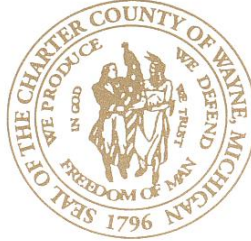


Office of Legislative  
**Auditor General**

**MARCELLA CORA CPA, CIA, CICA, CGMA**  
AUDITOR GENERAL



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

TELEPHONE: (313) 224-8354

February 8, 2024

**FINAL TRANSMITTAL LETTER**

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Office of Legislative Auditor General's Engagements and Other Projects, Audit/Work Plan, Year 2024 (Plan). The Plan is dated January 19, 2024; DAP No. 2024-57-801. The report was accepted by the Committee on Audit at its meeting held on January 24, 2024 and formally received by the Wayne County Commission on February 1, 2024.

If you have any questions, concerns, or desire to discuss the Plan in greater detail, please feel free to contact me 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 at: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>.

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

**REPORT DISTRIBUTION**

**Wayne County Executive**

Honorable Warren Evans

**County wide Elected Office Holders**

Honorable Eric R. Sabree, Treasurer

Honorable Kym L. Worthy, Prosecuting Attorney

Honorable Cathy M. Garrett, County Clerk

Honorable Bernard J. Youngblood, Register of Deeds

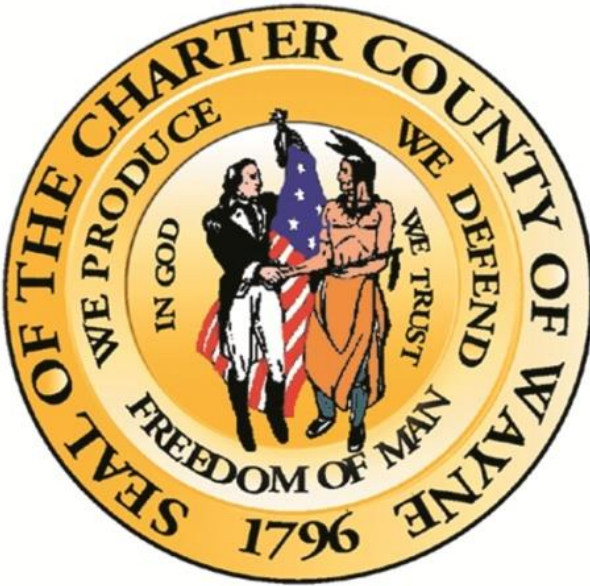
Honorable Rapheal Washington, Sheriff

**Department of Management and Budget**

John Wallace, Chief Financial Officer

Robert Widigan, Chief Deputy Financial Officer

Yogesh Gusani, Deputy Chief Financial Officer



# **AUDIT/WORK PLAN YEAR 2024**

## **WAYNE COUNTY OFFICE OF LEGISLATIVE AUDITOR GENERAL**





# *Office of Legislative Auditor General*

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

## **Table of Contents**

Transmittal Letter .....	1
Introduction .....	3
Audit Plan Development .....	3
Audit Process .....	4
Risk Assessment .....	5
Noted Key Concerns .....	6
2024 Audit Plan .....	7
Summary Schedule of Engagements and Other Projects Audit/Work Plan Year 2024.....	8
Detail Schedule of Engagements and Other Projects Audit/Work Plan Year 2024.....	9
Appendix A – Type of Engagements .....	18
Appendix B – Statement of Organizational Independence .....	20



# Office of Legislative Auditor General

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

January 19, 2024

DAP No. 2024-57-801

Honorable Melissa Daub, Chairwoman  
Committee on Audit  
Wayne County Commission  
500 Griswold, Suite 727  
Detroit, MI 48226

Subject: Engagement and Other Projects, Audit/Work Plan, Year 2024

Dear Chairwoman Daub:

I, along with the staff of the Office of Legislative Auditor General (OAG), are honored and pleased to provide for your consideration the enclosed 2024 Annual Audit Plan. This comprehensive report details our plan of audits and reviews for the upcoming year. This report is provided in accordance with Performance Standard – 2010, *Planning*, of the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors.

This standard, along with best practices for professional internal auditing, requires internal audit organizations to submit their annual audit plan to their oversight body for acceptance. It also requires the internal audit organization to obtain input from management to ensure their concerns, regarding risk and other factors that could impede the entity from achieving its operational objectives and goals, are considered in developing the annual plan. We requested and received comments from elected officials and senior management in responses to the OAG's risk assessment questionnaire in developing this Audit/Work Plan.

The plan as transmitted is largely based on our internal assessment of potential risk to the county across all executive branch departments, offices managed by county elected officials, as well as certain component units and agencies of the county. We designed the Audit/Work Plan to address perceived risk areas within county operations, along with considering the allocation of our scarce resources to reviewing those areas.

We believe this audit plan is consistent with the mission of supporting an atmosphere of continuous improvement, integrity, transparency, and accountability through an independent assessment of county programs, activities, and functions.

We would like to acknowledge the professionalism and cooperation extended to us during this process by county elected officials and management of county departments. I look forward to another successful year of audit services to the County of Wayne.



# *Office of Legislative Auditor General*

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

In conclusion, I want to assure you that we in the OAG remain motivated and committed to carrying out this plan and fulfilling the mission and purpose for which we were established.

Respectfully submitted,

Marcella Cora, CPA, CIA, CICA  
Auditor General

Attachment

Pc: Honorable Alisha R. Bell, Chairwoman, Wayne County Commission  
Honorable Warren Evans, County Executive  
Honorable Wayne County Commissioners  
County-wide Elected Officials



# Office of Legislative Auditor General

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

## **Introduction**

The Office of Legislative Auditor General (OAG) is an independent, objective internal audit organization, offering value to county officials responsible for governance over county operations and accountability to its citizens. Our purpose is to examine and evaluate county activities in order to achieve transparency and accountability of public funds and improve the operations of county government for the benefit of Wayne County citizens. Internal Audit helps an organization achieve its objectives by providing a systematic, disciplined, and objective approach when evaluating county operations and improves the effectiveness of risk management, internal controls, and governance processes.

The OAG assists county officials and county managers by providing unbiased, independent review and analysis of policies, procedures, and county operations. The OAG is responsible for identifying the areas in need of review based on various risk factors.

Government Auditing Standards and the Institute of Internal Auditor Standards encourage audit organizations to establish a risk-based audit approach to determine the priorities for audit activities. A risk assessment is a systematic process to evaluate, identify, and prioritize potential audits based on the level of risk to the county. Determining which areas to audit and allocating scarce resources to those areas is key to a successful internal audit function.

## **Audit Plan Development**

Institute of Internal Auditors Standard 2010 – *Planning* requires that the internal audit activity establish a risk-based plan, undertaken at least annually, to determine the priorities of the internal audit activity are consistent with the organization's goals. The plan is largely based on our internal assessment of potential risk to the county across all executive branch departments and divisions, offices managed by county elected officials, as well as certain component units and agencies of the county.

The goal of an annual audit plan is to efficiently prioritize and allocate limited resources to those areas considered to present the greatest risk, where the Office of Legislative Auditor General can provide the greatest amount of value. As with most annual plans of activity, this plan should not be considered static; instead, it should be considered dynamic or flexible and able to adapt to changing conditions during the year if they arise. We will continuously assess the deployment of audit resources throughout the year to ensure they are being utilized in the most effective manner for the benefit of the county, its citizens, and users of its services. Completion of the plan may be affected by audits requested by the commission, management officials, special projects, and unforeseen circumstances.





# *Office of Legislative Auditor General*

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

Internal audit defines risk as the possibility of an event occurring that will have an impact on the achievement of an organization's objectives. County management is responsible for managing risks by implementing effective business processes and internal controls. Internal audit aids in the assessment of risks by analyzing the operating environment and identifying conditions that may impair the County's ability to achieve its mission and goals.

## **Audit Process**

As noted below, our audit process begins with the OAG performing a countywide risk assessment which is described in more detail below. Once the risk assessment is complete and input is provided by the commission and county leadership, the audit plan is developed, submitted, and discussed with the Committee on Audit and received and filed by the Wayne County Commission.

Upon completion of audit fieldwork procedures, a report is drafted which addresses the findings and recommendations resulting from the audit work performed. The OAG allows management the opportunity to review the draft report for accuracy and include the views from responsible officials within the report. The draft report is submitted to the Committee on Audit for discussion, review, and forwarded to the Wayne County Commission to be received and filed.

After issuance of the final report, the OAG requests a corrective action plan from management. The corrective action proposed by management is assessed and the report is issued. Follow-up reviews will be performed based on the seriousness of the identified risk and related impact to the county.

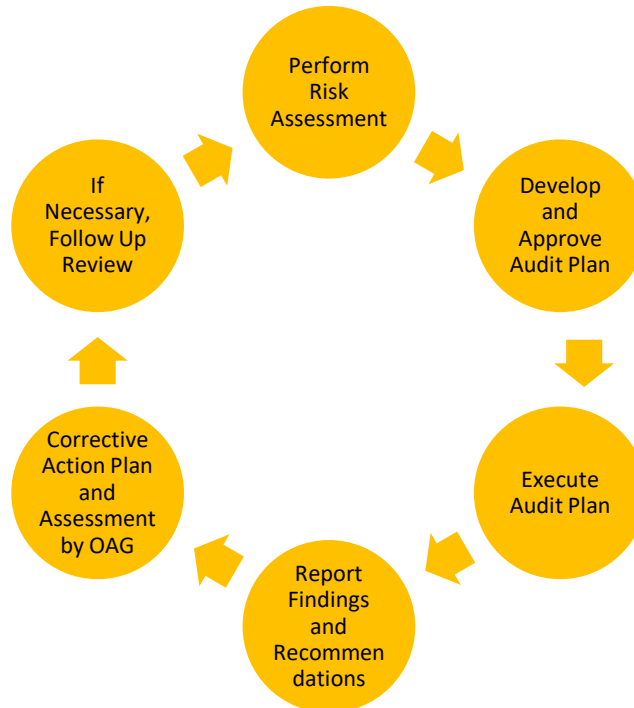


# Office of Legislative Auditor General

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

## Audit Process



## Risk Assessment

The County has three lines of defense that are responsible for assessing and responding to risk. Management is the first line of defense against risk. They are responsible for identifying, assessing, establishing controls, and monitoring risk. Then there are the oversight functions such as finance, budget, procurement, and information technology that are responsible for monitoring risk. The third line of defense is internal audit which provides reasonable assurance on the effectiveness of risk management, governance, and internal controls. They also provide a resource to management in identifying areas for improvement.

The Office of Legislative Auditor General performed a countywide risk assessment to gain an understanding of key financial, compliance, and business risks that could potentially threaten the county's achievement of its objectives. To complete the countywide risk assessment, a risk assessment questionnaire survey was sent to all county elected officials and executive department heads. In addition, the OAG reviewed budgeted revenues and expenditures by department and divisions along with the last time the OAG performed an audit/review within an agency/department.





# Office of Legislative Auditor General

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

## Risk Categories and Descriptions

Risk Category	Risk Description
Budgeted Revenues, Expenditures	Amount of budgeted revenues and expenditures of the agency/department and divisions.
Last Audit	Section 3.119 of the Wayne County Home Rule Charter requires the Auditor General to audit the financial transactions of county agencies at least once every two years, or as otherwise directed by the County Commission.
Complexity of Operations	A measure of difficulty in meeting a business/program objective and/or responsibility performing a process or function.
Outside Interest and Public Exposure	A measure of exposure to loss or embarrassment caused by the level of visibility and/or public interest. Interest shown by outside parties such as news media, citizen groups, the general public, or others that increases the department/agency risk.
Regulatory/Compliance	The existence and applicability of external laws, regulations, contractual or reporting requirements increases the diversity and complexity of system requirements and therefore increase the opportunity for noncompliance.
Management and Employee Turnover or Reduction in Staff	An assessment resulting from the turnover of management and staff or reduction in staff within the last two years. The lack of experience of management or staff or the reduction of staff and its effect on impeding the achievement of performance within programs and overall business objectives.
Control Environment	A measure of exposure or loss due to a lack of controls, including but not limited to written policies and procedures, or a failure to properly implement those policies and procedures in practice.

### Noted Key Concerns

**Retention of Personnel** – High level of turnover across the county. The pace of staff leaving has exceeded the rate at which the county has been able to hire new staff in many departments including leadership positions.

**Competitive Salaries and Benefits** – The retention and replacing the loss of staff members is difficult because salaries and benefits are not competitive with current market rates. In 2023, a Commission Benefit Task Force was created to help explore how to improve salaries and benefits. Some changes in benefits including reduction of healthcare premium and inclusion of free parking



# *Office of Legislative Auditor General*

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354

Website: <https://www.waynecounty.com/elected/commission/oag/legislative-auditor.aspx>

as a benefit has helped with hiring but many elected officials and departments are still experiencing challenges with recruiting. How these changes impact recruiting may take time.

**Outdated Computer Systems** – Numerous County departments are presently operating with outdated information systems to conduct their day-to-day transactions/activities. Many noted the IT systems are no longer supported.

**Policies and Procedures** – County policies and procedures need review and continuous updates.

## **2024 Audit Plan**

We designed our “risk-based” audit plan to address what we consider to be the highest priority areas, while allocating our scarce resources to reviewing these areas.

The plan, which lists 48 engagements, includes audits, consulting, reviews, and other engagement types that will be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the U.S. Comptroller General and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). Also included are carry-over engagements from the prior year’s audit plan.

The engagements were selected to assist county leadership and management with their oversight and decision making; improve the effectiveness and efficiency within county operations; and enhance accountability over resources. The planned engagements will take place within county departments/agencies/divisions, and in certain cases, component units.

This audit plan is based on an estimation of 45,200 engagement hours. Based on current direct audit hours available, our goal is to complete approximately 20 projects depending on the number of hours it will take to complete each engagement. See page 16 of our plan for additional detail.

While general audit objectives are included in the plan, specific objectives will be determined upon completion of the planning phase of each engagement.

**SUMMARY SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b>Department / Audit Area</b>	<b>Engagements/Projects Scheduled</b>
Commission / Legislative Branch	1
Corporation Counsel	1
Office of the County Clerk	0
Economic Development	6
Facilities Management & Planning	1
Health, Human, and Veteran Services	2
Homeland Security	1
Indigent Defense Services	1
Juvenile & Youth Services	2
Management & Budget	4
Personnel/Human Resources	2
Office of the Prosecuting Attorney	2
Public Services	3
Office of the Register of Deeds	1
Senior Citizens	0
Office of the Sheriff	4
Technology	0
Office of the Treasurer	3
Wayne County Employees Retirement System	2
Wayne County Component Units	5
Office of Legislative Auditor General	7
<b>Total</b>	<b>48</b>

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
<b><i>Wayne County Commission (1)</i></b>			
Commission	Commission	Assess effectiveness of internal controls, management practices, and compliance with laws, ordinances, and rules.	Agreed Upon Procedures
<b><i>Corporation Counsel (1)</i></b>			
Human Relations	Business Certification Program	Assess the effectiveness and adequacy of the internal control environment.	Performance/ Corrective Action Plan
<b><i>Office of the County Clerk (0)</i></b>			
<b><i>Economic Development (6)</i></b>			
EDC	1 <sup>st</sup> Street Parking Garage	Assess the control environment over the First Street parking garage transactions.	Performance/ Corrective Action Plan
Community Development*	Home Program	Assess the control environment and compliance with laws and regulations.	Performance/ Corrective Action Plan
Economic Development	Workforce Development Initiative	Assess controls over contract to provide workforce development initiative.	Performance/Corrective Action Plan
Emergency Development*	Emergency Rental Program	Assess controls over the emergency rental program.	Performance/Corrective Action Plan
CDBG	CDBG	Assess controls over subrecipient monitoring.	Corrective Action Plan

^ Commission requested engagement

\* Engagement Started in Prior Year

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department Audit Area/ Program (Service)</u></b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
Economic Development	ARPA Funds	Assess status of ARPA projects.	Performance/Corrective Action Plan
<b><i>Facilities Management and Planning (1)</i></b>			
Facilities and Real Estate Planning	County Owned Buildings and Leased Facilities	Assess utilization of county owned buildings and leased space.	Performance/Corrective Action Plan
<b><i>Health, Human, and Veteran Services (2)</i></b>			
Clinical Services*	Federally Funded Qualified Health Centers	Assess controls over programs provided.	Performance/Corrective Action Plan
Transition Services	Community Based Residential Treatment	Assess controls over services.	Performance/Corrective Action Plan
<b><i>Homeland Security/Emergency Management (1)</i></b>			
Emergency Management	Emergency Preparedness	Assess the adequacy of emergency response.	Performance/Corrective Action Plan
<b><i>Indigent Defense Services (1)</i></b>			
Indigent Defense Services	Indigent Defense Services	Assess controls over services performed.	Performance/Corrective Action Plan
<b><i>Juvenile and Youth Services (2)</i></b>			
Abuse & Neglect	Juvenile Justice Abuse/Neglect	Assess controls over program.	Performance/Corrective Action Plan

^ Commission requested engagement

\* Engagement Started in Prior Year

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
Prevention and Diversion Services	Youth Services	Assess controls over Youth Services Programs.	Performance/ Corrective Action Plan
<b><i>Management &amp; Budget (4)</i></b>			
Risk Division	Risk Management	Determine whether management has taken sufficient action to address the recommendations.	Corrective Action Plan
Procurement*	Procurement	Assess controls environment over sole source contracts.	Performance/ Corrective Action Plan
Accounts Payable	Accounts Payable	Assess effectiveness and adequacy of the internal control environment.	Performance/ Corrective Action Plan
Grants/Contract and Compliance Management	Grants	Assess control environment over grants.	Performance/ Corrective Action Plan
<b><i>Personnel / Human Resources (2)</i></b>			
Personnel	Conflict of Interest	Determine whether management has taken sufficient action to address the recommendations.	Corrective Action Plan
Benefits*	Benefits	Evaluate the internal controls over tracking of Family Medical Leave and compliance with laws and regulations.	Performance/ Corrective Action Plan

^ Commission requested engagement

\* Engagement Started in Prior Year



**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
<b><i>Office of the Prosecuting Attorney (2)</i></b>			
Fraud and Corruption Investigation Unit	Fraud and Corruption Investigation Unit	Report on completed investigations and recommended improvements in policy and county fraud control systems.	Special Project
Grants	Grants	Assess the control environment over grants.	Performance/ Corrective Action Plan
<b><i>Public Services (3)</i></b>			
Equipment	Equipment	Assess controls over procurement and tracking of equipment.	Performance/Corrective Action Plan
Roads Maintenance	Roads	Determine whether management has taken sufficient action to address the recommendations.	Corrective Action Plan
Environment	Sewage Disposal Systems FY 2023	Assess the FY 23 audited financial statements.	Financial Assessment – Limited Review
<b><i>Office of the Register of Deeds (1)</i></b>			
Register of Deeds*	Remonumentation Program	Assess compliance with grant program.	Performance/Corrective Action Plan
<b><i>Senior Citizens (0)</i></b>			
<b><i>Office of the Sheriff (4)</i></b>			
Court Services	Civil Process Unit	Assess the control environment over financial activity.	Performance/ Corrective Action Plan

^ Commission requested engagement

\* Engagement Started in Prior Year

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
Jails	Tether Unit	Assess compliance with tether key contract provisions.	Performance/ Corrective Action Plan
Jails	Jails Telephone	Assess control environment over contract to provide jail inmate telephone services.	Performance/ Corrective Action Plan
Administration	Grants	Assess control environment of grants.	Performance/ Corrective Action Plan
<b><i>Technology (0)</i></b>			
<b><i>Office of the Treasurer (3)</i></b>			
Treasury Management/ Investments	Quarterly Investment Reports	Report on the WCTO quarterly investment reports.	Special Project
Tax Management^	Delinquent Tax Revolving Fund	Assess amount of surplus funds available for transfer to general fund.	Performance/ Corrective Action Plan
Tax Management/ Accounting	Accounting	Assess controls over bank reconciliations.	Performance/ Corrective Action Plan
<b><i>Wayne County Employees' Retirement System (WCERS) (2)</i></b>			
WCERS	Defined Benefit Audited Financial Statements for Fiscal Year 2023	Assess the audited financial statements.	Financial Assessment – Limited Review

^ Commission requested engagement

\* Engagement Started in Prior Year

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
WCERS	Contribution Plan Audited Financial Statements for Fiscal Year 2023	Assess the audited financial statements.	Financial Assessment – Limited Review
<b><i>Component Units:</i></b>			
<b><i>Wayne County Land Bank Corporation (1)</i></b>			
Wayne County Land Bank Corporation	Audited Financial Statements for FY 2023	Assess the audited financial statements.	Financial Assessment – Limited Review
<b><i>HealthChoice of Michigan (1)</i></b>			
HealthChoice of Michigan	Audited Financial Statements for Fiscal Year 2023	Assess the audited financial statements.	Financial Assessment – Limited Review
<b><i>Wayne County Building Authority (1)</i></b>			
Wayne County Building Authority	Audited Financial Statements for FY 2023	Assess the audited financial statements.	Financial Assessment – Limited Review
<b><i>Wayne County-Detroit Community Development Entity (1)</i></b>			
Wayne County- Detroit Community Development Entity	Audited Financial Statements for FY 2023	Assess the audited financial statements.	Financial Assessment – Limited Review

^ Commission requested engagement

\* Engagement Started in Prior Year

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
<b><i>Wayne County Healthy Communities (1)</i></b>			
Wayne County Healthy Communities	Audited Financial Statements for FY 2023	Assess the audited financial statements.	Financial Assessment – Limited Review
<b><i>Office of Legislative Auditor General (7)</i></b>			
Auditor General ^	Budget Sensitive Issues/ FY 2023 ACFR Review	Report budget sensitive issues and assessment of the county financial position to the Ways & Means and Audit committees.	Consulting
Auditor General	Budget Hearings	Attend the Fiscal Year 2024-2025 Commission Budget Hearings.	Special Project
Auditor General	2023 Annual Report	Report on the Office of Legislative Auditor General's Activity for 2023.	Special Project
Auditor General	Updates on Outstanding Recommendations	Assess and provide status schedule on outstanding recommendations contained in OAG engagements.	Special Project
Auditor General	Budget Submission and Financial Reporting	Prepare, submit, and present the OAG FY 2025 budget. Prepare the required monthly and quarterly reports. Monitor the OAG financial activity for FY 2023 and FY 2024.	Special Project

^ Commission requested engagement

\* Engagement Started in Prior Year

**DETAIL SCHEDULE OF ENGAGEMENTS AND OTHER PROJECTS  
AUDIT/WORK PLAN, YEAR 2024**

<b><u>Department</u> Audit Area/ Program (Service)</b>	<b>Proposed</b>		
	<b>Program/Service Area</b>	<b>Objective(s)</b>	<b>Engagement/ Product Type</b>
Auditor General	Manage and Monitor External Audit	Manage and monitor FY 2023 and FY 2024 external audits.	Special Project
Auditor General	County Wide Risk Assessment	Perform a County Wide Risk Assessment to Identify Areas of Risk.	Special Project
<b>Total Estimated Hours for Engagements/Projects</b>			<b>45,200</b>
<b>Total Available Hours (#)</b>			<b>14,056</b>
<b>Total 2024 Engagements/Projects Included on Plan</b>			<b>48</b>

Note (#) – Based on available audit hours vs. estimated hours for engagements and projects identified in OAG 2024 Audit/Work Plan, some engagements will roll forward to the OAG’s 2025 Audit/Work Plan.

^ Commission requested engagement

\* Engagement Started in Prior Year

# **Appendix A**

## **Types of Engagements**



## Types of Engagements

<b><u>Engagement Types</u></b>	<b><u>Auditing Standards</u></b>
<b><u>Compliance</u></b> <ul style="list-style-type: none"><li>Assess compliance with laws, regulations, contracts, and grants.</li></ul>	<b>GAGAS*</b>
<b><u>Agreed-Upon Procedures</u></b> <ul style="list-style-type: none"><li>Examining, reviewing, or performing agreed-upon procedures on a subject matter and reporting on the results.</li></ul>	<b>GAGAS</b>
<b><u>Performance</u></b> <ul style="list-style-type: none"><li>Assess program effectiveness and results;</li><li>Assess economy and efficiency of operations;</li><li>Assess internal control;</li><li>Assess compliance with legal or other requirements.</li></ul>	<b>GAGAS</b>
<b><u>Analytical Review</u></b> <ul style="list-style-type: none"><li>Addresses specific identifiable objective(s) of engagement.</li></ul>	<b>GAGAS</b>
<b><u>Assurance</u></b> <ul style="list-style-type: none"><li>Objective assessment regarding an entity, operation, function, process, system, or other subject matter.</li></ul>	<b>IIA**</b>
<b><u>Consulting</u></b> <ul style="list-style-type: none"><li>Advisory in nature; performed at request of engagement client.</li></ul>	<b>IIA</b>
<b><u>Special Projects / Non-Audit Services</u></b> <ul style="list-style-type: none"><li>Focus on specific item/area.</li></ul>	<b>None</b>
<b><u>Financial Assessment – Limited Review / Limited Analytical Review</u></b> <ul style="list-style-type: none"><li>Review financial statements, and other financial and operational Reports.</li></ul>	<b>None</b>

---

### **Legend:**

\* Generally Accepted Government Auditing Standards

\*\* International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors

## **Appendix B**

### **Statement of Organizational Independence**

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

## **Statement of Organizational Independence**

### ***IIA Standards – Attribute Standard***

#### ***1110 – Organizational Independence***

***The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.***

***1110.01 – The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results.***

#### ***GAS 3.17-3.64 – Independence***

***3.18 - In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent.***

Two important requirements to ensure success and credibility of the Office of Legislative Auditor General (OAG) are independence and objectivity. This involves maintaining a mental attitude and perspective of independency in fact and appearance. The internal audit activity must be free from interference in determining the scope of internal auditing, performance of work, conclusions drawn, and reporting and communicating the results. These parameters are set forth in the Wayne County Charter Section 3.119 and Wayne County Code of Ordinances Chapter 65 and are applied to the OAG functions and auditors who are involved in the activities prescribed.

The Auditor General shall be appointed by a majority of the Commissioners serving. The Auditor General may be removed for cause by a 2/3 vote of the Commissioners serving. The Auditor General reports directly to the Chairs of the Audit Committee and the Wayne County Commission who is authorized the responsibility for independently managing the audit function. Therefore, the OAG is considered free from impairment to independence as stated in 3.28.b and 3.29b of the Government Auditing Standards.

Along with the structure as outlined above, the OAG assure this concept as it applies to the internal audit function on an annual basis and/or as required. These elements joined together must meet the requirement for Organizational Independence required under Standard 1110 of the

International Standards for the Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors and the Government Auditing Standards

NOTE: The most relevant Government Auditing Standard (GAS) and Institute of Internal Auditors (IIA) Standards are listed at the bottom of this statement.

Identify audit areas that may be affected or where organizational independence may be impaired:

Wayne County Commission Audit (Completed once every two years) – Audit is completed by external agency.

#### **POSSIBLE ORGANIZATIONAL IMPAIRMENTS TO THE OAG'S INDPENDENCE**

I have reviewed the activities, functions, organizational structure, and reporting lines with respected to Wayne County and the component departments, elected officials, component units, agencies, programs, and processes. I am not aware of any circumstances that might impair or lead others to question the OAG's ability to be independent, impartial, and objective on any audit/engagement, except as indicated above. Therefore, any potential impairment listed above are areas that the OAG does not engage.

#### **RESPONSIBILITY TO UPDATE THIS DISCLOSURE**

I understand that I am also responsible to make timely written notification in the event any other circumstance arises during the year that might impair or appear to impair the OAG's independence with respect to an audit or activity (this includes external impairments and required disclosure related to non-audit services as noted in GAGAS and the IIA Standards).



\_\_\_\_\_  
Marcella Cora, Auditor General

1/19/2024  
\_\_\_\_\_  
Date