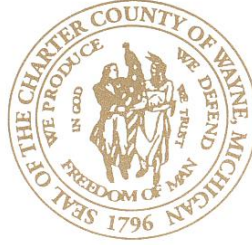


Office of Legislative
Auditor General

MARCELLA CORA CPA, CIA, CICA, CGMA
AUDITOR GENERAL



500 GRISWOLD STREET
STE. 842 GUARDIAN BLDG
DETROIT, MICHIGAN 48226

TELEPHONE: (313) 224-8354

March 7, 2022

FINAL REPORT TRANSMITTAL LETTER

Wayne County Commission:

Enclosed is the final copy of the Corrective Action Plan (CAP) and Auditor General's Assessment for the Health, Human and Veterans Services – Juvenile & Youth Services, Performance Audit Report. The CAP report is dated January 21, 2022; DAP No. 2021-57-007. The report was accepted by the Committee on Audit at its meeting held on February 23, 2022, and formally received by the Wayne County Commission on March 3, 2022.

We are pleased to inform you that management and staff from the Wayne County Department of Health, Human and Veterans Services – Juvenile & Youth Services, provided their full cooperation during the engagement. If you have any questions, concerns, or desire to discuss the CAP and summary 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 final reports of the Office of Legislative Auditor General can be found at our website:

<https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

Sincerely,

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

REPORT DISTRIBUTION

Wayne County Health, Human & Veteran Services

Melita Jordan, Director

Harolyn Baker, Chief Operating Officer

Cecily Hoagland, Administrator – Juvenile & Youth Services Division

Kim Holmes Beauvais, Contract Specialist

Department of Management & Budget

Hughey Newsome, Chief Financial Officer

Yogesh Gusani, Deputy Chief Financial Officer

Shauntika Bullard, Director, Grants, Compliance and Contract Management

Wayne County Executive

Office of Legislative
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TELEPHONE: (313) 224-8354

January 21, 2022

DAP No. 2021-57-007

Honorable Raymond E. Basham, Chairman
Committee on Audit
Wayne County Commission
County of Wayne, Michigan
500 Griswold, Ave., Suite 766
Detroit, MI 48226

Subject: **Corrective Action Plan**, including the Auditor General's Assessment, dated December 9, 2021 for the Department of Health, Human and Veteran Services Community Corrections–Juvenile & Youth Services.

In accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States as it relates to a performance audit engagement, the Office of Legislative Auditor General (OAG) requested the Department of Health, Human and Veteran Services Community Corrections–Juvenile & Youth Services to submit a Corrective Action Plan (CAP) for recommendations identified in Department of Health, Human and Veteran Services Community Corrections–Juvenile & Youth Services Performance Engagement, dated October 1, 2021 that was received by the Wayne County Commission on October 21, 2021.

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 three (3) recommendations determined them to be in-process. Therefore, a follow-up review may be deemed necessary.

Honorable Raymond Basham, Chairman
DAP No. 2021-57-007
January 21, 2022
Page 2 of 2

Respectfully submitted,

A handwritten signature in black ink that reads "Marcella Cora". The signature is written in a cursive, flowing style.

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

Attachment

CC: Melita Jordan, Director
Harolyn Baker, Chief Operating Officer
Cecily Hoagland, Administrator – Juvenile & Youth Services Division
Kim Holmes Beauvais, Contract Specialist, Juvenile & Youth Services Division
Hughey Newsome, Chief Financial Officer, M & B
Yogesh Gusani, Deputy Chief Financial Officer, M & B
Shauntika Bullard, Director, Grants, Compliance and Contract
Management

**Health, Human & Veterans Services
Juvenile & Youth Services
Performance 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
<p>2020-01</p> <p>The Wayne County Office of Legislative Auditor General (OAG) recommends Juvenile & Youth Services request all CMO monthly reports be submitted in an electronic format such as excel for ease in analysis.</p>	<p>Some CMO's do submit their billing in an excel format and some are in a pdf format. We concur with the OAG finding that if all of the billing were submitted in an excel format, more analysis can be done with the ability to sort data. Per the CMO's contracts, reimbursements for services are based on a monthly capitated rate. Within the fiscal year, there are quarterly adjustments based on the actual days of care for the quarter which is captured in the Juvenile Agency Information System (JAIS). The CMO's are sent this data every quarter and agree to the number of actual days of care for their agency. Adjustments</p>	<p>Meeting held with Sam Haddad, Hussein Charara (JAIS), Eddie Fakhoury (Director of Administration), Harolyn Baker (COO) and Cecily Hoagland (JYS- Administrator) on Oct 7, 2021 to review the audit findings. The next steps to address the findings and corrective action plan were discussed. On November 15, 2021, a meeting was held with the CMOs and HHVS Director, Melita J. Jordan, Brian Manning, Sam Haddad, Hussein Charara, Harolyn Baker and Cecily Hoagland to meet HHVS new director. The audit findings were discussed with the CMOs and the next steps to bring the monthly billing and</p>	<p>Yes</p>	<p>JYS Administrator</p>	<p>In Process</p>	<p>Juvenile Youth Services management indicated they will be implementing a policy and procedure by March 2022, that will require all CMO's to submit their monthly billings in electronic uniform format.</p> <p>Management held a meeting with all CMO's on November 15, 2021, to discuss the submission of monthly billings in an Excel format and to notify them of the upcoming revised policy.</p> <p>If planned action is implemented as described, the action appears to address the recommendation.</p>

**Health, Human & Veterans Services
 Juvenile & Youth Services
 Performance Engagement**

**Summary and Assessment of
 CORRECTIVE ACTION PLAN**

		<p>made to the days of care for the billing may not show up on the billing, but are entered by the CMO and is captured in JAIS. The monthly reconciliation of 25% of the invoice does not include total number for days of care, due to the capitated rate, the CMOs get the same amount every month regardless of the days of care or the number of youth they serve. The quarter adjustments adjust their bill up or down base on the actual days of care for the quarter which comes out of the JAIS system and is verified by each agency before the adjustments are made.</p>	<p>reconciliation in compliance with the recommendations outlined in the audit report. JYS Administrator, C. Hoagland will work with the CMO Contract Mangers and JAIS to review and revise the policy.</p> <p>1) Juvenile & Youth Services Division (JYS) will require that all monthly client reports be submitted in an excel format, in a specified order to be included in the revised policy 2) JYS will review, update and re-issue policy /SOP on monthly invoice submittal. 3) Policy will be distributed to the CMO's,</p>				<p>However, a follow-up review may be necessary.</p>
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**Health, Human & Veterans Services
 Juvenile & Youth Services
 Performance Engagement**

**Summary and Assessment of
 CORRECTIVE ACTION PLAN**

<p>2020-02(A)</p>	<p>The Wayne County Office of Legislative Auditor General (OAG) recommends:</p> <p>A reconciliation of the JAIS Monthly Billing Report to the total number of days in the CMO Monthly Roster report be completed by the both the CMO and respective Contract Manager(s).</p>	<p>The Director and staff of the Wayne County Department of Health, Human and Veterans Services (DHHVS) with responsibility and oversight for the Juvenile & Youth Services Division concur with the recommendation(s) to strengthen controls and processes of DHHVS Juvenile and Youth Service Division operations. For CMOs and Contract Manager(s) be responsive to reconciliation of the Juvenile Assessment Information System (JAIS); Monthly Billing Report to reflect the total number of days in the CMO Monthly Roster Report. Management agrees that a monthly reconciliation of the days of care will provide a higher level of assurance that all days of</p>	<p>1) JYS will require a reconciliation of the total number of days of the JAIS Monthly Report and the CMO Monthly Roster be completed by the CMOs prior to submittal of Monthly Billing. 2) Contract Managers will make reconciling the monthly billing total number of days from JAIS to the CMO's Monthly Roster as part of invoice approval process. 3) If there are discrepancies in the JAIS Monthly Report and the CMO monthly Roster contract managers will compare the two reports and JAIS to resolve and correct the number of days for the month. 4) JYS will review and update the invoice approval process procedure to include the reconciling of total number of days of care.</p>	<p>Yes</p>	<p>JYS Administrator, CMOs Contract Managers</p>	<p>In Process</p>	<p>Juvenile Youth Services management is in the process of drafting a policy that will be implemented by March 2022, that requires a reconciliation of the JAIS monthly billing report to the CMO monthly roster report. Management is in the process of planning a meeting in February 2022, with CMO's to discuss the implementation and policy for reconciliation process.</p> <p>If planned action is implemented as described, the action appears to address the recommendation.</p> <p>However, a follow-up review may be necessary.</p>
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**Health, Human & Veterans Services
 Juvenile & Youth Services
 Performance Engagement**

**Summary and Assessment of
 CORRECTIVE ACTION PLAN**

		<p>care is accurately recorded and maintained between the County and the Care Management Organization (CMOs). If discrepancies exist in the total number of days, this can be resolved before the quarterly adjustment as recommended by comparing detail rosters from JAIS to CMO's Monthly Roster of Youth for days of services performed. Currently a reconciliation of the number of days is completed every quarter by the CMOs with the number of days reported by JAIS for the quarter. The CMOs note they agree or disagree with the quarterly reported days of the care for the quarter. Differences are reconciled for the quarter before the quarterly adjustment can</p>	<p>5) Procedure will be distributed to the CMOs.</p>				
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**Health, Human & Veterans Services
Juvenile & Youth Services
Performance Engagement**

**Summary and Assessment of
CORRECTIVE ACTION PLAN**

		<p>be made. Once the CMOs agree with the days of care, the adjustment is prepared and each CMO contract is amended to add or deduct the adjustment from their contract. Once the contract amendment is approved by the Commission, each CMO adds or subtracts the amount from their next invoice. It's important to note that the Office of the Auditor General tested 9 months (October 1, 2019 through June 30, 2020) of invoices from the five CMO's. The testing consisted of 100% of the invoice, reviewing each youth entry. There was an average of 828 youth served monthly during the 9-month test period. Approximately 7,452 youth days of care entries were reviewed by the OAG. After the</p>					
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**Health, Human & Veterans Services
Juvenile & Youth Services
Performance Engagement**

**Summary and Assessment of
CORRECTIVE ACTION PLAN**

		<p>review, there were 26 exceptions, less than ½ percent of the invoices reviewed. Nonetheless, implementing a monthly reconciliation of CMO data entered into JAIS is an opportunity for improvement.</p> <p>The Juvenile and Youth Services Division will move promptly to initiate the implementation of the recommendations to address the noted deficiencies. We have initiated an internal planning meeting for the week of October 4, 2021 and are in the process of scheduling a meeting later this month with our Care Management Organizations to review the recommended procedure as Standard Operating Procedure (SOP).</p>					
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**Health, Human & Veterans Services
 Juvenile & Youth Services
 Performance Engagement**

**Summary and Assessment of
 CORRECTIVE ACTION PLAN**

<p>2020-02 (B)</p>	<p>If discrepancies exist in the total number of days, compare detail rosters from JAIS to CMO's Monthly Roster of Youth to ensure youth are accurately reported for number of days services were performed.</p>	<p>For Management's Comments on Findings and Recommendation see 2020-02(A) above</p>	<p>If there are discrepancies in the JAIS Monthly Report and the CMO monthly Roster, the contract managers will compare the two reports and JAIS to resolve and correct the number of days for the month. JYS will review and update the invoice approval process procedure to include the reconciling of total number of days of care. Procedure will be distributed to the CMOs.</p>	<p>Yes</p>	<p>JYS Administrator, and CMO Contract Managers,</p>	<p>In Process</p>	<p>Juvenile Youth Services management stated they are in the process of updating their standard operating procedures by March 2022, to include the corrective action process/steps to take when discrepancies are found during the reconciliation process.</p> <p>If planned action is implemented as described, the action appears to address the recommendation.</p> <p>However, a follow-up review may be necessary.</p>
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