

Office of Legislative
Auditor General

MARCELLA CORA CPA, CIA, CICA
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March 19, 2026

FINAL REPORT TRANSMITTAL LETTER

Wayne County Commission:

Enclosed is our final copy of the Corrective Action Plan (CAP) and Auditor General's Assessment for the Wayne County Department of Health, Human and Veterans Services, Federally Qualified Health Centers, Performance Audit Report. Our report is dated February 27, 2026; DAP No. 2025-57-003. The report was accepted by the Committee on Audit at its meeting held on March 11, 2026 and formally received by the Wayne County Commission on March 19, 2026.

We are pleased to inform you that management and staff from the Wayne County Department of Health, Human and Veterans Services and Wayne County Healthy Communities 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 at: [Legislative Auditor General Reports - Wayne County, Michigan](#)

Sincerely,

Marcella Cora, CPA, CIA, CICA
Auditor General

REPORT DISTRIBUTION

Wayne County Department of Health, Human and Veterans Services

Kennyle Johnson, Director, Health, Human and Veterans Services (HHVS)
Avani Sheth, Division Director, Clinical Care, Health, Human and Veterans Services (HHVS)
Javar Jackson, FQHC CEO, Wayne County Healthy Communities (WCHC)
Chris Jones, Director of Finance, Wayne County Healthy Communities (WCHC)

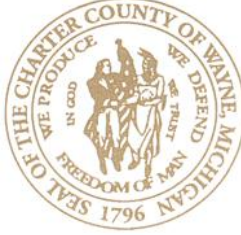
Wayne County Department of Management & Budget

John Wallace, Chief Financial Officer, Management & Budget (M&B)
Betsy Laughlin, Deputy Chief Financial Officer, Management & Budget (M&B)
Kamau Kheperu, Division Director, HHVS Finance, Management & Budget (M&B)
Shauntika Bullard, Director of Grants and Contracts Management, Management & Budget (M&B)

Wayne County Executive

Office of Legislative
Auditor General

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February 27, 2026

DAP No. 2025-57-003

Dr. Avani Sheth, Division Director, Clinical Care
Department of Health, Human, and Veterans Services
500 Griswold
Detroit, MI 48226

Subject: Corrective Action Plan, including the Auditor General's Assessment, dated October 17, 2025, for the Wayne County Department of Health Human and Veterans Services, Federally Qualified Health Centers.

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 Veterans Services to submit a Corrective Action Plan (CAP) for the recommendations that were identified within the Federally Qualified Health Centers-Performance Engagement Report, that was dated December 18, 2024, and formally received by the Wayne County Commission on February 20, 2025.

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 recommendations; responsible person(s)/area; implementation or targeted implementation date; and the Auditor General's assessment.

Our assessment of the thirteen (13) recommendations found that management took sufficient action to address six (6) recommendations identified within the audit report; six (6) recommendations are in-process; and one (1) recommendation was no longer applicable. A follow-up review may be deemed necessary to determine if the in-process recommendations were implemented by management.

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, CICA
Auditor General

Attachment

CC: Kennyle Johnson, Director, Health, Human and Veterans Services
John Wallace, Chief Financial Officer, Management & Budget
Betsy Laughlin, Deputy Chief Financial Officer, Management & Budget
Shauntika Bullard, Director of Grants and Contracts Management, Management & Budget
Kamau Kheperu, Division Director, HHVS Finance, Management & Budget
Javar Jackson, FQHC CEO, Wayne County Health Communities (WCHC)
Chris Jones, Director of Finance, Wayne County Health Communities (WCHC)

**Department of Health, Human, and Veterans Services (HHVS)
 Federally Qualified Health Centers
 Performance Engagement**

**Summary and Assessment of
 CORRECTIVE ACTION PLAN**

Auditor General's Recommendation	Management has or Intends to Implement the Recommendation Yes/No	Management's Comments and Action Taken or Planned	Responsible Person(s)/ Area	Implementation or Targeted Implementation Date	Auditor General's Assessment
<p>2023-01 (A)</p>	<p>To ensure management's compliance with contract provisions, we recommend HHVS management establish procedures that will require any future programs requiring SEMHA staffing to:</p> <p>Ensure that initial listing of positions and job descriptions are provided and any changes to positions or salaries during the contract period are forwarded to the County for review and approval by HHVS management and documentation of the approval is maintained.</p>	<p>Yes</p>	<p>As of August 2024, the FQHC has a direct contractual relationship with SEMHA. Under this relationship, any position changes and salary adjustments require approval from the FQHC CEO and verified through the SEMHA HR Department. The FQHC CEO is a Wayne County Program Executive and acts as a liaison between the FQHC operations and County oversight.</p>	<p>FQHC CEO</p>	<p>Implemented</p> <p>We confirmed that the County no longer has a contractual relationship with Southeastern Michigan Health Association (SEMHA) to provide staffing to the two Federally Qualified Health Centers (FQHC). Instead, in July 2024, Wayne County Healthy Communities (WCHC) contracted directly with SEMHA to provide fiscal, administration and personnel to implement the programs at the two Federally Qualified Health Centers. We reviewed the agreement between WCHC and SEMHA and determined that WCHC is required to provide grant approved job descriptions and compensation and benefits information to SEMHA for review. SEMHA also has the sole discretion to make the final determinations regarding the hiring, compensation, and benefits of SEMHA employees on a go-forward basis.</p> <p>We reviewed the meeting minutes of the WCHC board for the meeting held during December 2025 and verified that the WCHC Board had approved the 2025-2026 budget, which contained salaries and positions of SEMHA personnel.</p> <p>Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p>

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<p>2023-02 (A)</p> <p>To ensure that budgets are prepared based on actual grant awards, we recommend HHVS-Finance:</p> <p>a) Ensure that the FQHC program budget is reviewed, and grant revenues and expenditures are based on the actual grant award.</p>	<p>Yes</p>	<p>Management agrees with the recommendations. Starting in July 2024, Wayne County Healthy Communities' SEMHA contract was fully executed, meaning the County of Wayne is no longer responsible for their payments. Therefore, WCHC will be fully responsible for the staffing contract. HHVS will complete quarterly drawdowns of estimated expenditures submitted by FQHC. A true up will be conducted on a monthly basis once actual expenses are posted. Overages will not be covered by the GF.</p>	<p>FQHC CEO</p>	<p>September 2026</p>	<p>We reviewed County's General Ledger to determine whether grant revenues and expenditures were based on the approved grant award. Based on our review, for FY 2025, the budget was not based on the grant award. The grant award for FY 2025 was \$2.2 million. However, the grant was budgeted at \$6.1 million, and expenditures were budgeted at \$7.8 million. Per our discussion with HHVS finance management, they were going to submit a budget adjustment to align the grant revenue and expenditures in accordance with the grant award. However, due to the close of the fiscal year end, they are going to concentrate on making sure FY 2026 stay in alignment with the grant award.</p> <p>As of the date of the report, based on our review of the county's general ledger, the FY 2026 budget is based on the grant award.</p> <p>Based on our limited assessment, if the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.</p>

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2023-02 (B)	To ensure that budgets are prepared based on actual grant awards, we recommend HHVS-Finance: b) Perform a monthly or quarterly reconciliation of the actual grant revenues received to the general ledger.	Yes	Management agrees with the recommendations. Starting in July 2024, Wayne County Healthy Communities' SEMHA contract was fully executed, meaning the County of Wayne is no longer responsible for their payments. Therefore, WCHC will be fully responsible for the staffing contract. In addition, HHVS has begun the practice of monthly reconciliations of WCHC expenses.	FQHC Director of Finance	Implemented	We reviewed the HHVS- Finance monthly reconciliations of actual grant revenue received to the general ledger for September 2024 and February 2025, to determine whether the grant revenue received reconciled to the general ledger. Our review noted that grant revenue received agreed to the general ledger for the months reviewed. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2023-02 (C)	To ensure that budgets are prepared based on actual grant awards, we recommend HHVS-Finance: c) Monitor FQHC expenditure monthly to ensure they are in alignment with the budget.	Yes	Management agrees with the recommendations. The FQHC must submit a monthly reimbursement request to HHVS-Finance with justification of expenses. The FQHC CEO is responsible for ensuring that the information submitted is in align with the approved budget as submitted to the County Commission	FQHC Director of Finance	Implemented	We confirmed with management, during the drawdown submission process, the HHVS Division personnel currently conducts a review of FQHC program expenditures to ensure that they align with the budgeted revenue amounts. We reviewed the drawdown packets and reimbursement requests that were submitted for the service months of September 2024 and February 2025 and determined that both HHVS management and WCHC management reviewed the reasonableness of the expenditure amounts. We also determined that signoffs were retained on the documentation upon completion of their review. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

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2023-03(A)	In order to lessen the burden on the general fund, we recommend HHVS-Finance: a) Budget expenditures, including chargebacks (Clinical Administration and DHCWS Central Administration), that are reasonable, accurate, and supported.	Yes	HHVS Management agrees with the recommendations. The FQHC will not receive a \$1.6 million allotment from general fund. HHVS Finance will work with Financial Reporting to correct the entry. Leadership has agreed to cover the FQHC CEO salary, rent, utilities and limited chargebacks. This annual general fund allocation should not exceed \$500K. We will continue to monitor this allocation.	HHVS Director of Finance	September 2026 Based on discussions with HHVS Finance division management, they plan to budget not more than \$500,000 in FQHC program's expenditures not covered by the grant such as salaries, fringes and chargeback expenditures on a go-forward basis. In FY 2025, HHVS Finance management had budgeted around \$1.4 million in chargebacks, rent, utilities and salaries and fringes for the FQHC Director. However, only \$600,000 was actually spent. Per our discussion with HHVS finance management, they were going to submit a budget adjustment for the excess budgeted chargebacks. However, due to the close of the fiscal year end, they are going to concentrate on making sure the FY 2026 stays aligned with the grant award. We reviewed the County's General Ledger and determined that for FY2026, the budgeted expenditures appear reasonable. Based on our limited assessment, if the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.

**Department of Health, Human, and Veterans Services (HHVS)
 Federally Qualified Health Centers
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2023-03(B) In order to lessen the burden to the general fund, we recommend HHVS-Finance: b) Only budget the required general fund transfer to cover those expenditures not covered by the grant.	Yes	HHVS Management agrees with the recommendations. The FQHC will not receive a \$1.6 million allotment from general fund. HHVS Finance will work with Financial Reporting to correct the entry. Leadership has agreed to cover the FQHC CEO salary, rent, utilities and limited chargebacks. This annual general fund allocation should not exceed \$500K. We will continue to monitor this allocation	HHVS Director of Finance	Implemented	<p>Based on discussions with HHVS Finance division plans to transfer a maximum of \$500,000 in general funding each year to cover any excess program expenditure amounts that are not covered by the federal grant award.</p> <p>We reviewed the JD Edwards General Ledger and determined that for fiscal year 2025, HHVS Finance management had budgeted and received \$1.7 Million in general fund support for the FQHC Program and the \$1.7 million was transferred. This resulted in \$1.7 million in revenues in excess of expenditures for the two business units combined. After recent discussions with HHVS finance, an entry was posted to return \$1.2 million to the general fund for FY 2025.</p> <p>Based on our review of the general ledger for FY 2026, HHVS Finance management had not budgeted and/or recorded any general fund dollars for the FQHC program. Instead, the County has budgeted between the two business units, \$390,000 as use of fund balance.</p> <p>Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p>

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2023-03(C)	<p>In order to lessen the burden to the general fund, we recommend HHVS-Finance:</p> <p>c) Ensure all excess expenditures from the professional services contract not covered by the grant are not submitted for reimbursement</p>	Yes	<p>HHVS Management agrees with the recommendations. The FQHC will not receive a \$1.6 million allotment from general fund. HHVS Finance will work with Financial Reporting to correct the entry. Leadership has agreed to cover the FQHC CEO salary, rent, utilities and limited chargebacks. This annual general fund allocation should not exceed \$500K. We will continue to monitor this allocation</p>	HHVS Director of Finance	Implemented	<p>According to management, during the monthly drawdown submission process, the HHVS Finance Division monitors the reasonableness of the professional service expenditure amounts to ensure that the amounts do not exceed the federal grant award that is received from the Health Services Resources Administration (HRSA) each year. Wayne County Health Communities (WCHC) officials also have agreed to cover any excess professional service expenditure amounts that are incurred for the FQHC program going forward.</p> <p>We reviewed the JD Edwards General Ledger and determined that for fiscal year 2025, actual expenditures submitted from SEMHA were \$1.9 million which was less than the amount of the grant.</p> <p>Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p>
2023-04 (A)	<p>We recommend that Management and Budget ensure that procurements that require Wayne County Commission approval are:</p> <p>a) Not processed by a voucher.</p>	Yes	<p>HHVS Management agrees with all recommendations. Exploring options with new ERP system.</p>	HHVS Director of Finance/FQH C CEO	March 2026	<p>The Wayne County Commission approved a five year contract between the County and Joseph Campau LLC in February 2024. However, according to our review of the general ledger and confirmed by HHVS finance management, WCHC is submitting payments directly to Joseph Campau LLC each month and submitting for reimbursement from the County through a voucher process. According to HHVS finance management they are in the</p>

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					<p>process discontinuing payments through the vouchers and the payments being processed through the contract with the county. However, a reconciliation will need to take place for those payments that have already been paid through the voucher.</p> <p>Based on our limited assessment, if the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.</p>
2023-04 (B)	<p>We recommend that Management and Budget ensure that procurements that require Wayne County Commission approval are</p> <p>b) Payments are not processed until the contract is approved by the Wayne County Commission and an approved contract is in place.</p>	Yes	HHVS Management agrees with all recommendations.	<p>HHVS Director of Finance/FQH C CEO</p>	<p>N/A</p> <p>The Wayne County Commission approved a five year contract between the County and Joseph Campau LLC in February 2024 and expires in October 2028.</p>
2023-05 (A)	<p>To enhance the controls over patient payments received at the FQHC, we recommend policies and procedures are revised to include:</p> <p>a) Someone outside of the CFO open the mail and</p>	Yes	<p>Director of Finance was hired in January 2025 and Accounting Clerk was hired in May 2025. The Administrative Assistant sorts all incoming mail and then gives Finance mail to Accounting Clerk to open.</p>	<p>FQHC Director of Finance/FQH C Accounting Clerk</p>	<p>June 2026</p> <p>We reviewed the revised Cash Management policies that we received during our site visits and determined that the procedures require the WCHC Accounting Clerk to open the mail separately before it is forward to the WCHC Director of Finance for verification. However, we found that the procedures did not state whether the WCHC Accounting Clerk is also</p>

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	prepare a log of mail-in payments prior to providing to the CFO and immediately endorse each check.				<p>required to log and/or immediately endorse the checks after they are retrieved from the mail. However, during our walkthrough, WCHC management stated those procedures will take place. Policies and procedures will need to be modified to include additional procedures that management agreed to.</p> <p>Based on our limited assessment, if the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.</p>
2023-05 (B)	<p>To enhance the controls over patient payments received at the FQHC, we recommend policies and procedures are revised to include:</p> <p>b) Each day a daily transaction report is run of the daily receipts posted to the ECW system and reconciled to the actual receipts given to the CFO or their designee for deposit.</p>	Yes	A daily cash receipt log has been created to be completed by the front desk at each location to be given to Accounting Clerk on a weekly basis, who then compares the amount received to the amount in ECW.	FQHC Director of Finance/FQH C Accounting Clerk	<p>We reviewed the updated policy and procedures relating to FQHC cash management. The revised procedures state that front desk staff will record patient payments in the EHR system and on the daily patient receipt log, which will be signed by the accounting clerk.</p> <p>The procedure further states that all patient payments received at the centers will be posted to the EHR system on the date of receipt. The accounting clerk will compare the EHR postings to the daily patient receipt log and investigate any discrepancies identified. Upon completion of the reconciliation, the Director of finance will review and verify its accuracy.</p>

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					<p>We selected three weeks and reviewed the cash receipts including the cash receipt log, Excel spreadsheet, bank deposit slip and the supporting documentation. We reconciled the cash to the cash receipt logs, Excel spreadsheet (EHR system), and bank deposit slip, the cash reconciled to all. However, the checks received did not reconcile between the Excel spreadsheet, copies of actual checks nor the deposit slip. We confirmed with WCHC management that the checks not reconciling was a timing difference. On a go forward basis they will note reconciling items on the spreadsheet and checks will be processed in the system based on date received and not check date.</p> <p>Based on our limited assessment, if the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.</p>

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2023-05 (C) To enhance the controls over patient payments received at the FQHC, we recommend policies and procedures are revised to include: c) The CFO perform a deposit of cash receipts at the bank, at least monthly, and to retain copies of the bank deposit slips for third-party review.	Yes	The Accounting Clerk performs weekly bank deposit. The deposit slip is given to The Director of Finance for comparison to the daily cash receipt log. The deposit slips, daily cash receipt logs, and ECW reports are retained in the shared file.	FQHC Director of Finance/FQH C Accounting Clerk	Implemented	<p>We reviewed the updated policies and procedures related to Cash Management and confirmed the policies and procedures require the accounting clerk will deposit funds once a week if cash exists and provide the deposit slip to the Director of Finance for review.</p> <p>Based on our walkthrough procedures related to patient payments received at FQHC. Cash is placed in a locked safe located in the Director of Finance's office until funds are taken to the bank for deposit.</p> <p>The accounting clerk deposits into the FQHC checking account on a weekly basis depending on collection activity. Following the deposits, the accounting clerk returns the deposit slip and supporting documentation to the Director of Finance for review. The Director confirms the deposit, verifies that adequate supporting documentation is attached, and signs off. The completed deposit package is then stored in an electronic filing system by date.</p> <p>Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.</p>

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2023-05 (D)	<p>To enhance the controls over patient payments received at the FQHC, we recommend policies and procedures are revised to include:</p> <p>d) Ensure all cash receipts are maintained separately and not comingled with petty cash.</p>	Yes	All cash is kept in locked safe located in the Director of Finance's office until time of bank deposit. As to ensure no comingling of funds, two separate bank zipped pouches are kept, and one is clearly labeled "petty cash."	FQHC Director of Finance	June 2026	<p>During an onsite visit as well as discussion with FQHC management on February 12, 2026, we observed that cash receipts and petty cash are maintained in separate pouches. Each pouch is stored securely under lock and key in the Director of Finance's office. However, the policies and procedures need to be revised to reflect the procedures taking place of not comingling the cash receipts and petty cash.</p> <p>Based on our limited assessment, if the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.</p>