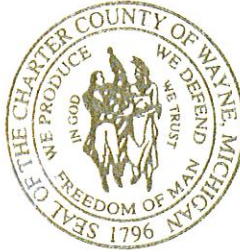


Office of Legislative
Auditor General

Marcella Cora CPA, CIA, CICA, CGMA
AUDITOR GENERAL

July 25, 2016



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FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Office of Legislative Auditor General's Follow-up Review of our performance report on the Soldiers and Sailors Relief Fund, Department of Health, Veterans and Community Wellness (formerly Department of Senior and Veteran Services). Our report is dated July 1, 2016; DAP No. 2016-57-004. The report was accepted by the Audit Committee on July 13, 2016, and formally received by the Wayne County Commission on July 21, 2016.

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. The 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/743.htm>

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

REPORT DISTRIBUTION

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Wayne County Executive



County of Wayne, Michigan

**Department of Health, Veterans, and Community
Wellness**

SOLDIERS AND SAILORS RELIEF FUND

FOLLOW-UP REVIEW

July 1, 2016

Report Summary

The Office of Legislative Auditor General (OAG) issued a performance report on the Soldiers and Sailors Relief Fund, Department of Health, Veterans and Community Wellness (formerly Department of Senior and Veteran Services) This report was dated April 15, 2015; DAP No. 2015-57-003 and contained five (5) recommendations. Subsequently, a corrective action plan was submitted and the OAG assessed the action taken. The corrective action report and OAG assessment was dated October 16, 2015; DAP number 2015-57-012. Based on the assessment, of the five (5) recommendations, two (2) were implemented, two (2) were in-process and one (1) was not implemented.

This is a follow-up review on the three (3) recommendations that were either in-process or not implemented. A follow-up review is performed to determine the status of the recommendations. Based on our review, one (1) recommendation is still in process as of the date of this report.

OBJECTIVE

To assess what measures management officials in the Veteran's Services Division, Department of Health, Veterans and Community Wellness have taken to address the recommendations identified in the Soldiers and Sailors Relief Fund, Department of Health, Veterans and Community

Wellness Performance report, dated April 15, 2015; DAP No. 2015-57-003 and subsequent corrective action plan and OAG's assessment report dated October 16, 2015; DAP number 2015-57-012.

SCOPE

In accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, auditors should establish a follow-up process to monitor and ensure that management's corrective action plans have been implemented to address reported recommendations.

The scope of our review was limited to assessing the measures taken by management officials within the Veterans Services Division, Department of Health, Veterans and Community Wellness regarding the recommendations and to determine whether they are resolved, unresolved, in-process, partially resolved, or no longer applicable. Our review covered the period after the follow-up review report date through the date of this report. This engagement was completed in June 2016. Our follow-up was conducted in accordance with GAGAS.

METHODOLOGY

We made inquiries and had discussions with appropriate officials within the Veteran's Services Division, Department of Health, Veterans and Community Wellness to assess what measures had been taken to address the recommendations contained in the performance report. We also examined documents, and performed other procedures deemed appropriate to assess management's assertions regarding action taken.

BACKGROUND

Wayne County is mandated by Michigan Public Act (P.A.) 214 of 1899 to provide relief to honorably discharged veterans and their qualifying family members where the veteran served in any recognized war, conflict and/or military expedition.

This act allows Wayne County to levy up to 1/10th of a mill (2/10th in an emergency situation) to provide relief to veterans and their qualifying family members. A mill represents \$1.00 for every \$1,000 of taxable property value. Michigan P.A. 214 of 1899 also requires monies collected from the millage to be held in a special revenue fund which can only be used for the purpose of providing relief for qualified veterans, their family members, and program administration costs. In addition, the Act requires that any sums remaining in the fund at the end of each year of operation be considered in levying future sums.

The purpose of the Veteran's Services Division, Department of Health, Veterans and Community Wellness is to provide financial assistance to eligible veterans and their families. The program offers Wayne County's 100,000 veterans services such as burial assistance, temporary emergency financial assistance, vouchers for food and clothing, utility payments, rent payments, cost of transportation, and Veterans Administration compensation/disability application services. The division uses two funds to account for their programs. The Veteran's Trust Fund accounts for the emergency funding for indigent veterans provided through a grant from the State of Michigan. The other fund is the Soldiers' and Sailors' Relief Fund, which accounts for emergency funding for indigent veterans and their families, and for burial relief for eligible veterans. The primary funding for the Soldiers and Sailors Relief Fund is the 1/10th millage. In September, approximately \$1.3 million will post to the account. The following table shows the Soldiers and Sailors Relief Fund balance for the past several years.

**Soldiers and Sailors Relief Fund
Fund Balance
(FY 2010 - FY 2015 Through 6/30/16)
(In \$Millions)**



RECOMMENDATION #15-01

STATUS: RESOLVED

We recommended management within the Veteran Services Division implement a formal, strategic plan that:

- Implements an effective outreach program designed to reach more veterans and increase awareness of the county's program; and,
- Maximizes the disbursement of Soldiers & Sailors Relief funds to all who are eligible.

VIEWS OF RESPONSIBLE OFFICIALS

Management officials developed a formal strategic plan, "Program Action Plan" which includes implementing a more effective outreach program designed to reach more veterans. The strategic plan for expanding outreach activities includes having two (2) satellite locations, one (1) currently at the John Dingell VA Hospital which is already operating, and the other through the Downriver Community Conference Center in Southgate. Veterans Services has also partnered with other outside organizations such as MyVetConnect.com (which provides a link to the Wayne County Veteran Services web page); AmeriCorps; and Hiring Our Heroes. A new brochure was also created and is already being distributed that describes the services available along with contact information. The Division Director has met with commissioners regarding veterans' needs in their respective districts and provided them with copies of the new brochure.

AUDITOR COMMENT

We received from the Veteran Services, Department of Health, Veterans and Community Wellness their implemented Program Action Plan as of June 29, 2016. We reviewed the action plan and noted it included three (3) strategic priorities that were intended to improve services for veterans in Wayne County. These priorities include efficient service delivery, increase access to services and expanding scope of services. Included within the plan are four (4) steps to accomplish the strategic priorities. These include:

- Task to be completed.
- Steps to be taken.
- Estimated completion dates.
- Expected outcome.

We were provided documentation for several outreach events and activities attended by the division. These events included the following:

- November 7, 2015 - Detroit Veterans Day Parade and Festival at Hart Plaza. (Table setup with Veteran Services information). 2,000 veterans attended.
- November 8, 2015 - Greater Grace Baptist Church Veterans Resource Event. (Table setup with Veterans Services information.) 200 veterans attended.
- November 11, 2015 - Home Closing For Veteran Mortgage Free Home Give Away at the Veterans Home, Dearborn, Michigan. (Media coverage.)
- November 14, 2015 – Wayne County Sheriff's Veteran Services Hiring Event held at the Light Guard Armory in Detroit, Michigan. 50 – 75 veterans attended.
- November 14, 2015 – Congressman Conyers Veteran Resource event held in Westland, Michigan. (Table setup with Veterans Services information.) Over 200 veterans attended.
- November 19, 2015 – Institute of Aeronautical Technology (MIAT) Veterans group presentation held in Canton, Michigan. 25 veterans attended.
- January 11, 2016 – Redford Veterans Court. 50 veterans attended.
- January 12 – 28, 2016 – Wayne County Tax Show Cause Hearings. (Table setup with Veteran Services information.)

- January 25, 2016 – Community conversation with Canton, Michigan community leaders. Attended with Wayne County CEO.
- February 11, 2016 – Michigan Veterans Foundation (MVF) at Detroit Homeless Shelter. Wayne County presentation.
- March 5, 2016 – Detroit VA Hospital. Hiring Our Heroes Career Fair. (Table setup with Veterans Services information.)
- May 12, 2016 – Wayne County Senior Services Luncheon held in Dearborn, Michigan. (Table setup with Veterans Services information.) Over 800 seniors and veterans and family members attended.
- May 23, 2016 – Veterans Forum Detroit with State Senator David Knezek. Media coverage. Attended by 20 veterans.
- June 18, 2016 – Recruit Military Career Fair at Ford Field. (Table setup with Veterans Services information.) Attended by over 600 veterans.
- The division also attends every Health, Veterans and Community Wellness “In the Community Events”.

The OAG was also provided a copy of the updated Wayne County Veterans Resource Guide (Brochure) that was completed in December 2015. This brochure outlines services offered by the office as well as all contact information. These brochures are being distributed at the various events held for Wayne County veterans. As a result of the actions taken, we deem this recommendation resolved.

RECOMMENDATION #15-04

STATUS: IN PROCESS

We recommended, prior to transferring or expending Soldiers & Sailors Relief Funds, the Department of Senior and Veteran Services management ensure all recipients of the funds meet eligibility requirements, and supporting documentation is obtained and maintained in the Veteran Services files.

VIEWS OF RESPONSIBLE OFFICIALS

Management officials stated they have performed an on-site review of both the Detroit Area Agency on Aging (DAAA) and the Senior Alliance who provide meals to veterans. The purpose of these reviews was to review documentation verifying the veteran’s eligibility to receive meals. Management did not document these reviews, nor complete a verification, but are of the opinion that both county contractors maintain all required supporting documentation at their respective locations. Management has not been able to gain access to electronic records contained in the DAAA online records system in order to verify the eligibility of veterans served by them. Management indicated that they have made attempts to gain access to the system, however, have not been successful. For the other contractor, the Senior Alliance, management indicated that these records are currently located at the Kay Beard Building but would be brought over and stored at the Veteran Services main office in the near future.

AUDITOR COMMENT

We reviewed the county's general ledger and noted that during the period October 2015 through current, and identified two (2) transfers out of the Soldiers & Sailors fund to the Nutrition Fund in the total amount of \$176,372. A review of the county's general ledger system indicated that the transfers were for veterans' meals provided through the county's nutrition program. Management had indicated during the corrective action plan that going forward no funds will be transferred without obtaining proper supporting documentation for the eligibility of veterans receiving services.

Although management indicated that senior nutrition providers appear to have all the required supporting documentation, there currently are no records maintained at the Veterans Services offices nor has management been successful in gaining access to the DAAA online record system. Management indicated that it is their intention to obtain in the near future veterans' eligibility records for services provided.

RECOMMENDATION #15-05

STATUS: RESOLVED

We recommended management within the Veteran Services Division implement policies and procedures to ensure there is adequate management oversight over key operational functions to ensure compliance with laws, policies and procedures, and risk is mitigated and/or managed.

VIEWS OF RESPONSIBLE OFFICIALS

Veterans Services management officials with the assistance of Corporation Counsel developed a set of policies and procedures that encompasses all functions and activities of the office. The new set of policies and procedures includes areas of daily operations and provides the director with a quick reference guide to help increase management oversight for all functions. The policies and procedures were distributed to staff.

AUDITOR COMMENT

We received and reviewed the newly written policies and procedures. The policies and procedures include addressing the areas of daily operation including eligibility requirements for Soldiers & Sailors Relief Grants that employees are to use as a guideline for approving relief for eligible persons. The policies and procedures also cover food, rent and mortgage assistance as well as guidelines for the eligibility for grant relief for the Senior Nutrition Program and Meals on Wheels. It specifically states that all supporting documentation as to the eligibility of the person must be obtained and kept on file in the Division of Veteran Services. As a result of the actions taken, we deem this recommendation resolved.

CONCLUSION

Our follow-up review determined that two (2) recommendations have been resolved and one (1) recommendation is in-process. The OAG will not request the Division of Veteran Services, Department of Health, Veterans and Community Wellness to submit another corrective action plan to address the recommendation still in process.

In order to mitigate the risk that funds from the Soldiers & Sailors Relief Fund are not being spent in accordance with the state act, we encourage the department to obtain and keep on file supporting documentation on the eligibility of those receiving services. Also, the department should continue its efforts to develop ways to improve outreach activities in order to maximize the disbursement of Soldiers & Sailors Relief funds to all those who are eligible.

This report is intended solely to provide information to the Wayne County Commission and Health, Veterans and Community Wellness management and should not be used for any other purposes. This restriction is not intended to limit the distribution of the report, which is a matter of public record.



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