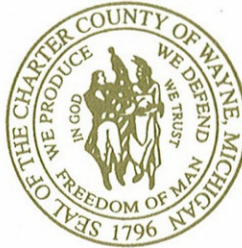


Office of Legislative
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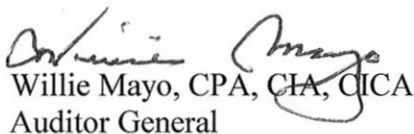
April 21, 2011

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 Department of Corporation Counsel, Human Relations Division, dated March 29, 2011, DAP No. 2011-57-855A. 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 April 12, 2011 and formally received by the Wayne County Commission on April 19, 2011.

We are pleased to inform you officials from the Department of Corporation Counsel 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: <http://www.waynecounty.com/agreports.htm>.


Willie Mayo, CPA, CIA, CICA
Auditor General

REPORT DISTRIBUTION

Department of Corporation Counsel

Marianne Talon, Director, Corporation Counsel
Victoria Innis-Edwards, Director, Human Relations Division

Department of Management & Budget

Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants and Contract Administration
Michael O'Connell, Finance Director, DCFS/Corporation Counsel

Wayne County Executive



Office of Legislative
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March 29, 2011

DAP No. 2011-57-855A

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

Subject: **Corrective Action Plan**, including the Auditor General's Assessment dated February 23, 2011 for the Wayne County Department of Corporation Counsel, Human Relations Division.

Dear Chairwoman Varga:

In accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States, and 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 Wayne County Department of Corporation Counsel to submit a Corrective Action Plan (CAP) for the recommendations identified in the Human Relations Division, Operational Assessment Review, dated July 21, 2010.

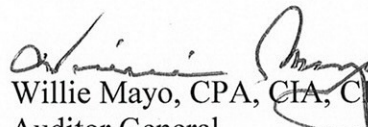
The Human Relations Division provided the CAP as requested. Attached is a Summary and Assessment of the CAP prepared by the OAG. The summary schedule includes: the recommendations; management's comments on the findings and recommendations; management's action taken or planned; whether management has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



Our assessment of the three recommendations found one recommendation is unresolved and two have been resolved. No follow-up review will be required in the near term.

Regarding the unresolved recommendation, at the March 29, 2011 Government Operations Committee meeting, Commissioner Ray Basham proposed an amendment to the Procurement Ordinance to, in part, "require the Wayne County Clerk, immediate supervisors, and the Purchasing Director to retain a copy of the Annual Public Disclosure Statement on file until March 15th of the following year and to define the term immediate supervisor." We believe passage of the proposed procurement ordinance amendment will provide guidance and address the risk of noncompliance with the ordinance.

Respectfully submitted,


Willie Mayo, CPA, CIA, CICA
Auditor General

Pc: Marianne Talon, Director, Corporation Counsel
Victoria Innis-Edwards, Director, Human Relations Division
Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants & Contract Administration, M&B
Michael O'Connell, Finance Director, DCFS/Corporation Counsel, M&B

Attachment

Wayne County Department of Corporation Counsel
Human Relations Division
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
<p>10-01 We recommend senior management within Management and Budget (M&B) establish appropriate policies and procedures to require immediate supervisors to maintain on file the annual Disclosure of Potential Conflicts of Interest Form for subordinates as required by the Procurement Ordinance.</p>	<p>Disagree</p>	<p>Management within the Human Relations Division disagreed with the OAG's interpretation that the ordinance requires immediate supervisors to maintain a copy of the disclosure form. Management stated that copies of the disclosures are contained in the employees' personnel files, maintained by Personnel. Additionally, management maintains that this recommendation should be directed to Management and Budget (M&B) officials.</p>	<p>No</p>	<p>Victoria I. Edwards</p>	<p>Not Applicable</p>	<p>We acknowledge management's comments that the Ordinance does not state a copy of the Disclosure Form be maintained by the immediate supervisor. However, the OAG's interpretation of the Ordinance language, would lead one to believe the intent is for the immediate supervisor to review and retain the form for validation of filing. We contacted senior management within Management & Budget to obtain their viewpoint; they indicated the Ordinance section will be discussed with the CFO.</p> <p>At the March 29, 2011 Government Operations Committee meeting an Ordinance by Commissioner Basham was introduced amending the procurement ordinance to, in part, "require the Wayne County Clerk, immediate supervisors, and the Purchasing Director to retain a copy of the Annual Public Disclosure Statement on file until March 15th of the following year..."</p> <p>Based on management's comments, it appears they have assumed the risk of not implementing any corrective action. Therefore, we deem this</p>

Wayne County Department of Corporation Counsel
Human Relations Division
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
10-02 We recommend that M&B propose an amendment of appropriated revenues for the Human Relations Division for the 2009 - 2010 budget years for \$120,000 because the receipt from an identified source cannot be validated or is deemed uncollectible.	Agree	Management agreed with the recommendation but indicated that because fiscal year 2009 - 2010 has been closed, an amendment is now irrelevant. Therefore, no action is planned.	No	Michael O'Connell	Not Applicable	recommendation unresolved and no follow-up review will be required. However, we believe passage of the proposed Procurement Ordinance amendment will provide guidance and address the risk of non-compliance with the Ordinance. The OAG is in agreement that an amendment to the FYE September 30, 2010 budget would not be relevant at this time, since the September 30, 2010 fiscal year end has been closed out. The OAG acknowledges management's recognition that on a go-forward basis, adjustments of this kind should be made.
10-03 We recommend senior executive officials use the fee study analysis to negotiate a new intergovernmental agreement with the Airport Authority if the study indicates a higher payment would appropriately reflect the administrative costs being incurred by the	Partially Agree	Management within the Human Relations Division acknowledges the OAG's recommendation and stated a higher fee for FY 2011-12 has been negotiated with the Airport Authority. No further action with the Airport Authority is planned. Management has determined that providing Disadvantaged Business Enterprise (DBE) certification service is beneficial to Wayne County goals and objectives. Presently, the U.S. Department of	Yes	Victoria I. Edwards	Not Applicable	Based on our discussion with management, we have deemed this recommendation to be resolved. The OAG reviewed documentation verifying a higher fee (i.e., increase of \$10,000) has been negotiated with the Wayne County Airport Authority for the 2010- 2011 FYE. We also confirmed, in a February 2011 report to the Committee on Government Operations, that Human Relations management, as part of the MUCP group, is seeking approval from USDOT to charge individual firms for their DBE certification. If

Wayne County Department of Corporation Counsel
Human Relations Division
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
Human Relations Division.		Transportation (USDOT) precludes charging vendors for DBE certifications. However, as one of three remaining members of Michigan Unified Certification program (MUCP), Human Relations management is in discussions with USDOT seeking approval to charge DBE certification fees.				approved, revenue from these certifications would be in addition to the fixed fee received from Airport DBE's, which should allow Human Relations to off-set cost associated with providing the DBE certifications. Based on our limited review of the action taken and intended, management appears to have taken sufficient action to address the recommendation. Therefore, we deem this recommendation to be resolved and no follow-up is required.