



Audit Services
Second Quarter 2004
Status Report on Findings Resolution

Release Date: August 5, 2004

**Status Report on Findings Resolution
As of Second Quarter 2004
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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.

**Status Report on Findings Resolution
As of Second Quarter 2004**

Corrections Grants Audit

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>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.</p>	<p>Department of Corrections</p>	<p>4th Quarter 2002</p>	<p>Michael Youngken, Department of Corrections Director</p>	<p>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.</p> <p>Staff met with JJA officials on January 28, 2004 to discuss the status of their review. Corrections staff continue to work closely with JJA to provide any requested information and answer any questions that may remain. Per conversation with audit staff on April 19th, JJA is currently working on their draft report and estimate a May meeting with the Corrections Department to discuss it. JJA plans to issue their final report and determine the status of these unexpended funds by June 30, 2004.</p> <p>Staff met with JJA on July 13th to review their draft report issued on June 22nd. JJA plans to issue their final report and determine the status of these unexpended funds by August 31, 2004.</p>	<p>03/31/03¹ 06/30/03¹ 09/30/03¹ 12/31/03¹ 03/31/04¹ 06/30/04¹ 08/31/04</p>

¹ Auditor's Note: Revised timelines determined by Management.

**Status Report on Findings Resolution
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Corrections Grants Audit (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>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.</p>	<p>Department of Corrections</p>	<p>4th Quarter 2002</p>	<p>Michael Youngken, Department of Corrections Director</p>	<p>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.</p> <p>Staff met with JJA officials on January 28, 2004 to discuss the status of their review. Corrections staff continue to work closely with JJA to provide any requested information and answer any questions that may remain. Per conversation with audit staff on April 19th, JJA is currently working on their draft report and estimate a May meeting with the Corrections Department to discuss it. JJA plans to issue their final report and determine the status of these unexpended funds by June 30, 2004.</p> <p>Staff met with JJA on July 13th to review their draft report issued on June 22nd. JJA plans to issue their final report and determine the status of these unexpended funds by August 31, 2004.</p>	<p>03/31/03¹ 06/30/03¹ 09/30/03¹ 12/31/03 03/31/04¹ 06/30/04¹ 08/31/04</p>

¹ Auditor's Note: Revised timelines determined by Management.

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Corrections Grants Audit (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>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.</p>	<p>Department of Corrections</p>	<p>4th Quarter 2002</p>	<p>Michael Youngken, Department of Corrections Director</p>	<p>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.</p> <p>Staff met with JJA officials on January 28, 2004 to discuss the status of their review. Corrections staff continue to work closely with JJA to provide any requested information and answer any questions that may remain. Per conversation with audit staff on April 19th, JJA is currently working on their draft report and estimate a May meeting with the Corrections Department to discuss it. JJA plans to issue their final report and determine the status of these unexpended funds by June 30, 2004.</p> <p>Staff met with JJA on July 13th to review their draft report issued on June 22nd. JJA plans to issue their final report and determine the status of these unexpended funds by August 31, 2004.</p>	<p>03/31/03¹ 06/30/03¹ 09/30/03¹ 12/31/03¹ 03/31/04¹ 06/30/04¹ 08/31/04</p>

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2003 External Audit Management Letter Comments

Management Letter Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
During our testing of internal controls for the Register of Deed's Office, it was brought to our attention that certain internal controls were overridden during 2003. The override of internal controls involved the authorization of payment of bonuses in the form of additional unearned overtime. The bonuses were noted as being retroactively approved as evidenced by the December 18, 2003 Board of County Commissioners minutes.	Register of Deeds	2 nd Quarter 2004	Becky Davis, Register of Deeds	It is our understanding that the Board is aware of the situation and has taken corrective action since that time. The override of internal controls by management leaves an organization more susceptible to material misstatement and/or fraud in the form of financial statement reporting or misappropriation of assets than any other internal controls failure. We would like to commend the Board on their and decisive action to investigate and resolve this matter.	Complete
During our testing of revenue as it relates to the Register of Deeds Office, we noted that the Office was not in compliance with K.S.A. 79-3104 during certain time periods of 2004. It was noted that there were several periods for which no deposits were made with the Treasurer's Office. After discussion with personnel in the Treasurer's office, it was also noted that reports as described in K.S.A. 79-3104 were not being remitted.	Register of Deeds	2 nd Quarter 2004	Becky Davis, Register of Deeds	The Register of Deeds Office should put into place procedures that would ensure compliance with K.S.A. 79-3104. This may be accomplished by providing the responsibility of preparation of reports and deposits to one employee within the office while giving responsibility of remittance of those items to the Treasurer's Office to another. Such action would mitigate the possibility of one absent employee causing no deposit or remittance for any given day.	Complete