



Audit Services  
First Quarter 2002  
Status Report on Findings Resolution

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**Status Report on Findings Resolution  
As of First Quarter, 2002  
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When updating this document quarterly, all items noted as resolved on the prior matrix will be dropped. ‘Complete’ comments are the representations of management. ‘No Response’ comments indicate Management declined to comment on, or respond to, this quarter’s report. Updated information will be obtained each quarter from the responsible party within the applicable department.

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1999 External Audit Management Letter Comments

Management Letter Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Accounting personnel should become familiar with GASB Statement 34 through the attendance of seminars & implement a plan, including the consideration of funding needs.	Office of Financial Management	Fiscal 1999	Susan Dougan or Stewart Brown	Staff has attended numerous training seminars on the new reporting model. Staff is also working on a detailed analysis and a proposed implementation plan for Statement 34. During the process, staff will meet with various affected agencies and departments of the County to determine steps and resources necessary for a transition to the new model.	12/31/02
A central grant administrator to ensure proper grant accounting.	Office of Financial Management	Fiscal 1999	Mike Press/Tom Franzen/Doug Robinson	An additional full-time position, a Grant Compliance Administrator, could be created to monitor grant activity within the County, depending on budgeting constraints.	<del>09/30/01</del> <del>12/31/01</del> <sup>1</sup> 06/30/02 <sup>1</sup>
Policy implementation whereby all County departments are required to utilize separate organizations for recording and reporting grant activity.	Office of Financial Management	Fiscal 1999	Tom Franzen	The CFO stated that the current policy will be rewritten to address all facets of grant management, including but not limited to: grant applications; grant approvals; grant renewals; accounting for grant activity; grant documentation and any reports as required by the granting agency.	<del>09/30/01</del> <del>12/31/01</del> <sup>1</sup> 06/30/02 <sup>1</sup>
Review of effectiveness & controls of purchasing card.	Office of Financial Management	Fiscal 1998	Tom Franzen	The County's purchasing card program policies will be addressed within the new County Financial Policies scheduled for completion during fiscal 2002.	<del>08/31/01</del> <del>11/30/01</del> <sup>1</sup> <del>03/31/02</del> <sup>1</sup> 06/30/02 <sup>1</sup>

<sup>1</sup> Auditor's Note: Revised timelines determined by Management.

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Self-Insured Health Care Audit  
Report Number 2001-01

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Establish written policies and procedures that delineate budgetary authority and establish departmental responsibilities.	Budget	1 <sup>st</sup> Quarter 2001	Doug Robinson	The Budget Director indicated that the preparation of these policies were underway.	<del>12/01/01</del> 06/30/02 <sup>1</sup>
Establish written policies and procedures establishing and maintaining an unencumbered cash balance at year - end.	Budget	1 <sup>st</sup> Quarter 2001	Doug Robinson	The Budget Director indicated that the preparation of these policies were underway.	<del>12/01/01</del> 06/30/02 <sup>1</sup>

Review of Fiscal Year 2001 Health Care Accruals

Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Our review noted the accrual for dental claims was not made. The amount of the accrual is estimated at approximately \$250,000.	OFM	1 <sup>st</sup> Quarter 2002	Tom Franzen	Although an adjustment cannot be posted to the financial system, OFM indicated a manual or "off-line" adjustment would be made, in the amount of \$262,396.	Complete

<sup>1</sup> Auditor's Note: Revised timelines determined by Management.

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Indian Creek Middle Basin Interlocal Agreement Audit  
Report Number 2001-02

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Johnson County Wastewater representatives either did not bill or under billed approximately \$4.1 million of charges for fees associated with the operation of the Indian Creek Middle Basin Interlocal Agreement.	County Manager	3 <sup>rd</sup> Quarter 2001	Mike Press	Burns & McDonnell's independent review stated total Olathe liability at approximately \$3.9 million. The County Manager proposed an immediate settlement of fees for approximately \$3.8 million.  The County is currently waiting for a response from the City of Olathe representatives on this issue.	Awaiting Outcome of Negotiations
Approximately \$1.5 million in Wastewater billings to the City of Olathe remains unpaid for fiscal year 2001.	Johnson County Wastewater	1 <sup>st</sup> Quarter 2002	Doug Smith	Wastewater officials sent a letter, dated March 5, 2002, to the City of Olathe requesting payment for the unpaid portion of the 2001 invoice.  The County is currently waiting for a response from the City of Olathe representatives on this issue	Awaiting Outcome of Negotiations
Invoice for 2002 should be sent to the City of Olathe in December 2001.	Johnson County Wastewater	1 <sup>st</sup> Quarter 2002	Doug Smith	Johnson County Wastewater officials stated that this invoice is being prepared.	06/30/02

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Appraiser's Exempt Property Review  
Report Number 2001-05

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Maintenance of Exempt Property Files.	Appraiser	2 <sup>nd</sup> Quarter 2001	Paul Welcome	All real estate exemption orders scanned and filed by parcel number. On 03/20/2002, the Appraiser's office stated that 97 exemptions remain to be scanned; the expected date of completion is reflected in the revised resolution date.	<del>12/31/01</del> <del>03/31/02</del> <sup>1</sup> 06/30/02 <sup>1</sup>

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Register of Deeds Internal Control Audit  
Report Number 2001-05-a

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Two internal controls weaknesses regarding the integrity of history data within the ROD information processing systems were noted as unresolved. One, additional documents and associated fees could be added, resulting in the modification of historical data and daily receipts. Two, pre-April 2001 data had not been migrated to the new Phoenix system, the ROD's new information processing system.</p>	<p>Register of Deeds</p>	<p>3<sup>rd</sup> Quarter 2001</p>	<p>Becky Davis</p>	<p>One, the ROD's office has made significant progress in correcting weaknesses within our information system. The ability to add documents and associated fees to historic information was a recently identified "glitch" within our information system. We immediately contacted the County's Information Technology Systems to assist in resolving this problem. As of March 8, 2001, this glitch has been resolved and the integrity of historical information has been fully restored.</p> <p>Two, pre-April 2001 data had not been migrated to the new Phoenix system. Due to the unseasonably high workload of the ROD's office, ROD staff has not yet had time to migrate pre-April 2001 computer data.</p>	<p><b>Complete</b> 03/08/2002</p> <p><b>Complete</b> 10/31/02</p>
<p>The County Auditor's review previously noted that customer payments were stored in boxes, on the vault room floor, for approximately ten calendar days, prior to recording and deposit.</p>	<p>Register of Deeds</p>	<p>3<sup>rd</sup> Quarter 2001</p>	<p>Becky Davis</p>	<p>ROD's office has been working diligently to reduce the time it takes to process customer payments and deposit checks. Our processing time has been reduced from ten days to approximately six days. We are continuing long-term efforts to ultimately reduce the processing and deposit time to approximately one workday. Mail backlog always remains subject to increases in customer volume.</p> <p>In the short-term, the existing backlog of checks can be eliminated by 04/12/02. However, in the long-term the ROD office requires a replacement of our entire computer operating systems and a process restructure of ROD personnel in order to keep pace with the huge increase in customer transactions we now experience.</p>	<p><b>Complete</b> Short-term: 04/12/02, (Mail backlog subject to increases in customer volume).</p> <p>Long-term: Replacement of our computer systems and a process restructure.</p>

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Juvenile Intake and Assessment Audit  
Report Number 2001-06

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Grant accounting problems.	JIAC	4 <sup>th</sup> Quarter 2001	Michael Youngken	Review and correct all Juvenile Justice Authority grant accounting for a five-year period. Juvenile Justice officials have been waiting on the resolution of FY01 and FY02 unallocated prevention dollars before concluding their reconciliation process. This occurred at the March 7th BOCC meeting, and the reconciliation process can now be finalized.	<del>Complete</del> 05/31/02 <sup>1</sup>
Accounting errors and mispostings	JIAC	4 <sup>th</sup> Quarter 2001	Michael Youngken	Contact Juvenile Justice Authority regarding errors and mispostings. Juvenile Justice officials have been waiting on the resolution of FY01 and FY02 unallocated prevention dollars before concluding their reconciliation process. This occurred at the March 7th BOCC meeting, and the reconciliation process can now be finalized.	<del>Complete</del> 05/31/02 <sup>1</sup>
Improper Transfer of JIAC funds.	JIAC	4 <sup>th</sup> Quarter 2001	Michael Youngken	Correct inappropriate transfers. Juvenile Justice officials have been waiting on the resolution of FY01 and FY02 unallocated prevention dollars before concluding their reconciliation process. This occurred at the March 7th BOCC meeting, and the reconciliation process can now be finalized.	<del>Complete</del> 05/31/02 <sup>1</sup>

<sup>1</sup> Auditor's Note: Revised timelines determined by Management.