



Audit Services  
Fourth Quarter 2003  
Status Report on Findings Resolution

Release Date: January 22, 2004

**Status Report on Findings Resolution  
As of Fourth Quarter 2003  
Table of Contents**

<b>1999 External Audit Management Letter Comments .....</b>	<b>1</b>
<b>Indian Creek Middle Basin Interlocal Agreement Audit.....</b>	<b>2</b>
<b>Register of Deeds Internal Control Audit.....</b>	<b>3</b>
<b>2001 External Audit Management Letter Comments .....</b>	<b>4</b>
<b>Corrections Grants Audit .....</b>	<b>5</b>
<b>Progress Report on Cash Weaknesses Identified Within the Treasurer’s Department .....</b>	<b>6</b>

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.

**Status Report on Findings Resolution  
As of Fourth Quarter 2003**

**1999 External Audit Management Letter Comments**

Management Letter Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
A central grant administrator to ensure proper grant accounting.	Office of Financial Management	Fiscal 1999	Tom Franzen, Director of Financial Management  Doug Robinson, Budget & Financial Planning Director	As part of the 2004 Budget, the BOCC authorized a Grants Coordinator position.	<del>09/30/01</del> <sup>1</sup> <del>12/31/01</del> <sup>1</sup> <del>06/30/02</del> <sup>1</sup> <del>12/31/02</del> <sup>1</sup> <del>03/31/03</del> <sup>1</sup> <del>12/31/03</del> <sup>1</sup> Complete

---

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

**Status Report on Findings Resolution  
As of Fourth Quarter 2003**

**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, County Manager	A wire from the City of Olathe in the amount of \$725,198.61 has arrived. This money is in payment of the back payments (1987-2000) for the 2nd half of 2002 and the 3rd payment due 12-20-2003. At this point the City of Olathe is up to date on all payments.	<del>Complete<sup>1</sup></del> <del>09/30/03<sup>1</sup></del> <del>12/31/03<sup>1</sup></del> Complete

---

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

**Status Report on Findings Resolution  
As of Fourth Quarter 2003**

**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
The County Auditor's review previously noted internal control weaknesses regarding the safeguarding of assets within the ROD office.	Register of Deeds	3 <sup>rd</sup> Quarter 2001	Becky Davis, Register of Deeds	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. The AMCAD/DTS solution went live December 1st, 2003.	<del>11/30/03</del> <del>12/31/03</del> <sup>1</sup> Complete

---

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

**Status Report on Findings Resolution  
As of Fourth Quarter 2003**

**2001 External Audit Management Letter Comments**

Management Letter Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Various County departments have their own bank accounts, and the Treasurer has numerous bank accounts. This unnecessarily complicates the bank reconciliation, daily bookkeeping, and depository security processes.	Office of Financial Management  Treasurer	3 <sup>rd</sup> Quarter 2002	Tom Franzen, Director of Financial Management  Dennis Wilson, County Treasurer	The initial consolidation of bank accounts has been completed. Banks under the Treasurer's control have been consolidated from nine banks to three. Staff is working with departments to continue consolidating accounts, where appropriate. Staff is in the process of drafting a county-wide policy regarding establishing and managing bank accounts.	<del>03/31/03</del> <sup>1</sup> <del>06/30/03</del> <sup>1</sup> <del>12/31/03</del> <sup>1</sup> Complete

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

**Status Report on Findings Resolution  
As of Fourth Quarter 2003**

**Corrections Grants Audit  
Report Number 2002-03**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
The County Auditor recommends that Community Corrections representatives notify the corrections advisory board and the BOCC of the anticipated usage of \$31,384 in unexpended Juvenile Justice Authority grant funds, from grant year 1998, to be used for grant year 2003 operations.	Department of Corrections	4th Quarter 2002	Michael Youngken, Department of Corrections Director	Staff contacted JJA in December 2002 to request the use of these unexpended funds for FY2003. Staff continues to follow up with JJA in working through the process to resolve any outstanding issues. A meeting is scheduled for January 28, 2004 with JJA to discuss current status and next steps in the process.	03/31/03 <sup>1</sup> 06/30/03 <sup>1</sup> 09/30/03 <sup>1</sup> <del>12/31/03<sup>1</sup></del> 03/31/04 <sup>1</sup>
The County Auditor recommends that the County Manager or his representatives obtain the appropriate authorization to use \$4,096 of unexpended grant funding, from prior years, for grant year 2003 operations.	Department of Corrections	4th Quarter 2002	Michael Youngken, Department of Corrections Director	Staff contacted JJA in December 2002 to request the use of these unexpended funds for FY2003. Staff continues to follow up with JJA in working through the process to resolve any outstanding issues. A meeting is scheduled for January 28, 2004 with JJA to discuss current status and next steps in the process.	03/31/03 <sup>1</sup> 06/30/03 <sup>1</sup> 09/30/03 <sup>1</sup> <del>12/31/03</del> 03/31/04 <sup>1</sup>
The County Auditor recommends that the County Manager or his representatives obtain the appropriate authorization to apply the \$7,133 of unexpended grant funding to grant year 2003 operations.	Department of Corrections	4th Quarter 2002	Michael Youngken, Department of Corrections Director	Staff contacted JJA in December 2002 to request the use of these unexpended funds for FY2003. Staff continues to follow up with JJA in working the process to resolve any outstanding issues. A meeting is scheduled for January 28, 2004 with JJA to discuss current status and next steps in the process.	03/31/03 <sup>1</sup> 06/30/03 <sup>1</sup> 09/30/03 <sup>1</sup> <del>12/31/03<sup>1</sup></del> 03/31/04 <sup>1</sup>

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

**Status Report on Findings Resolution  
As of Fourth Quarter 2003**

**Progress Report on Cash Weaknesses Identified Within the Treasurer's Department  
Report Number 2003-01**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
The Treasurer's Department needs to establish written policies and procedures that clearly delineate responsibilities and practices for monthly bank reconciliations.	Treasurer	2 <sup>nd</sup> Quarter 2003	Dennis Wilson, County Treasurer	The Treasurer has completed the task of writing procedures for all duties within this office including the bank reconciliation process.	<del>11/01/2003</del> Complete
The Accounts Payable account bank account reconciliation shows additions of \$785,173.66 to the bank balance for amounts related to old bank accounts to arrive at the ASPIRE cash balance. The Treasurer had not been able to determine the nature and disposition of these amounts.	Treasurer	2 <sup>nd</sup> Quarter 2003	Dennis Wilson, County Treasurer	Research has been completed and the situation has been resolved. The Treasurer and OFM worked closely throughout the entire process and a final resolution was reached.	<del>12/31/2003</del> Complete