



Audit Services  
Third Quarter 2004  
Status Report on Findings Resolution

Release Date: November 4, 2004

**Status Report on Findings Resolution  
As of Third 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  
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**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,<br/>Department of Corrections<br/>Director</p> | <p>The JJA Inspector General has determined that \$31,384 in Case Management grant funding from State Fiscal Year 1998 needs to be reimbursed to the JJA. A check has been issued and should be mailed within a week. The reimbursement was made from unexpended JJA grant funds held by the County.</p> | <p><del>03/31/03</del><sup>1</sup><br/><del>06/30/03</del><sup>1</sup><br/><del>09/30/03</del><sup>1</sup><br/><del>12/31/03</del><sup>1</sup><br/><del>03/31/04</del><sup>1</sup><br/><del>06/30/04</del><sup>1</sup><br/><del>08/31/04</del><sup>1</sup><br/>Complete</p> |
| <p>Additional Comments: None.</p>  |                                  |                         |   |  |   |

<sup>1</sup> 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  |
|---|---------------------------|-----------------------|--|--|--|
| 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,<br>Department of Corrections<br>Director | The JJA Inspector General has determined that \$4,096 in unexpended grant funding from prior years needs to be reimbursed to the JJA. A check has been issued and should be mailed within a week. The reimbursement was made from unexpended JJA grant funds held by the County. | 03/31/03 <sup>1</sup><br>06/30/03 <sup>1</sup><br>09/30/03 <sup>1</sup><br><del>12/31/03</del><br>03/31/04 <sup>1</sup><br>06/30/04 <sup>1</sup><br>08/31/04<br>Complete |
| Additional Comments: None.  |                           |                       |  |  |  |

<sup>1</sup> 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  |
|---|---------------------------|------------------------------|--|---|--|
| 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 | 4 <sup>th</sup> Quarter 2002 | Michael Youngken,<br>Department of Corrections<br>Director | Staff first contacted JJA in December 2002 to request the use of these unexpended funds for FY2003. JJA has concluded that this issue has been resolved through previous years' activities. This amount was reconciled as part of prior year's adjustments. | 03/31/03 <sup>1</sup><br>06/30/03 <sup>1</sup><br>09/30/03 <sup>1</sup><br>12/31/03 <sup>1</sup><br>03/31/04 <sup>1</sup><br>06/30/04 <sup>1</sup><br>08/31/04<br>Complete |
| Additional Comments: None.  |                           |                              |  |   |  |

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

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**Juvenile Justice Authority OIG Report**

| JJA OIG Recommendation  | Department                       | Date Comment Appeared              | Responsible   | Management Action Plan & Management Comments   | Resolution Date |
|---|----------------------------------|------------------------------------|---|--|-----------------|
| <p>The Office of Financial Management and Community Corrections needs [sic] to take appropriate steps to ensure that revenue is being properly recorded to the grant programs it was awarded to and that revenue transactions between programs are done in a manner that produces an audit trail. Budget amendments are to be submitted prior to the changes being made at the county level and would be more effective if submitted during the grant year.</p> | <p>Department of Corrections</p> | <p>3<sup>rd</sup> Quarter 2004</p> | <p>Michael Youngken,<br/>Department of Corrections<br/>Director</p> | <p>We have re-evaluated this process and set a deadline of April 1<sup>st</sup> for the submittal of budget amendments. This represents the beginning of the fourth quarter of the grant period and should provide sufficient time for all reviews and approvals to be obtained prior to the grant year end.</p> | <p>Complete</p> |
| <p>Additional Comments: None.</p>   |                                  |                                    |   |  |                 |

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**Juvenile Justice Authority OIG Report (Continued)**

| JJA OIG Recommendation  | Department                      | Date<br>Comment<br>Appeared     | Responsible   | Management Action Plan & Management<br>Comments   | Resolution Date |
|---|---------------------------------|---------------------------------|---|---|-----------------|
| The administrative contact [for Community Corrections] needs to take the appropriate steps to ensure that JJA is receiving [quarterly expenditure] reports on time. | Department<br>of<br>Corrections | 3 <sup>rd</sup> Quarter<br>2004 | Michael Youngken,<br>Department of<br>Corrections<br>Director | All quarterly expenditure reports for SFY2004 were submitted on time. Additionally, JJA OIG has indicated that submittal of quarterly reports through electronic means could be considered an acceptable practice, in particular regarding the use of fax machines. The use of electronic mail and the option of sending reports individually – as opposed to a complete set – are also being explored to streamline the reporting process. | Complete        |
| Additional Comments: None.  |                                 |                                 |   |   |                 |

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**Juvenile Justice Authority OIG Report (Continued)**

| JJA OIG Recommendation  | Department                       | Date Comment Appeared              | Responsible   | Management Action Plan & Management Comments   | Resolution Date |
|---|----------------------------------|------------------------------------|---|--|-----------------|
| <p>The County should establish adequate procedures that ensure transfers of JJA funds to subgrantees are done in a timely manner and within the grant period.</p> | <p>Department of Corrections</p> | <p>3<sup>rd</sup> Quarter 2004</p> | <p>Michael Youngken,<br/>Department of Corrections<br/>Director</p> | <p>We are now processing check requests within three days of receiving the JJA warrant. The check requests are submitted to the Office of Financial Management for processing. We request that the check be returned to us to ensure prompt delivery to the sub-grantees. Based upon the location and/or circumstances, we either hand-deliver the checks or the sub-grantees will pick them up at our office. This process will ensure that transfers of JJA funds are done in a timely manner and within the grant period.</p> | <p>Complete</p> |
| <p>Additional Comments: None.</p>   |                                  |                                    |   |  |                 |

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**Juvenile Justice Authority OIG Report (Continued)**

| JJA OIG Recommendation   | Department                      | Date<br>Comment<br>Appeared     | Responsible   | Management Action Plan & Management<br>Comments   | Resolution Date |
|--|---------------------------------|---------------------------------|---|---|-----------------|
| The County should establish adequate procedures that ensure unexpended balances should be recovered promptly and made available to programs that are subsequently approved to use such balances. | Department<br>of<br>Corrections | 3 <sup>rd</sup> Quarter<br>2004 | Michael Youngken,<br>Department of<br>Corrections<br>Director | Our procedures now require us to contact sub-grantees and direct them to return any unexpended JJA grant funds within 30 days of the due date of the 4 <sup>th</sup> quarter expenditure reports. | Complete        |
| Additional Comments: None.   |                                 |                                 |   |   |                 |

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**Juvenile Justice Authority OIG Report (Continued)**

| JJA OIG Recommendation   | Department                      | Date<br>Comment<br>Appeared     | Responsible   | Management Action Plan & Management<br>Comments   | Resolution Date |
|--|---------------------------------|---------------------------------|---|---|-----------------|
| Personnel costs should be recorded and maintained to reflect hours worked for each funding source, in accordance with JJA Financial Rules and Guidelines | Department<br>of<br>Corrections | 3 <sup>rd</sup> Quarter<br>2004 | Michael Youngken,<br>Department of<br>Corrections<br>Director | To address this issue, we have instructed all sub-grantees to use a time sheet that will total the hours separately by each program for each employee. Therefore if a position is funded by multiple funding sources, it will be easily distinguishable on each time sheet. | Complete        |
| Additional Comments: None.   |                                 |                                 |   |   |                 |

**Status Report on Findings Resolution  
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**Register of Deeds Internal Control Follow-Up Review**

| Audit Comment  | Department               | Date<br>Comment<br>Appeared            | Responsible                               | Management Action Plan & Management<br>Comments  | Resolution Date   |
|--|--------------------------|--|---|--|-------------------|
| <p>Establish and maintain adequate, formal policies and procedures that are designed to provide accurate financial reporting, effective and efficient operations, and clearly demonstrate compliance with statutes, laws, rules, regulations, and County policy.</p> | <p>Register of Deeds</p> | <p>3<sup>rd</sup> Quarter<br/>2004</p> | <p>Becky Davis,<br/>Register of Deeds</p> | <p>The Register of Deeds office has always been in demonstrated compliance with statutes, laws, rules, regulations and County policy. We completed formal policies and procedures by February 2003 relating to the 2001 audit. These procedures were written for the original business processes in place from January 2001 through November 2003. The Register of Deeds implemented a completely new business process December 1, 2003. We completed this new installation in August 2004. Our new formal procedures and policies will be completed by December 2004.</p> | <p>12/31/2004</p> |
| <p>Additional Comments: None.</p>  |                          |  |   |  |                   |

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**Register of Deeds Internal Control Follow-Up Review (Continued)**

| Audit Comment   | Department        | Date<br>Comment<br>Appeared | Responsible                       | Management Action Plan & Management<br>Comments   | Resolution Date |
|---|-------------------|-----------------------------|-----------------------------------|---|-----------------|
| Establish and maintain sufficient separation of duties to reduce the opportunity for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of that person's duties. | Register of Deeds | 3rd Quarter<br>2004         | Becky Davis,<br>Register of Deeds | The deposits for our office are made on a daily basis. The accounting assistant makes the deposit and the accounting manager reconciles accounts. The accounting manager does not have correction authority in the TRAK RECORD System | Complete        |
| Additional Comments: None.  |                   |                             |                                   |   |                 |

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**Register of Deeds Internal Control Follow-Up Review (Continued)**

| Audit Comment   | Department        | Date<br>Comment<br>Appeared | Responsible                       | Management Action Plan & Management<br>Comments                  | Resolution Date |
|---|-------------------|-----------------------------|-----------------------------------|--|-----------------|
| Adopt additional policies and procedures which will address the tracking of assets within the ROD office. | Register of Deeds | 3rd Quarter<br>2004         | Becky Davis,<br>Register of Deeds | We follow all county policies and procedures on tracking assets. | Complete        |
| Additional Comments: None.  |                   |                             |                                   |  |                 |

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**Register of Deeds Internal Control Follow-Up Review (Continued)**

| Audit Comment   | Department        | Date<br>Comment<br>Appeared | Responsible                       | Management Action Plan & Management<br>Comments   | Resolution Date |
|---|-------------------|-----------------------------|-----------------------------------|---|-----------------|
| Provide reconciling procedures which are sufficient to demonstrate the validity of day to day accounting information. | Register of Deeds | 3rd Quarter<br>2004         | Becky Davis,<br>Register of Deeds | <p>The accounting department reruns the Daily Accounting Report after ten days and makes any adjustments that are necessary. All revenue accounts in the TRAK RECORD System are reconciled to the ASPIRE system monthly.</p> <p>This procedure has been in place since spring 2004. The formal procedure and policy will be documented by December 1, 2004.</p> | Complete        |
| Additional Comments: None.  |                   |                             |                                   |   |                 |

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| Audit Comment   | Department        | Date<br>Comment<br>Appeared     | Responsible                       | Management Action Plan & Management<br>Comments                                     | Resolution Date |
|---|-------------------|---------------------------------|-----------------------------------|---|-----------------|
| Adopt policies and procedures which will adequately control access to the system by regularly changing the passwords. | Register of Deeds | 3 <sup>rd</sup> Quarter<br>2004 | Becky Davis,<br>Register of Deeds | Passwords will be changed bi-annually. The policy has been written and implemented. | Complete        |
| Additional Comments: None.  |                   |                                 |                                   |   |                 |

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| Audit Comment  | Department        | Date<br>Comment<br>Appeared | Responsible                       | Management Action Plan & Management<br>Comments  | Resolution Date |
|--|-------------------|-----------------------------|-----------------------------------|--|-----------------|
| Analyze the Escrow Account and verify its balance and content against the ASPIRE system on a regular, at least monthly, basis. | Register of Deeds | 3rd Quarter 2004            | Becky Davis,<br>Register of Deeds | The Escrow account in the TRAK RECORD System is reconciled to the Aspire account monthly | Complete        |
| Additional Comments: None.   |                   |                             |                                   |  |                 |