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November 7, 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 Attestation Engagement of the Wayne County Department of Children and Family Services – Division of Community Corrections, Alternative Work Force. Our report is dated September 26, 2012; DAP No. 2012-57-811. 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 October 4, 2012 and formally received by the Wayne County Commission on October 18, 2012.

We are pleased to inform you officials from the Department of Children and Family Services – Division of Community Corrections, Alternative Work Force., 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/commission/lagreports.htm.**

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

REPORT DISTRIBUTION

Wayne County Department of Children and Family Services (DCFS)
Tadarial Sturdivant, Director
Dinah Moore, Deputy Director
Tamela Aikens, Director, Community Corrections

Wayne County Department of Management & Budget
Carla E. Sledge, Chief Financial Officer
Stacie Durant, Deputy Chief Financial Officer
Terry L. Hasse, Director, Grants Compliance and Contract Management
Michael O'Connell, Director, CFS-Finance

Wayne County Executive

Office of Legislative
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September 27, 2012

DAP No. 2012-57-811

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

Subject: **Corrective Action Plan,** including the Auditor General's Assessment Review, dated September 26, 2012 for the Wayne County Department of Children and Family Services, Division of Community Corrections, Alternative Work Force, Operational Attestation Engagement.

Dear Chairwoman Varga:

In accordance with 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 Children and Family Services, Division of Community Corrections, Alternative Work Force, to submit a Corrective Action Plan (CAP) for the recommendations identified in the Operational Attestation Engagement on the Department of Children and Family Services, Division of Community Corrections, Alternative Work Force, dated July13, 2012.

Community Corrections Division officials 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 five (5) recommendations found that management has taken sufficient action to address four of the five recommendations and one recommendation will be implemented in the near term. A follow-up review may be necessary in the future.

Respectfully submitted,

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

P.C. Tadarial Sturdivant, Director Children and Family Services
Dinah Moore, Deputy Director, Children and Family Services
Tamela Aikens, Director, Community Corrections
Carla E. Sledge, Chief Financial Officer
Stacie Durant, Deputy Chief Financial Officer
Terry L. Hasse, Director, Grant Compliance and Contract Management, Management & Budget
Michael O'Connell, Director, M&B-Finance, Children and Family Services

Attachment

Wayne County Department of Children and Family Services
Division of Community Corrections
Alternative Work Force
Operational Attestation Engagement

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
11-01	We recommend in an effort to increase accountability, AWF management modify the program's AWF Program Daily Work Reports to include explanations for program participants that are added, deleted or reassigned on any given day.	Disagree	Management believes accountability for each participant occurs daily with applicable policies, procedures and documentation. However, management agrees to clarify the daily work activity of AWF participants through the use of a revised AWF Daily Work Report.	Yes	Director – Community Corrections	Implemented	AWF management provided the OAG a copy of the modified *AWF Program Daily Work Report* for our review. The modified form requires explanation for all participants whose name is removed from the assigned list. Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
11-02	We recommend AWF Management formalize policy and procedures for conducting the spot checks/ on – site visits at work locations by program supervisors to enhance senior management's oversight and establish consistent practices.	Disagree	Management disagreed because the Wayne County Job Description for AWF supervisors requires on-site crew checks. Confirmation of crew checks occurs through the Division Director's review of the Daily Work Reports. A policy would eliminate the random nature of this requirement. Management has clarified the crew 'spot' check responsibility with implementation of a new AWF Crew Spot Check Confirmation Report.	Yes	Director – Community Corrections	Implemented	AWF management provided the OAG a copy of the new form *"AWF Spot Check Confirmation and Report"* for our review. The form requires the supervisor to sign and date the report and note any incidents that occurred. While not policy, the form is now available for management's review. Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

Wayne County Department of Children and Family Services
Division of Community Corrections
Alternative Work Force
Operational Attestation Engagement

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
11-03	We recommend AWF management retain, at a minimum, electronic copies of the mandated reports submitted to the commission for their records and as evidence of compliance with the county ordinance.	Agree	Management retains files and electronic copies of the Enrolled Ordinance mandated reports to the Commission. Electronic copies were submitted to the Wayne County Commission as required.	Yes	AWF Director	Implemented	AWF Management provided a copy of the most recent (July 1, 2012) report that was submitted to the Committee on Public Safety, Judiciary & Homeland Security. We confirmed the item was placed on the Committee's July 18, 2012 agenda. Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
11-04	We recommend officials within the CFS – M&B Finance Division comply with Management & Budget Policy No. 14001 – Accounts Receivable Delinquency and Collection Procedures and contact City of Detroit officials in an effort to expedite the collection of past due invoices owed to the AWF Program from the City of Detroit.	Agree	CFS Management sends notice of delinquency to the City of Detroit upon receipt of the Central Accounts Receivable report. M&B Management will initiate personal contact upon receipt of a subsequent delinquency report covering the same receivables.	Yes	AWF Director and M&B/CFS Division Director	Implemented	AWF Management provided a copy of a letter, dated September 25, 2012, addressed to the City of Detroit Finance Department regarding "*A Demand For Payment of Delinquent Charges in the Amount of $23,430.*" Payment was requested within 30 days of the date of the letter and indicated a failure to remit payment could result in the County taking necessary action to recover the debt. Based on our limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

Wayne County Department of Children and Family Services
Division of Community Corrections
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Operational Attestation Engagement

Summary and Assessment of
CORRECTIVE ACTION PLAN

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11-05	We recommend AWF management establish a methodology to allocate a portion of the annual lease cost to WEB in an effort to reduce program expenditures.	Agree	M&B/CFS Management will allocate a portion of the AWF office annual lease cost to WEB.	Yes	M&B/CFS Division Director	October 1, 2012	According to the M&B-CFS Division Director, there will be a Technical Budget Adjustment by Management & Budget to reflect the allocation of the lease expense at 174 S. Clark Street to include payments from the Warrant Enforcement Bureau (WEB). If the planned action is implemented as described, the action appears to sufficiently address this recommendation.