Office of Legislative
Auditor General

Marcella Cora CPA, CIA, CICA, CGMA
AUDITOR GENERAL

500 GRISWOLD STREET
STE 848; GUARDIAN BLDG.
DETROIT, MICHIGAN 48226

Telephone: (313) 224-8354
Fax: (313) 224-7974

March 18, 2016

FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Corrective Action Plan (CAP), and the Auditor General's Assessment, for the Wayne County Department of Health, Veterans and Community Wellness – Youth Assistance Program Performance Engagement. Our report is dated March 1, 2016; DAP No. 2015-57-017. 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 March 9, 2016 and formally received by the Wayne County Commission on March 17, 2016.

We are pleased to inform you that management and staff of the Department of Health, Veterans and Community Wellness and Commission Counsel provided their complete and full cooperation during our 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 purpose. Copies of all Office of Legislative Auditor General's reports can be found on our website: http://www.waynecounty.com/commission/743.htm

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Auditor General

REPORT DISTRIBUTION

Wayne County Commission
Felicia Johnson, Commission Counsel

Department of Health, Veterans and Community Wellness
Dr. Mouhanad Hammami, Department Director/County Health Officer
Brian C. Manning, Deputy Director
Shenetta Coleman, Division Director
Dinah Moore, Project Consultant

Department of Management and Budget
Tony Saunders, Chief Financial Officer
Terry Hasse, Director, Grants Compliance and Contract Management
Ashley V. Johnson, Assistant Division Director of Grants and Contracts
Kamau Kemperu, Finance Director, for Department of Health, Veterans and Community Wellness

Wayne County Executive

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Marcella Cora CPA, CIA, CICA, CGMA
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DETROIT, MICHIGAN 48226

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Fax: (313) 224-7974

March 1, 2016 **DAP No. 2015-57-017**

Honorable Raymond Basham, Chairman
Audit Committee
Wayne County Commission
County of Wayne
500 Griswold
Detroit, MI 48226

Subject: **Corrective Action Plan,** including the Auditor General's Assessment, February 16, 2016, for the Wayne County Department of Health, Veterans and Community Wellness – Youth Assistance Program Performance Engagement.

Dear Chairman Basham:

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 Health, Veterans and Community Wellness and Commission Counsel to submit a Corrective Action Plan (CAP) for the recommendations identified in the Performance Engagement report on the Wayne County Department of Health, Veterans and Community Wellness – Youth Assistance Program, dated July 30, 2015. Ten (10) recommendations were addressed to the Department of Health, Veterans and Community Wellness and, one (1) recommendation was addressed to the Wayne County Commission Counsel.

The CAP was provided 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 eleven (11) recommendations found that management took sufficient action on three (3) recommendations and eight (8) are in process. Therefore, a follow-up review is deemed necessary.

Respectfully submitted,

Marcella Cora

Marcella Cora, CPA, CIA, CICA, CGMA
Auditor General

Attachment

Cc: Dr. Mouhanad Hammami, Department Director/County Health Officer, HVCW
Brian C. Manning, Deputy Director, HVCW
Shenetta Coleman, Division Director, HVCW
Dinah Moore, Project Consultant, HVCW
Tony Saunders, Chief Financial Officer, M&B
Terry Hasse, Director, Grants Compliance & Contracts Management, M&B
Ashley V. Johnson, Assistant Division Director of Grants and Contracts, M&B
Kamau Kemperu, Finance Director, M&B
Felicia Johnson, Commission Counsel, Wayne County Commission

Wayne County Department of Health, Veterans and Community Wellness (HVCW)
Youth Assistance Program (YAP)
Performance Audit

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
15-01	We recommend HVCW management establish policy and a **standardized annual report** that could be used by DCFS management to evaluate the performance of the YAP contractors and the program's overall success.	Agree	HVCW will engage program stakeholders, in order to establish an appropriate framework and standardized annual report for the evaluation of program performance, with respect to both public safety and treatment factors.	Yes	HVCW, Juvenile & Youth Services Division Director	Implemented	HVCW Management provided the OAG with a copy of the revised YAP Annual Report Format for FY 2015, which is included in the draft copy of the Prevention/Diversion Handbook. . Information to be included in the report includes: (1) YAP Agency's Mission/Purpose; (2) Description of the YAP Target Population; (3) Narrative/Summary of YAP Programs Offered Within the Fiscal Year; (4) Definition and Assessment of YAP Outcomes; (5) Budget Information; and, (6) Statistical Data. Management further stated that YAP providers were required to utilize the standardized annual report format effective 8/11/15. The OAG obtained a copy of the

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							Ennis Center for Children's Annual Report for FY 2015, noting that it conformed with the standardized report format. Based on a limited review of the action taken, HVCW Management appears to have taken sufficient action to address the recommendation.
15-02(A)	We recommend HVCW management mandate that YAP Providers complete the **Youth and Parent Exit Surveys** provided by Wayne County and that the surveys are documented in JAIS for future reference.	Agree	HVCW will require that YAP providers complete the Youth and Parent Exit Surveys in the Juvenile Justice Manual and document the results in JAIS.	Yes	HVCW, Juvenile & Youth Services Division Director	In-Process	HVCW Management provided the OAG with a *Draft* copy of the revised Wayne County Prevention/ Diversion Handbook. The handbook contains a *Consumer Survey,* both youth and parent version, with the survey results being documented in JAIS. HVCW management further stated that the revised policy will be distributed to YAP providers at the April

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							2016 meeting. If the planned action is implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.
15-02(B)	We also recommend HVCW develop a policy to **review the participants' survey and document their evaluation of program services being provided by the YAP Providers** in an effort to improve program performance.	Yes	HVCW will require through the Juvenile Justice Manual and audits that participants' survey results are documented in JAIS and annual reports. This is pending contract modification.	Yes	HVCW, Juvenile & Youth Services Division Director	In-Process	HVCW Management provided the OAG with a ***Draft*** of the Prevention/Diversion Handbook, requiring all exit information to be documented in JAIS. Implementation is pending contract modification. HVCW management further stated that the revised policy will be distributed to YAP providers at the April 2016 meeting. If the planned action is

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							implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.
15-03(A)	We recommend HVCW management, in conjunction with Corporation Counsel, work to amend the existing contracts with the **YAP Providers to ensure the mandatory background check provision is inserted.**	Agree	YAP Contracts will be amended to include a background check requirement by incorporating existing language regarding Employee Screening from other current HVCW provider contracts.	Yes	HVCW Administration Project Consultant	In-Process	HVCW Management has indicated that contracts, which expire September 30, 2016, will be amended to incorporate language regarding employee screening. If planned action is implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.

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15-03(B)	We also recommend HVCW management **query, in the near term, the existing YAP Providers to determine if background checks were performed** on present employees, and ensure in those cases warranted, they are conducted.	Agree	HVCW Management has queried all YAP providers and confirmed, in writing, that background checks were conducted on each provider's staff. According to the YAP providers, their staff passed background checks and meet contractual requirements. HVCW will provide the OAG with an attestation from providers that their staff passed background checks.	Yes	HVCW, Juvenile & Youth Services Division Director	Implemented	HVCW Management stated that all YAP providers were queried regarding conducting employee background checks. HVCW management provided the OAG with copies of written attestations from service providers confirming that employee background checks have been conducted. Based on a limited review of the action taken, HVCW Management appears to have taken sufficient action to address the recommendation.
15-04	We recommend that HVCW management monitor and work in conjunction with the JAC and YAP Providers, to ensure the mandated program documents are completed and documented in the JAIS system, in accordance with contract and HVCW compliance requirements.	Agree	HVCW will improve auditing of required program materials and implement a more robust system to ensure follow-up diagnostic testing. This element is not dependent upon contract and policy revisions. The mandated program documents that are dependent upon contract revisions will be included in audits	Yes	HVCW, Juvenile & Youth Services Division Director	Implemented	HVCW management has provided to OAG revised audit standards for monthly, quarterly and annual monitoring of YAP services. Management also provided the OAG with a copy of the YAP

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			upon completion of contract and policy modifications and revisions.				Audit Tool and copies of completed audits of BFDI and AlkebuLan, YAP providers. Based on a limited review of the action taken, HVCW Management appears to have taken sufficient action to address the recommendation.
15-05	We recommend that HVCW management officials conduct an analysis for implementing a performance based billing methodology, such as a capitation rate (a set fee per youth served regardless of the number of services provided) or a cost-per-unit rate (a set fee per service provided) that would substantiate the YAP Providers monthly billings and potentially result in cost savings to the county.	Agree	HVCW will engage its contracted providers, in order to establish appropriate unit service rates for Youth Assistance Programs. HVCW will implement a unit rate for YAP providers based on services provided, which will be the basis for future compensation to vendors. In addition to inserting the background check requirement into YAP contracts, HVCW included unit rates into the YAP contract amendments. Therefore, monthly billings will be based on the YAP services provided by unit rate.	Yes	HVCW Administration Project Consultant	In-Process	HVCW Management provided a list of unit rates to be implemented for YAP providers based on the number of services provided. Our review noted that the proposed Unit Rate Schedule is YAP provider specific and details the Name of the Service Unit, Scope of Service, and Unit Rate per service. The OAG notes that implementing unit rate billing will discontinue the practice of YAPs billing based solely on

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							their annual contract amount. Thus, monthly billings will be based on services provided, which could potentially result in cost savings to the county. If the planned action is implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.

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15-06	We recommend HVCW management establish policy to monitor the **cost per youth served** as reported by the YAP Providers on both a monthly and annual basis in order to evaluate the performance of the YAP Providers and the program's overall cost effectiveness.	Agree	HVCW will implement a unit rate for YAP providers based on services provided. As a result, HVCW's policies and procedures require that program costs are monitored to ensure compensation is based on services provided.	Yes	HVCW, Juvenile & Youth Services Division Director	In-Process	HVCW management provided the OAG with a draft of its Prevention/Diversion Handbook. We noted that included in the YAP Processes section of this handbook are procedures that require the contract manager to monitor program costs on both a monthly and annual basis to ensure YAP compensation is based on the contractual services provided. If the planned action is implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.

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15-07(A)	We recommend HVCW management expeditiously implement procedures to require the three (3) Conferences to provide within their monthly invoice supporting documentation, **similar to information provided by other YAP Providers** that operate under the CCF & 1/10 mil funding source, to substantiate payment is based on services provided and in order to enhance program accountability.	Agree	HVCW will engage the Conference stakeholders and implement Juvenile Justice invoice procedures that require program service delivery documentation.	Yes	HVCW, Juvenile & Youth Services Division Director	In-Process	HVCW management has provided to the OAG a ***Draft*** Prevention/ Diversion Handbook which contains revised invoicing procedures and the Monthly Performance Summary. HVCW management further stated that the revised policy will be distributed to YAP providers at the April 2016 meeting. If the planned action is implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.

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15-07(B)	We also recommend, given the county's present financial condition, and inability to manage program costs, the Wayne County Commission consider amending Enrolled Ordinance No. 98-283 that appropriates direct 1/10th millage dollars to the three (3) Conferences and seek to integrate the Conferences into the CCF funding program as the other YAP providers that receive the 50% reimbursement from the State of Michigan Child Care Fund for eligible youth services.	Agree	Commission Counsel has forwarded this recommendation to the Acting Clerk of the Commission so that it may be placed on the agenda of the Committee on Health and Human Services for consideration. Commission Counsel also stated that this recommendation should be reviewed by the Commission in consultation with the department and, if necessary, the Conferences.	Dependent on Wayne County Commission approval	Committee on Health and Human Services	In-Process	The OAG was informed by the Acting Clerk of the Commission that this recommendation will be placed on an upcoming agenda of the Committee on Health and Human Services. If the planned action is implemented as described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.
15-07(C)	We also recommend HVCW management ensure the Conferences report annually to the County's CEO and Wayne County Commission on YAP Program services funded with 1/10th mil dollars, such as the type of program services provided, achievement of targeted measures, and performance outcomes to	Agree	Management agrees and will provide annual reports to the CEO and Wayne County Commission on YAP Program services funded with 1/10th mil dollars as required by the Ordinance.	Yes	HVCW, Juvenile & Youth Services Division Director	In-Process	HVCW management indicated that reports to the CEO and Commission will be submitted within 30 days of receipt of providers' Annual Report; pending contract modification. If planned action is implemented as

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	comply with the Ordinance.						described, the action appears to be sufficient to address the recommendation. A follow – up review may be necessary in the near future to verify that the described action has occurred.