

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

January 27, 2022

**FINAL REPORT TRANSMITTAL LETTER**

Honorable Wayne County Commissioners:

Enclosed is the final copy of the 2021 Annual Report from the Wayne County Office of Legislative Auditor General (OAG). The report is dated January 4, 2022; DAP No. 2022-57-800. The report was accepted by the Audit Committee at its meeting held on January 12, 2022 and formally received by the Wayne County Commission on January 20, 2022.

The report is submitted in accordance with the Rules of Procedures of the Commission, applicable standards of the Institute of Internal Auditors and best practices. The report covers the period of January 1, 2021 – December 31, 2021 and describes the significant activities, efforts and accomplishments of the OAG during that period.

Should you have any questions, concerns, or desire to discuss the report in greater detail, I am available to do so at your convenience. Copies of all final reports of the Office of Legislative Auditor General can be found at our website at:

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

Respectfully submitted,

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

**REPORT DISTRIBUTION**

**County Executive**

**County-Wide Elected Officials**

**County Department / Agency Heads**



# Annual Report 2021

## Office of Legislative Auditor General

Focused \* Helpful \* Straight down the line \* Determined \* Firm \* Decisive \* Balanced \* Objectivity \* Confidentiality \* Competency \* Integrity \* Independence



**Marcella G. Cora, CPA, CIA, CICA, CGMA**  
Auditor General



# OAG

## Office of Legislative Auditor General

500 Griswold, 8<sup>th</sup> Floor \* Detroit, Michigan 48226 \* Phone (313) 224-8354 \* <https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx>

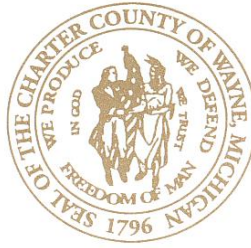
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TELEPHONE: (313) 224-8354

**Letter of Transmittal**

January 4, 2022

DAP No. 2022-57-800

Honorable Alisha R. Bell, Chairwoman  
Wayne County Commission,  
Honorable Raymond Basham, Chairman  
Wayne County Committee on Audit,  
Members of the Wayne County Commission, and  
Honorable Warren Evans, Chief Executive Officer,  
County of Wayne, Michigan

Honorable Elected Officials:

On behalf of the dedicated staff members of the Wayne County Office of Legislative Auditor General (OAG), I am honored to submit our 2021 Annual Report (report). The report highlights the collective efforts and results of the OAG during the 2021 calendar year. The report is submitted in accordance with Section 3.119 of the Wayne County Home Rule Charter, applicable section(s) of the County Code of Ordinances, and Rules of Procedures of the Commission.

The Auditor General meets semi-monthly with the Committee on Audit to present audit reports containing recommendations for corrective action and other matters pertaining to county operations. Audit reports are discussed at the committee and referred to the Full Board for receipt and filing. In addition, the OAG reports annually all direct budgetary impacts as a result of our engagements to the Committee on Ways & Means.

Of the many successes and accomplishments achieved during the year, we are proud that even during the COVID-19 pandemic and our office worked remotely for 12 months of the year, we were able to still complete 18 audit or review reports, which included 73 new recommendations, with a financial impact to the county of approximately \$1.4 million. We are also proud to report that 100 percent of the previously issued recommendations we followed-up on had either been implemented or implementation was in process by management. Management's implementation rate is a clear indication of their shared commitment to mitigate and manage known and reported risk, and to improve the internal control environment here in the county.

The Office of Legislative Auditor General remains committed to providing high-quality audits, reviews, and special projects that present objective examinations conducted in accordance with professional auditing standards. You can be assured that throughout the audit process we will continue to work diligently to add value for commissioners and county management in their efforts to improve accountability in county government, and to enhance the delivery of services to the citizens of Wayne County.

We would like to thank Committee on Audit Chairman Basham, the current Committee on Audit members, Chairwoman Alisha R. Bell, and all Commissioners for their unwavering support of the internal audit function here at the county. We also recognize that any effectiveness we were able to accomplish was largely possible only through the support and cooperation of the executive branch and the other countywide elected officeholders. We look forward to continuing to work with the County Executive, Mr. Warren Evans and his executive management team. We are committed to continuing to improve the accountability of public funds and improve county operations for the benefit of the citizens.

Respectfully Submitted,

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

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



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### STAFF DIRECTORY

<u>STAFF MEMBERS</u>	<u>POSITION*</u>	<u>E-MAIL ADDRESS</u>	<u>PHONE</u>
Marcella G. Cora	Auditor General	<a href="mailto:mcora@waynecounty.com">mcora@waynecounty.com</a>	(313) 224-8354
Michael A. Sosnowski	Audit Manager	<a href="mailto:msosnows@waynecounty.com">msosnows@waynecounty.com</a>	(313) 224-7368
Wilbur Hamner	Audit Manager	<a href="mailto:whamner@waynecounty.com">whamner@waynecounty.com</a>	(313) 224-6358
John C. Kellett	Supervisory Auditor	<a href="mailto:jkelllett@waynecounty.com">jkelllett@waynecounty.com</a>	(313) 224-7978
Crystal L. Thomas	Supervisory Auditor	<a href="mailto:cdavie@waynecounty.com">cdavie@waynecounty.com</a>	(313) 224-6706
Melinda Haner	Supervisory Auditor	<a href="mailto:mhaner@waynecounty.com">mhaner@waynecounty.com</a>	(313) 224-7395
Andrew Rea	Principal Senior Auditor	<a href="mailto:area@waynecounty.com">area@waynecounty.com</a>	(313) 224-7972
Tequila Allen	Principal Senior Auditor	<a href="mailto:tallen@waynecounty.com">tallen@waynecounty.com</a>	(313) 224-3682
Arica Jones	Senior Auditor	<a href="mailto:ajones2@waynecounty.com">ajones2@waynecounty.com</a>	(313) 224-7442

*\* As of January 1, 2022*



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### Executive Summary

This Annual Report covers the period from January 1 through December 31, 2021. Much was accomplished during the year considering the continued pandemic situation that started March of 2020. The OAG has continued to work in a remote environment for the entire year, with increased use of technology, the OAG was able to complete 18 audit/review reports and six (6) administrative projects. Many of them were noteworthy affecting a wide range of programs, operations, and services offered by the county. The issued audit/review reports identified 73 new recommendations with a financial impact of \$1.4 million on county operations related to inappropriate, questionable or unsupported costs. Equally noteworthy, is of the 18 previously conveyed recommendations, management had sufficiently implemented or 100 percent of the recommendations that we followed-up on during the year through our corrective action plan engagements. The implementation rate is a testament that county elected officials and managers share our commitment to strengthening the internal control environment by identifying, managing, and mitigating risk here in the county.

*“...73 new recommendations with a financial impact of \$1.4 million on operations ... 100 percent implementation rate on the previously conveyed recommendations ...”*

This report also includes brief biographical sketches for each of the Office of Legislative Auditor General (OAG) staff members. The value we are able to bring to the county is totally dependent on the quality of the personnel we are able to attract and retain. We believe the county is fortunate that the OAG has been successful in assembling an excellent team of professionals with differing and complimentary backgrounds and professional expertise.

We experienced personnel changes during the year. Linda Hendricks, Project Consultant, left the Office of Legislative Auditor General in June 2021 to follow other endeavors and we wish her the best.

The OAG encourages staff to give back to the communities where they work and live. We highlighted organizations where two (2) of our staff members volunteered their time to serve others.

The report also describes all noteworthy accomplishments achieved in 2021. In addition to the productivity performance and implementation of recommendations, we note the following: our unyielding commitment and success in achieving the professional continuing education and training for our staff required by the authoritative auditing standards we pledge to adhere to in the performance of our engagements. ■



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### Office of Legislative Auditor General

The establishment of the Wayne County Legislative Auditor General and related office (OAG) are provided for by Wayne County Home-Rule Charter, Section 3.119, within the Legislative Branch of county government. The duties and functions of the OAG were strengthened through a citizen approved revision to the Home-Rule Charter in 1996. The mission of the OAG is striving to be a world-class internal audit organization, offering value to county managers, officials responsible for governance, and 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 and the customers of its services.

The OAG reports and other work products have resulted in changes and improvements to county operations that benefit county taxpayers, programs and services, and assist the commission in its oversight of county operations and resources. The OAG has the responsibility to conduct performance, financial, operational, compliance, specific scope audits, and special projects of all county departments/agencies.

Wayne County government officials and employees are accountable to the citizens of Wayne County for the proper handling of public funds and are responsible for managing county resources effectively, efficiently, and economically.

The reports and other products issued by the OAG provide the citizens of Wayne County with a measure of accountability. Our work products also assist elected officials and department administrators by providing an independent and objective evaluation of their operations. The OAG's foremost goal is to improve accountability, transparency, and mitigate risk exposures while promoting effectiveness, efficiency, and economy in county government.

The reports and other products issued by the OAG are performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States and/or International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors (IIA).

The OAG has established 12 Codes of Principles and Conduct to assist and guide our professional staff members in performing their duties and responsibilities in an ethical and appropriate manner. These items require staff members to pledge their allegiance not only to the standards promulgated by GAGAS and IIA but also to the 12 Codes of Principles and Conduct.

- **Focused**
- **Helpful**
- **Straight Down the Line**
- **Determined**
- **Firm**
- **Decisive**
- **Balanced**
- **Objectivity**
- **Confidentiality**
- **Competent**
- **Integrity**
- **Independent**



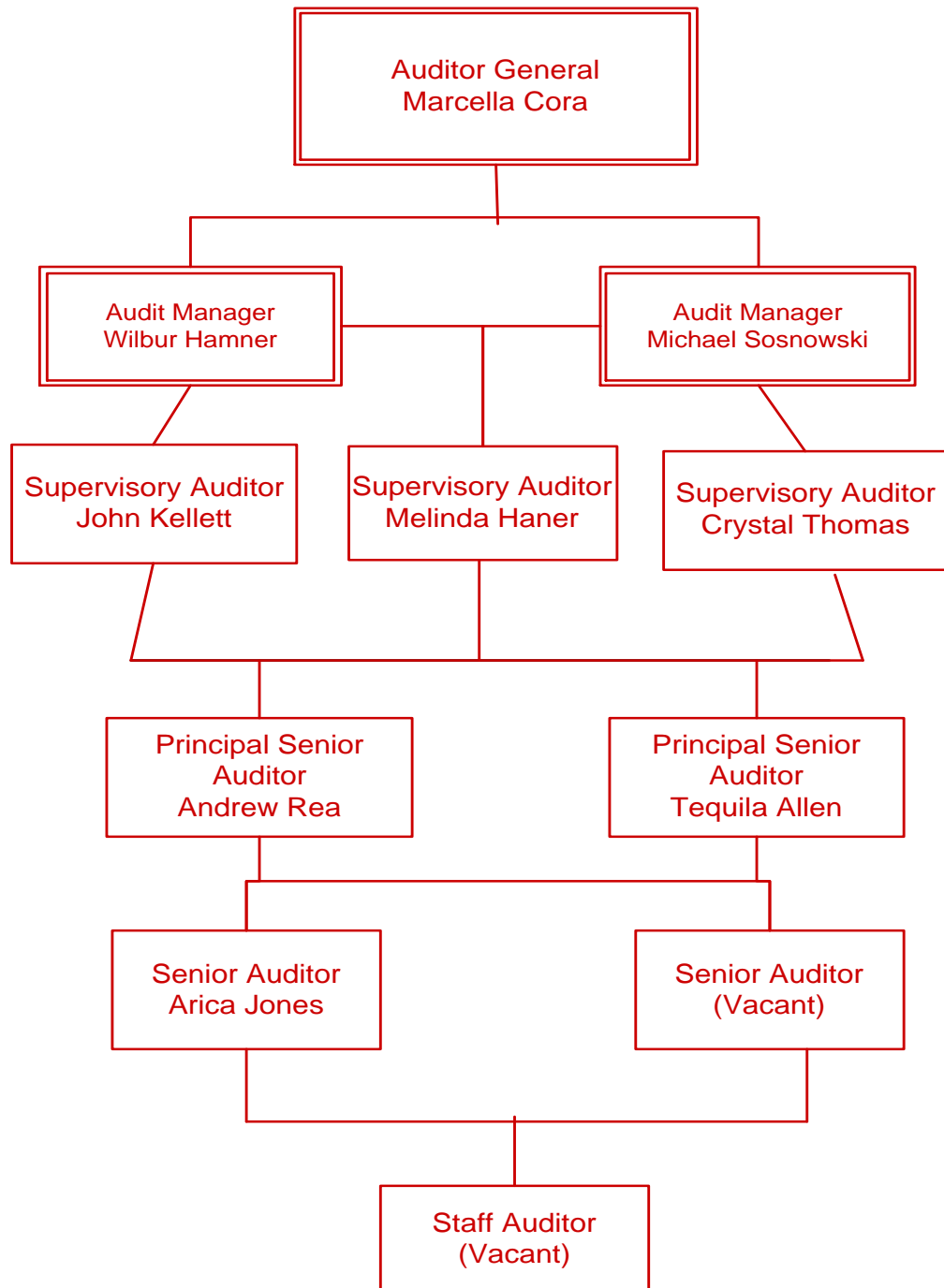


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### Wayne County Office of Legislative Auditor General Organizational Chart





# OAG

## Office of Legislative Auditor General

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### Staff Biographical Sketches

#### Marcella G. Cora, CPA, CIA, CICA, CGMA – Auditor General

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Ms. Cora brings over 26 years of internal auditing experience of governmental bodies. She began her career with the OAG in April 1999, after five years with the Army Audit Agency, Defense Department, United States. During her tenure with the Army Audit Agency, she received several awards for her outstanding performance. In FY 2005, Ms. Cora was promoted to Audit Manager and was appointed Deputy Auditor General January 2011 where she served until being appointed Auditor General effective January 1, 2015. In November 2017, Ms. Cora was reappointed for an additional five years. As Auditor General, she is responsible for the planning, directing, and managing the day-to-day activities of the OAG.



Ms. Cora has played a key role in the implementation of, and numerous enhancements to the audit management software package, TeamMate. She has led the office's last three peer reviews that resulted in the office being in compliance with both Generally Accepted Government Auditing and Institute of Internal Auditing Standards.

She is a graduate of Davenport University. She is a licensed Certified Public Accountant in the State of Michigan, a Certified Internal Auditor, Certified Internal Controls Auditor, and Chartered Global Management Accountant. She has memberships in several professional organizations including the American Institute of Certified Public Accountants, Michigan Association of Certified Public Accountants, Institute of Internal Auditors, Government Finance Officers Association, and the Association of Certified Fraud Examiners. She is extremely community minded and spent twelve years as a member of the River Rouge Board of Education.



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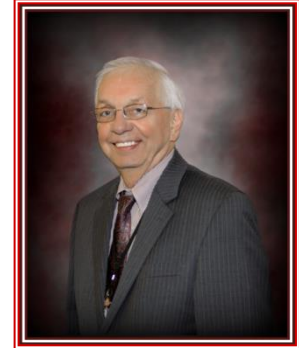
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### Michael Sosnowski, CIA – Audit Manager

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Michael joined the Wayne County Office of Legislative Auditor General in January 2007. He was appointed to the position of Audit Division Manager in 2016. Some of the more important engagements he has supervised include:

- Budget Sensitive Issues/Review of County’s Annual CAFR (Annual engagement)
- Department of Management & Budget Risk Management Division Contract Insurance Coverage
- Wayne County Sheriff’s Office – Jail Inmate Property.



He has over 40 years of business experience, 18 of which were spent at AT&T. While there, he worked in Internal Audit, Finance, Operational Planning & Support, and IT. A major accomplishment with AT&T was the development of a corporate wide cross-functional change management request process.

Michael received a Bachelor of Arts Degree in Accounting from St. Thomas University, St. Paul, MN. He received his master’s degree in Business Administration from Wayne State University. He is a Certified Internal Auditor; a member of the Institute of Internal Auditors; and, Non-CPA affiliate member of the Michigan Association of Certified Public Accountants.

He is a member of the Monaghan Knights of Columbus, Council #2690. In addition, Michael is on the Parish Council and is also a lector at St. Colette Catholic parish in Livonia.

### Wilbur D. Hamner, CRMA, CICA, EA – Audit Manager

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Mr. Wilbur Hamner joined the Auditor General’s staff in September 1998. He brought with him over 12 years of financial accounting experience in the legal and health care fields. Since joining the office, Mr. Hamner has excelled and in 2007, he was promoted to the position of Audit Manager and currently holds the position as a Project Consultant. Mr. Hamner has played a vital role in the development and implementation of the OAG’s risk-based audit approach, implementation of audit management software (Team Mate) and accompanying operational processes. He was a key member in the preparation of the Association of Local Government Auditors (ALGA) quality control documentation that resulted in the OAG obtaining a successful “orange book” peer review.





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Mr. Wilbur Hamner has performed numerous operational, attestation, consulting, financial, and compliance audits. Mr. Hamner has been instrumental in conducting an annual agreed-upon procedures audit that has assisted the Treasurer's Office in identifying a number of county businesses that were not remitting a mandated excise tax (Stadium Excise Tax) to the County Treasurer. As a result, the County Treasurer's Office has increased its annual collections of excise tax revenues.

Mr. Hamner was selected as a Peer Review team member by the Association of Local Government Auditors (ALGA) to conduct a peer review of a governmental internal audit division and attest to their compliance with IIA auditing standards. Mr. Hamner is a graduate of Wayne State University and holds a Bachelor of Science Degree in Accounting. In July 2013, he obtained a professional certification from the Institute of Internal Auditors "Certification in Risk Management Assurance (CRMA)." The CRMA demonstrates an individual's ability to evaluate the dynamic components that comprise an organization's governance and enterprise risk management program and to provide advice and assurance on core business processes with a focus on strategic organizational risks and risk management.

He also is a Certified Internal Controls Auditor and an Enrolled Agent with the Internal Revenue Service. Mr. Hamner is presently pursuing the Certified Internal Auditor certification. He holds professional memberships with the Institute of Internal Auditors and the Association of Government Accountants.

### **John C. Kellett, CGAP, CICA – Supervisory Auditor**

Mr. Kellett joined the Auditor General's Office in April 1999 as a Staff Auditor. During his time with the office, Mr. Kellett has been the lead auditor on many types of audits and special projects and most recently the Performance Audits on the County's Women Infants and Children (WIC) Program and Community Corrections Adult Residential Program.



In 2013, Mr. Kellett served as a peer review team member for the Allegheny County, PA peer review and was also selected in 2014 to serve as a team member for the Los Angeles County, CA, Metropolitan Transportation Authority peer review. The Association of Local Government Auditors (ALGA) conducts peer reviews of a governmental internal audit division and attests to their compliance with IIA auditing standards.

Over the last sixteen years he has been the leader of the Auditor General's Technical Assistance Group providing critical technical support for our computer aided auditing techniques and tools (CAATT) software. These CAATT help the office become more efficient and streamline audit



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processes. He also oversees the implementation and updates of the Teammate software for the OAG's electronic work paper system.

He presently has a professional certification from the Institute of Internal Auditors "Certified Government Auditing Professional (CGAP)." The CGAP demonstrates an individual's knowledge of Government Auditing Standards, Governance, Risk and Control Frameworks, Practice, and Auditing Skills and Techniques. He also is a Certified Internal Controls Auditor.

Mr. Kellett is a graduate of Walsh College where he received his Masters of Arts Degree in Economics. Mr. Kellett is also a member of the Institute of Internal Auditors.

### Crystal L. Thomas – Supervisory Auditor

Ms. Thomas joined the Office of Legislative Auditor General's Staff in April 2005 as the Legislative Staff Assistant and Confidential Secretary I. She was promoted to Office Manager, and later to Senior Auditor in 2008 after earning her Bachelors of Science degree. Ms. Thomas was promoted to Principal Senior Auditor in the fall of 2010, and most recently, Ms. Thomas was promoted to Supervisory Auditor in the winter of 2016. Ms. Thomas has been the lead auditor on numerous OAG Engagements. She is a recipient of the Recognition of Achievement Award issued by Wayne County in 2006 and was one of the recipients of the Meritorious Team Achievement Award in 2008.



Crystal Thomas is the founder of Samaritans Mission Organization (SMO), whose focus and mission is to decrease the number of homeless & hungry individuals, families and at-risk teens in our communities and city by assisting with the basic necessities and needs. Samaritans Mission Organization currently provides job placement, life skill training and room and board for young adult girls aging out of foster care through SMO Transitional Housing Program.

Ms. Thomas currently holds a Certificate for Online Adjunct Teaching (COAT) from Maryland College, Associate of Arts degree from Henry Ford Community College, Bachelor of Science degree from Franklin University, Master of Management degree and Human Resource Management Graduate Certificate from Walsh College. She is currently a Certified Quick Books Advisor pursuing a certification designation as a Certified Internal Auditor (CIA). Ms. Thomas is a member of the Institute of Internal Auditors and Association of Certified Fraud Examiners.



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### Melinda Haner, CIA – Supervisory Auditor

Ms. Haner joined the Office of Legislative Auditor General's staff in November 2020. She brings over 20 years of financial accounting and audit related experience in various fields, including county government.

Ms. Haner's professional career began in public accounting where she developed her auditing and accounting skills performing independent financial statement audits, compilations and reviews in a variety of industries. She ended her nine years in public accounting as a manager of internal audit services, overseeing various internal audit consulting projects, including multi-national Sarbanes-Oxley engagements.



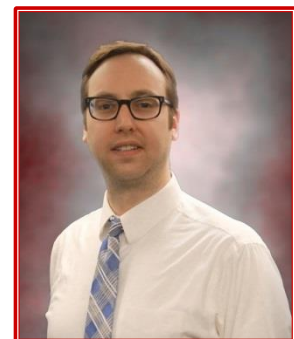
Following public accounting, Ms. Haner joined the Charter County of Wayne as a division finance director with the Department of Management & Budget. During nearly eight years' time she oversaw the financial operations of several county departments gaining valuable knowledge of the County's operations, internal policies and procedures, budgeting and accounting processes and county systems.

Ms. Haner spent the past four years of her career at the Wayne County Airport Authority where she served as a deputy director in the controller's office. Her responsibilities focused on timely and accurate reporting of financial data, as well as year-end financial reporting.

Ms. Haner is a graduate of Michigan State University and holds a Bachelor of Science Degree in Accounting. She is a Certified Internal Auditor and holds a professional membership with the Institute of Internal Auditors.

### Andrew Rea – Principal Senior Auditor

Mr. Andrew Rea joined the Office of Legislative Auditor General's staff in June 2009. Mr. Rea brought to the OAG five (5) years of experience in the public/private sector. He also brought experience in investigative techniques acquired through his formal education. In recognition of his efforts, he was promoted to Principal Senior Auditor in 2016. As an auditor, he has played a large role in several important engagements, notably, the audits/reviews of the Pinnacle Race Track Development, Central Accounts Receivable/Billing and Collection Activity, Examination of Billing Processes - Children & Family Services, and the Wayne County Land Bank Corporation.



Mr. Rea attended Michigan State University where he obtained a Bachelor of Arts Degree. His future goals include obtaining a Master's Degree and pursuing the Certified Internal Auditor certification. Mr. Rea is a member of the Institute of Internal Auditors.



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### Tequila Allen – Principal Senior Auditor

Ms. Tequila Allen joined the Auditor General’s staff in September 2016 and was recently promoted to Principal Senior Auditor. She joined after several years of working in the public sector. Ms. Allen has experience conducting financial statement audits, documenting and testing Sarbanes-Oxley compliance, and performing internal control and risk analysis. She has consulted on a wide variety of engagements for clients in various sectors, from Fortune 500 companies to nonprofits and local governmental units. While with the OAG, Ms. Allen has played an integral role in the Wayne County Sheriff’s Jail Commissary audit and the 2015 Stadium Excise Tax engagement.



Ms. Allen graduated with honors from Wayne State University and holds a Bachelor of Science in Business Administration with a major in Finance. She has also earned a Master of Science in Accounting from Wayne State University and a Master of Business Administration from Lawrence Technological University. Ms. Allen plans to pursue a CPA license and is a member of Michigan Association of CPAs and the Institute of Internal Auditors.

### Arica Jones, CIA – Senior Auditor

Ms. Arica Jones joined the Office of Legislative Auditor General’s staff in September 2019 as a Senior Auditor. Ms. Jones brought to the OAG over five (5) years of auditing experience covering the areas of Sarbanes Oxley financial compliance, internal controls, and operational auditing within various industries. Ms. Jones became a Certified Internal Auditor (CIA) with the Institute of Internal Auditors in September 2018 and has continued to pursue her interests in the profession.



Ms. Jones earned her Bachelor of Arts in Finance from Michigan State University and her Master of Business Administration, with Accounting concentration from Wayne State University. During her graduate studies, she interned with the Wayne State University Office of Internal Audit, which began her career path in internal auditing. Ms. Jones is a member of the Institute of Internal Auditors and plans to pursue additional certifications as she specializes in her career in internal auditing.

During her tenure in the department, Ms. Jones has provided key contributions towards financial assessments and performance engagements, including but not limited to the Building Authority Financial Assessment (s) and the Parks Millage Distribution Audit in 2021.



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### Personnel Changes

During the year, the OAG experienced a personnel change. In June 2021, Ms. Linda Hendricks left the Office of Legislative Auditor General to follow other job opportunities. The OAG wishes her well in her future endeavors. ■

### Strategic Audit Group (SAG)

The Strategic Audit Group (SAG) was established in 2007. The responsibilities of this group are to review, develop and revise audit policies and procedures and design appropriate audit/project procedures and processes to ensure the audit and other work products of the OAG are in compliance with authoritative professional standards and best practices. The members of the SAG team consist of the following OAG team members:

- Marcella Cora, Auditor General
- Michael Sosnowski, Audit Manager
- Wilbur Hamner, Audit Manager
- John Kellett, Supervisory Auditor ■

### Technical Assistance Group (TAG)

The OAG established the Technical Assistance Group (TAG) several years ago. The members of the TAG team consist of the following individuals:

- Marcella Cora, Auditor General
- John Kellett, Supervisory Auditor
- Andrew Rea, Principal Senior Auditor

This group has been very instrumental in providing leadership and technical support in the area of office technology including the selection, installation, implementation and daily support for the OAG's computer systems, software, and related peripherals. It also develops policies and procedures for use and care of computer hardware, software, and peripherals. The group is comprised of a team with diverse disciplines committed to ensuring the OAG utilizes the most effective and efficient computer aided auditing tools and technologies, or Computer Assisted Auditing Tools and Techniques (CAATT), in our audit and administrative processes. The group also is responsible for development and maintenance of the office's webpage. The group has allowed the OAG to eliminate many of the routine service calls that otherwise may have gone to the county's help desk. In addition this year, the group was instrumental in the migration of the





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current Teammate AM to Teammate Plus which will enhance our current audit management software and increase efficiencies in our processes ■

### **Giving Back to the Community**

During the year, several staff members in the OAG volunteered their time, talents and professional expertise to assist in community charitable initiatives. A list and brief description of the organizations to which they volunteered are below:

#### **Samaritans Mission Organization**



Ms. Crystal Thomas, Supervisory Auditor, is founder of a non-profit with a goal to eliminate hunger, poverty and homelessness within our communities. Ms. Thomas has an Independent Living Transitional Home for young adult girls aging out of foster care. This transitional

home (Malaya Home) is located in Detroit - District 7 where Ms. Thomas family has resided for more than 54 years. This home provides job placement and life skills training and safe haven to grow and become a positive productive citizen.

Samaritans Mission Organization (SMO) second annual Christmas Program “I Heart Children” will be sponsored by Build-A-Bear. This annual SMO program is committed to helping low-income families have a joyous Christmas. This program started in 2017 where the organization provided for 23 kids that represented 7 families. This year the program will provide homeless and low-income children and families with toys such as a Build-A-Bear. The program sponsor has provided 200 bears for the program. We participated and provided an in-kind donation to the Christmas program with low-income families and children at The Children’s Center located in Detroit.



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### Michigan State University Black Alumni



Ms. Arica Jones, Senior Auditor, currently serves as the Secretary of her local Michigan State University Black Alumni (MSUBA) Chapter, and also supports other committees and initiatives led by the Chapter. In 2020, she also assisted in the development of the new Audit Committee to support the Chapter's financial operations and external reviews in accordance with Chapter bylaws.

The organization's purpose is to support and promote the welfare and interests of Black alumni, students, faculty, and staff of Michigan State University. The organization awards scholarships to deserving students every year. Ms. Jones recently donated towards and participated in the annual Spartans-giving and Adopt-A-Family programs with her local chapter, to provide food and clothing items to deserving families for the holidays. She also has a continued interest in education and community engagement. ■

## **2021 Significant Accomplishments**

### Majority of Recommendations Implemented

Arguably, the single most important measure of effectiveness of any internal audit organization is the level or rate of implementation of the recommendations contained in issued reports. We are extremely proud to report in 2021 the completion of one (1) corrective action plan engagements where we examined and assessed implementation status of a total of 18 previously issued recommendations. Of the remaining 18 recommendations, management has either sufficiently implemented or is in the process of implementing all 18, or 100 percent of the prior recommendations. Moreover, we recognize that the implementation rate achieved is a testament to elected officials and management's desire and willingness to improve the risk environment here in the county, despite reduced resources. Listed below is a summary status of the recommendations addressed during 2021.



# OAG

## Office of Legislative Auditor General

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Total Number of Recommendations Examined	Status				
	Resolved	Partially Resolved	In Process	No Longer Applicable	Un-Resolved
73	16	0	2	0	0

### Training Goals Achieved

Ensuring that each audit professional staff member receives the required continuing professional education credits and training is essential for any effective internal audit organization; especially those peers reviewed such as the OAG. During the year, the OAG provided education and training opportunities to each professional audit staff member. This training ensures each staff member receives the proper continued professional education credits of 80 hours (every two years) required under the Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States. During the year we also ensure staff obtains the required training to perform audits in accordance with the International Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and the American Institute of Certified Public Accountants.

We believe staff development is a continuous process that benefits both the staff and county by ensuring staff enhance their skills and stay abreast of current industry guidance and best practices. See Appendix A for a detailed listing of seminars and conferences attended by staff during the year. All of the training received during the year was obtained through webinars, webcasts, and remote professional development conferences.

Another method in which the OAG provides staff development is through the support of staff members and their efforts to obtain professional certifications, including, but not limited to:

- Certified Public Accountant (CPA)
- Certified Internal Auditor (CIA)
- Certified Government Financial Manager (CGFM)
- Certified Government Audit Professional (CGAP)
- Certified Internal Controls Auditor (CICA)
- Certified Risk Management Auditor (CRMA)

The OAG professional development goal is to maximize the value of the Auditor General’s work by continuing to promote quality, professionalism, and productivity. The OAG continuously encourages all staff to pursue professional certifications and maintain memberships in various



# OAG

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professional organizations. These memberships allow staff to interact and network with professional colleagues and stay abreast of the latest trends and best practices in the industry. In addition, through these various professional organizations, members of the OAG are able to demonstrate their leadership skills by serving on various committees. Other members of the OAG also serve in leadership positions in various professional organizations. ■

### 2021 Productivity in Review

Our 2020 audit work plan identified 45 engagements/projects with a goal to complete 25 audit/review reports or projects for the year. The world has continued to be hit with the COVID-19 pandemic which required the office to perform their audits remotely. With the increase in the use of technology, the OAG was still able to complete and issue 18 audit or review reports as well as six (6) administrative projects. The 18 completed audits or review reports consisted of one (1) Consulting, seven (7) Financial Assessment – Limited Review, Six (6) Special Projects, and four (4) Performance. The audit/review reports contained 73 new recommendations and had an impact of \$1.4 million on county operations. The types of impact included but were not limited to: lost revenue and other dollar impacts. Based on our productivity goal of 25 completed engagements/projects for 2021, we achieved approximately 72 percent of the goal. The reduced productivity is the result of not only the pandemic and the OAG not being fully staffed and the difficulty in recruiting new personnel to the office.

The following pie chart illustrates a breakdown of the 18 completed audits or review reports by type. We also included a synopsis of a few key reports/projects that could have a measurable impact on county operations if the recommendations contained in the reports are fully implemented. See Appendix B for a detailed listing of all completed 2021 audit/review reports. ■



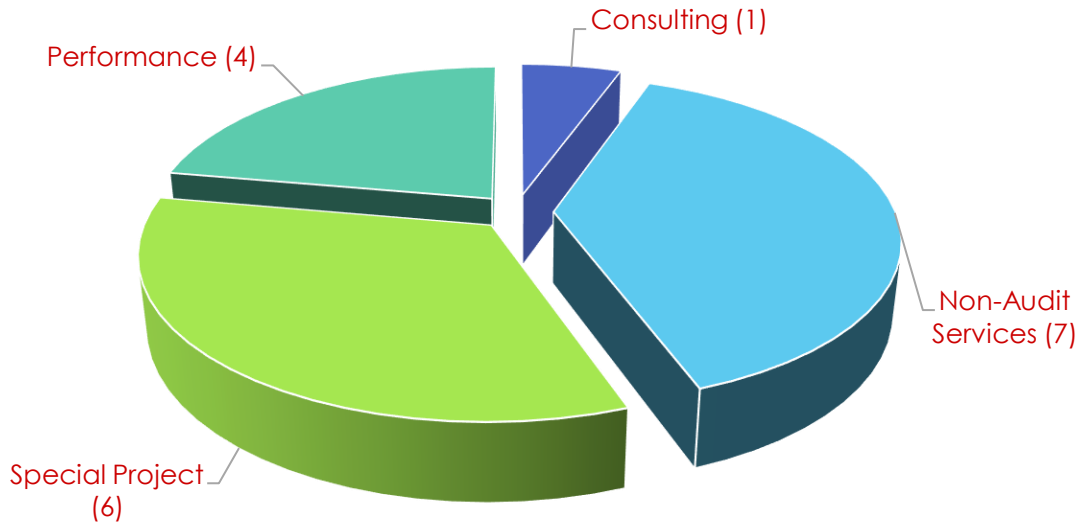
# OAG

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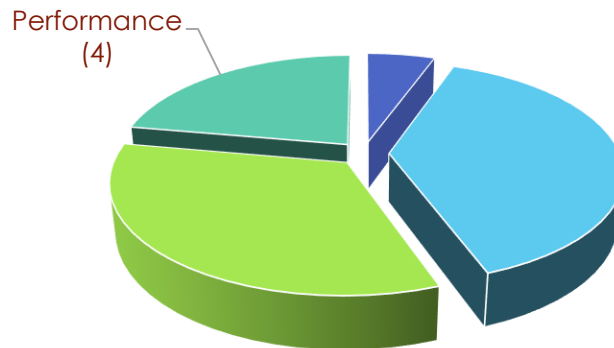
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### Summary of Completed Audits or Review Reports



#### Performance

Four (4) Performance audits were completed by the OAG during 2021, which represented approximately 22 percent of the total audits/projects. This type of engagement provides an objective analysis to assist management and those charged with governance and oversight. The information provided can help improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action and contribute to public accountability.





# OAG

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Two (2) significant performance engagements that had an impact on county operations are summarized below.

### Wayne County Sheriff's Office – Jail Inmate Property

The Office of Legislative Auditor General conducted a performance audit of the Wayne County Sheriff's Office – Jail Inmate Property. Our objective for this engagement was to: assess the control environment and effectiveness of operations and compliance with policies, procedures, laws and regulations governing inmate property.

As a result of our audit, we noted instances where the internal control environment will need to be strengthened, including but not limited to the following areas: record maintenance of intake and release forms; secondary review of daily deposit reconciliations; handling, processing, and monitoring of inmate release checks; controls over bank reconciliations; and, compliance with escheatment reporting under the Michigan Uniform Unclaimed Property Act.

There were 11 findings and 28 recommendations made to strengthen controls and processes over the Wayne County Sheriff's Office handling of inmate property. Nine (9) of the findings are deemed material weaknesses, which are classified as high risk; one (1) finding is considered a significant deficiency with medium risk; and, one (1) is considered a control deficiency, which is classified as low risk.

We provided the Wayne County Sheriff's Office with a copy of our report. Management agreed in principle with all then recommendations.

### Wayne County Parks Division (WCPD) - Parks Millage Distribution Process

The Office of Legislative Auditor General (OAG) conducted a performance audit of the Wayne County Parks Division (WCPD), Parks Millage Distribution Process. The objectives were to: 1) Assess compliance to rules, regulations, state laws, Wayne County Ordinances, and ballot language for the allocation and distribution of parks millage funds; and 2) Assess the allocation and distribution of parks millage funds to communities for approved capital improvement projects.

In 1996, Wayne County residents voted for an annual parks millage property tax levy to fund parks operations and major improvements within the Wayne County Parks System at a rate of \$24.59 per each \$100,000 of assessed property tax value (or .2459 mills). As a result, the Wayne County Commission established the Parks Millage Implementing Ordinance to provide rules and guidance for the allocation and distribution of millage funds for parks improvements throughout the County. The Wayne County Parks Division (WCPD) is responsible for administering the parks millage allocation and distribution process in accordance to the rules and guidelines stated within the Ordinance.



# OAG

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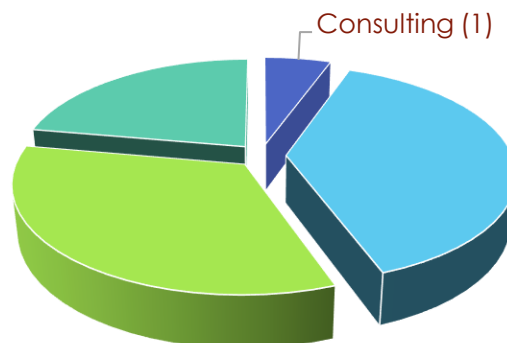
As a result of the audit, we determined WCPD management will need to revise and enhance the written procedures to align to current business practices related to the monitoring and review of parks projects. We also found controls over reimbursement requests, forfeited funds, and parks project documentation submissions could be strengthened to improve the processes and procedures within the distribution of millage funds to local communities.

There was a total of four (4) issues and 12 recommendations that were presented to strengthen controls and processes within the Wayne County Parks Division (WCPD) operations. All four (4) of the issues were classified as control deficiencies, which are deemed to be low risk. We discussed the issues and corresponding recommendations with representatives from the Wayne County Parks Division (WCPD). Management agreed with all four of the issues.

In accordance with Generally Accepted Governmental Auditing Standards (GAGAS) issued by the Comptroller General of the United States as it relates to performance audits, the OAG will be requesting the Wayne County Parks Division to submit a Corrective Action Plan for the recommendations presented in the audit in the near term.

### Consulting

The OAG receives requests from the county commission, other elected officials, and department heads to review specific activities or programs not necessarily identified in our annual audit/work plan. Frequently, because of their intimate knowledge of county government operations and close contact with constituents, commissioners become aware of problems or areas of concern that are communicated to the OAG and request for reviews and/or assessments to be performed. As a result, we have developed a consulting review engagement to respond to these requests. Many of these engagements have resulted in confirmation of the existence of problems and formulation of solutions to address or improve county operations and services.





# OAG

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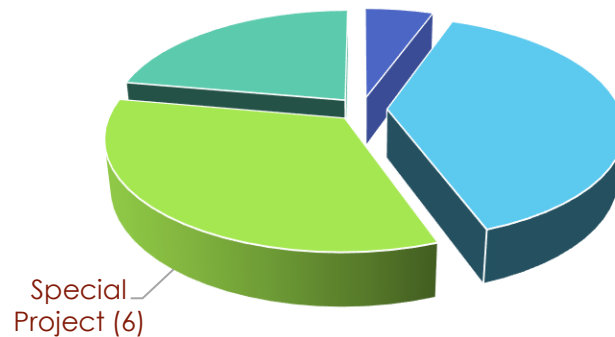
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Our responsiveness to these requests enhances the commission's and other county officials' ability to carry out their oversight responsibilities and respond to constituent concerns thoroughly and completely. During the year, one (1) of the completed reports/projects was a consulting engagement. The report was our annual report on Budget Sensitive Issues and Review of the County's FY 2020 Annual Comprehensive Financial Report. This report identifies matters of budgetary concerns, audits, consulting and other engagement reports that contain issues which could have a budgetary impact on county operations and financial position. This report is instrumental for the benefit and use of the county's Ways & Means Committee during its budget deliberation process.

### Special Projects

Six (6) Special Projects were completed by the OAG during 2021, which represented approximately 33 percent of the total reports/projects.

Special projects represent an array of work projects from development of our annual audit/work plan to our annual report. ■







# OAG

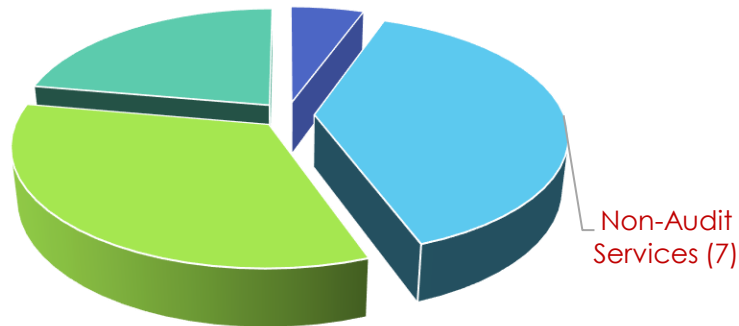
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### Non-Audit Services

Seven (7) Non-Audit Services were completed by the OAG during 2021, which represented approximately 39 percent of the total reports/projects.



**APPENDIX A**

**LIST OF TRAINING SEMINARS AND CONFERENCES ATTENDED  
2021**

**WAYNE COUNTY OFFICE OF LEGISLATIVE AUDITOR GENERAL  
LIST OF TRAINING SEMINARS AND CONFERENCES ATTENDED  
2021**

<b>SPONSORING ORGANIZATION</b>	<b>SEMINAR / CONFERENCE</b>	<b>DATE(S) ATTENDED</b>
Checkpoint Learning	Network Nonprofit/Government Accounting	Quarterly
My CPE	Various Webinars	Various Dates
Plante Moran	Using Data Analytics to Detect Fraud in Government	1/14/2021
Auditboard	Accelerated Evolution of Internal Audit	2/11/21
Knowledge Group	Smarter Audit, Better Compliance	2/17/2021
Plante Moran	Succession Planning for Government: Develop & Retain	2/24/2021
IIA	State of Internal Audit Competency	3/16/21
Plante Moran	Cybersecurity War: Is Your NonProfit Protected	4/8/2021
Plante Moran	Managing Risk for Nonprofits through Internal Controls	4/8/2021
IIA	The IIA: Our Path Forward in Advancing the Profession	4/13/21
Plante Moran	Public Sector: Charting GASB	5/11/21
MICPA	Employment Law Update	5/17/21
AFPA	AFPA Professional Development – Virtual Conference	5/26/2021-5/27/2021
IIA	Exploring Agile Auditing	6/15/2021
Plante Moran	Preparing For Your Single Audit: A Roadmap to Compliance	6/15/2021
Plante Moran	Navigating AICPAs Revised Independence Guidance	7/21/21
Plante Moran	GASB 87: Advanced Implementation Guidance	8/3/2021
IIA	How to Create Attention Grabbing Audit Reports	8/17/21
Plante Moran	2021 Compliance Supplement & Single Audit Update	8/24/21
Wolters Kluwer	TeamMate Plus – The Basics; Real Life Interactions; End User Training	9/7/2021-9/16/2021
Plante Moran	Public Sector: Financial Sustainability: Budget and Operational	10/12/2021

**APPENDIX B**

**COMPLETED AUDIT AND REVIEW REPORTS  
AND SPECIAL PROJECTS  
2021**

<b>Proj. No.</b>	<b>Report/Activity Title</b>	<b>Report Date</b>	<b>Date to AC</b>	<b>DAP No.</b>	<b>Activity Type</b>
1	Budget Sensitive Issues/Review of the County's ACFR for FY 2020	7/2/2020	7/28/2021	2021-57-802	CC
2	WCERS Defined Benefit Plan FY 2020	3/1/2021	3/10/2021	2021-57-900	Non-Audit
3	WCERS Defined Contribution Plan FY 2020	2/18/2021	3/10/2021	2021-57-901	Non-Audit
4	GWEDC FY 2020 Financial Assessment	4/9/2021	4/21/2021	2021-57-902	Non-Audit
5	Building Authority FY 2020 Financial Assessment	4/13/2021	4/21/2021	2021-57-904	Non-Audit
6	Sewage Disposal FY 2020 Financial Assessment	4/9/2021	5/26/2021	2021-57-903	Non-Audit
7	Land Bank FY 2020 Financial Assessment	4/20/2021	5/26/2021	2021-57-905	Non-Audit
8	HealthChoice of Michigan FY 2020 Financial Assessment	9/7/2021	9/29/2021	2021-57-906	Non-Audit
9	Treasurer Forfeiture/Foreclosure	6/25/2021	8/11/2021	2019-57-002	PER
10	Jail Inmate Property	11/19/21	12/8/2021	2019-57-004	PER
11	Parks Millage	10/11/2021	10/27/2021	2019-57-006	PER
12	Juvenile & Youth Services	10/1/2021	10/13/2021	2020-57-004	PER
13	2020 OAG Annual Report	1/5/2021	1/13/2021	2021-57-800	SP
14	2021 OAG Annual Audit Plan	2/3/2021	2/10/2021	2021-57-801	SP
15	WCAA External Audit Selection	10/8/2021	10/13/2021	2021-57-805	SP
16	FY 2020 Pre-Audit Communication	1/6/2021	1/13/2021	2020-57-906(A)	SP
17	SAS #114 Letter/AU260 Letter	3/25/2021	5/12/2021	2020-57-906(B)	SP
18	Telecommunications– CAP	3/18/2021	3/24/2021	2021-57-001	SP

CC – Consulting  
PER – Performance  
Non-Audit – Financial Assessment (Limited Review/ Limited Analytical)  
SP – Special Project

**APPENDIX C**

**STATEMENT OF ORGANIZATION 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

Office of Legislative Auditor General  
Statement of Organization Independence  
Calendar Year 2022

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

**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 course of 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

1/5/2022  
\_\_\_\_\_  
Date



## *Wayne County Commission Leadership*

*Vice Chair*



*Joseph Palamara*

*Chairwoman*



*Alisha R. Bell*

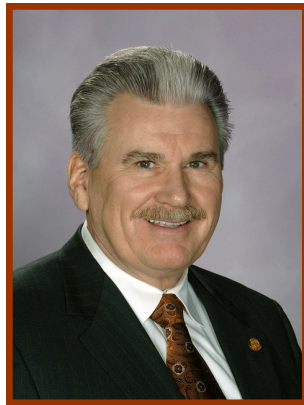
*Vice Chair Pro Tempore*



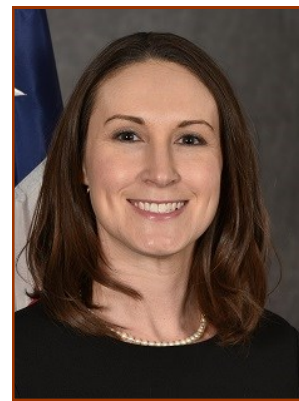
*Sam Baydoun*

### *Committee on Audit Members*

*Responsibilities: Mandated by the Wayne County Charter, the committee reviews the reports of the Auditor General, and the independent external auditor. It also monitors compliance with audit findings and the county's internal control environment.*



*Ray Basham*  
*Chairman*



*Melissa Daub*  
*Vice Chair*



*David M. Knezek, Jr.*



*Tim Killeen*



*Irma Clark-Coleman*



***2021 ANNUAL REPORT***  
***WAYNE COUNTY OFFICE OF LEGISLATIVE AUDITOR GENERAL***

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