewer Charges to Communities	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Office of the Register of Deeds (1)</i></b>			
Recording and Indexing*	Land Documents	Summarize and assess measures taken to resolve previously conveyed findings/recommendations	Corrective Action Plan
<b><i>Senior Citizens &amp; Veterans Affairs (1)</i></b>			
Veterans Affairs	Veterans Affairs	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Office of the Sheriff (6)</i></b>			
Sheriff*	Fuels	Assess controls over access and fuel expenditures	Assurance /Corrective Action Plan
Jail Division* ^	Overtime	Assess controls over overtime expenditures and utilization	Consulting /Corrective Action Plan
Special Operations**	Gun Custody Transfer #2011- 01&2	Observation of custody transfer of guns	Agreed Upon Procedures
Special Operations	Drug Destruction #2011-01&2	Assist in the destruction of controlled substances	Agreed Upon Procedures

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<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Jail Division**	Food Service	Assess cost effectiveness of food services operations	Consulting
Jail Commissary**	Jail	Assess controls over program expenditures and operations	Consulting
<b><i>Technology (1)</i></b>			
Technology*	Administration	Assess key business processes and identify risks and related mitigating controls	Consulting/ Corrective Action Plan
<b><i>Michigan Judicial Third Circuit Court (2)</i></b>			
Courts* **^	Court Clerks	Assess advantage/disadvantage of having court clerks on court budget	Consulting
Courts* **^	Entity-Wide	Operational Audit(s)	Operational
<b><i>Office of the Treasurer (5)</i></b>			
Tax Administration*	Excise (Tourist) Tax 2007 and 2008	Perform a review of stadium excise tax activity for calendar years 2007 and 2008	Agreed-Upon Procedures /Corrective Action Plan
Tax Administration**	Excise (Tourist) Tax 2009 and 2010	Perform a review of stadium excise tax activity for calendar years 2009 and 2010	Agreed-Upon Procedures/ Corrective Action Plan
Tax Management**	Department-wide	Perform annual review of the treasurer's internal controls as required by Ordinance 89-791 for FY 2009	Consulting /Corrective Action Plan
Financial Services**	2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> Quarter Investment Reports 2010	Assess the quarterly investment reports	Consulting

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YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Financial Services	Treasurers Quarterly Investment Reports FY 2010- 2011	Assess the quarterly investment reports	Consulting
<b><i>Wayne County Employees' Retirement System (1)</i></b>			
Retirement	Retirement	Summarize and assess measures taken to resolve previously conveyed findings/recommendations	Corrective Action Plan
<b><i>Component Units:</i></b>			
<b><i>Chapter 21 Drainage District (1)</i></b>			
Chapter 21 Drainage District	Audited Financial Statements Fiscal Year 2010	Review financial statements	Financial Assessment – Limited Review
<b><i>Detroit Wayne County Stadium Authority (1)</i></b>			
Detroit Wayne County Stadium Authority	Audited Financial Statements Fiscal Year 2010	Review financial statements.	Financial Assessment – Limited Review
<b><i>Detroit - Wayne County CDE, Inc. (1)</i></b>			
Wayne County CDE	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review

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	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
<b><i>Development Corporation of Wayne County (1)</i></b>			
Development Corporation of Wayne County	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review
<b><i>Economic Development Corporation of Wayne County (1)</i></b>			
Economic Development Corp of Wayne County	Guardian Building	Assess governance, risk, control activity and financial transactions	Operational Risk
<b><i>Greater Wayne County Economic Development Corporation (1)</i></b>			
GWEDC	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review
<b><i>HealthChoice of Michigan (1)</i></b>			
HealthChoice	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review
<b><i>Metropolitan Growth and Development Corporation (1)</i></b>			
MGDC	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review
<b><i>Sewage Disposal System (1)</i></b>			
Sewage Disposal Systems	Audited Financial Statements Fiscal Year 2010	Review financial statements	Financial Assessment – Limited Review

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<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
<b><i>Wayne County Airport Authority (2)</i></b>			
Wayne County Airport Authority	Audited Financial Statements Fiscal Year 2010	Review financial statements	Financial Assessment – Limited Review
Wayne County Airport Authority	Airport Parking Receipts	Review and assess airport parking receipts	Special Project
<b><i>Wayne County Building Authority (1)</i></b>			
Wayne County Building Authority	Audited Financial Statements Fiscal Year 2010	Review financial statements	Financial Assessment – Limited Review
<b><i>Wayne County Land Bank Corporation (2)</i></b>			
Wayne County Land Bank	FY 2010 Financial Statements	Review financial statements	Financial Assessment – Limited Review
Land Bank*	Land Bank	Identify key risk and assess whether it is being adequately managed / mitigated	Operational Assessment Review
<b><i>Wayne Regional Jobs and Economic Development Foundation (1)</i></b>			
Wayne Regional Jobs and Economic Development Foundation	Audited Financial Statements Fiscal Year 2009	Review financial statements	Financial Assessment – Limited Review
<b><i>Office of Legislative Auditor General (12)</i></b>			
Auditor General	Budget Sensitive Issues	Report budget sensitive issues to the Ways & Means and Audit committees	Consulting

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YEAR 2011**

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	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Auditor General	Budget Hearings	Attend the Fiscal Year 2011-2012 Commission Budget Hearings	Special Project
Auditor General	2010 Annual Report	Report on the Office of Legislative Auditor General's Activity for 2010	Special Project
Auditor General	Status Updates	Assess and provide status schedule on projects referred from Committee on Audit	Special Project
Auditor General	Quarterly Updates on Appropriation Ordinance Requested Projects	Assess and provide status schedule on projects requested in Appropriation Ordinances	Special Project
Auditor General	Internal Quality Control Review	Perform internal assessment of engagements compliance with professional standards	Compliance
Auditor General	Budget Submission and Financial Reporting	Prepare, submit, and present the OAG FY 2011 budget. Prepare the required monthly and quarterly reports. Monitor the OAG financial activity	Special Project
Auditor General	Financial Reporting	Monitor and management of county's fiscal years 2010 and 2011 external audit	Special Project
Auditor General	FY 2010 CAFR Review	Perform an assessment of the county financial position	Special Project
Auditor General	ALGA Peer Review	External Peer Review – GAGAS and IIA Standards FY 2008 - FY 2010	Special Project

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YEAR 2011**

<b>Department Audit Area / Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement / Product Type</b>
Auditor General	Manage and monitor FY 2010 and FY 2011 external audit	Manage and monitor FY 2010 and FY 2011 external audit	Special Project
Auditor General	2010-2014 Strategic Plan	Convey OAG strategic goals and objectives for the five year period	Special Project
<b>Total Number of Engagements and Other Projects</b>			<b>84</b>

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