



Audit Services
First Quarter 2006
Implementation of Audit Recommendations

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**Implementation of Audit Recommendations
As of First Quarter 2006
Table of Contents**

Managing Light Vehicles at County Departments	1
Management of the County's Automated Financial and Human Resources System.....	2
Disposal of Surplus Computers	5
Sheriff Transition.....	6
Recently Issued Reports: Treasurer's Transition.....	14

**Implementation of Audit Recommendations
As of First Quarter 2006**

Managing Light Vehicles at County Departments

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
The County Manager establish County-wide criteria for monitoring vehicles and distribute appropriate guidance to department directors.	County Manager	4 th Quarter 2004	Mike Press	The County Manager's Office is collecting updated 2005 vehicle logs from the departments identified in the audit and will use the data to make management decisions on vehicles and vehicle replacements, in particular requests associated with the 2007 Budget development process. Responsibility for tracking and reporting is assigned to departments. We are working with ITS to consider upgrading the commercial software package that Public Works and Wastewater are currently using. As a part of standard business practice, the CMO will continue to evaluate the data submitted by departments and make sure that it is tracked and submitted in the most efficient manner possible.	12/31/2005 03/28/2006 04/28/2006
The County Manager establish a county-wide reporting system for the fleet vehicle information with assigned responsibilities and defined accountability.	County Manager	4 th Quarter 2004	Mike Press		12/31/2005 03/28/2006 04/28/2006
Department directors establish vehicle monitoring systems that capture at a minimum: <ul style="list-style-type: none"> • Purchase cost • Date purchased • Mileage updated on a regular basis • Scheduled maintenance costs • Unscheduled maintenance costs • Operating costs 	County Manager	4 th Quarter 2004	Mike Press		12/31/2005 03/28/2006 04/28/2006
Additional Comments:					

**Implementation of Audit Recommendations
As of First Quarter 2006**

Management of the County’s Automated Financial and Human Resources System

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Establish a system for assessing needs of users, inventorying needs, and prioritizing workload based on needs:</p> <ul style="list-style-type: none"> • Review business processes to determine to what extent they can be reengineered to use the Aspire system • Review and determine the need for auxiliary systems 	<p align="center">County Manager</p>	<p align="center">2nd Quarter 2005</p>	<p align="center">Mike Press</p>	<p>The County Manager has established, Business Process Owners Groups (BPO), to review the current use of Oracle Applications in existing business processes and assess and inventory user needs:</p> <ul style="list-style-type: none"> • Identified business processes and selected individuals to form BPO’s. • The BPO’s have provided information and recommendations for action. • The Aspire Team has been reorganized to provide more immediate support to specific business processes and to develop a more thorough understanding of the business processes and increase the level of functional and technical expertise in utilizing the underlying Oracle Applications. • The Aspire Team has initiated an inventory of auxiliary systems. Plans are for a team of Aspire, OFM and ITS to visit selected agencies and departments to review auxiliary systems and measure the potential for inclusion of the auxiliary functionality within the Aspire system. 	<p align="center">Completed</p> <p align="center">Completed</p> <p align="center">04/01/2006 04/30/2006</p> <p align="center">04/01/2006 12/29/2006</p>
<p>Additional Comments:</p>					

**Implementation of Audit Recommendations
As of First Quarter 2006**

Management of the County's Automated Financial and Human Resources System (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<ul style="list-style-type: none"> Identify and provide appropriate training to improve the skills of the ASPIRE team 	County Manager	2 nd Quarter 2005	Mike Press	<ul style="list-style-type: none"> Reorganized Aspire Team into small teams to focus on specific Oracle Applications functionality. The small teams pair functional and technical specialists to promote cross training. Individual team members have been scheduled to attend instructor lead Oracle training under a 'train the trainer' concept and are expected to both improve their own skill set and impart that knowledge to the Aspire Team. 	04/01/2006 04/30/2006
<p>Prepare a strategic plan for progress that addresses the results of needs assessments. The plan should include:</p> <ul style="list-style-type: none"> Objectives Goals Performance Measures Expected Outcomes Assessment of priorities 	County Manager	2 nd Quarter 2005	Mike Press	<p>The County Manager has initiated a strategic plan process which addresses the objectives, goals, performance measures, expected outcomes and the assessment of priorities.</p> <p>Strategic planning for ASPIRE is a subset of the County's ITS Strategic plan and will be included as part of the upcoming ITS review which will be conducted with the assistance of an outside consultant.</p>	09/2005 04/01/2006 04/30/2006
<p>Direct all department directors to ensure their departments are in compliance with purchasing procedures and the related control procedures, and accounting and budget policies for encumbrance of funds.</p>	County Manager	2 nd Quarter 2005	Mike Press	<p>An assessment of compliance by all departments has been initiated. The County manager will direct department directors to ensure their departments are in compliance following this assessment.</p>	09/2005 01/2006 04/01/2006 04/30/2006
Additional Comments:					

**Implementation of Audit Recommendations
As of First Quarter 2006**

Disposal of Surplus Computers

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Establish a target date for presenting a revised asset disposal policy to the BOCC for review.	County Manager, ITS, and OFM	4th Quarter 2005	Mike Press Jack Clegg Tom Franzen	Staff is working with Chief Legal Counsel on finalizing the Surplus Property Disposal policy.	06/30/2006
Develop a procedure for disposing of surplus computers, including: <ul style="list-style-type: none"> • A county-wide standard for data cleansing, and • Maximizing the return on the surplus equipment. 	County Manager, ITS, and OFM	4th Quarter 2005	Mike Press Jack Clegg Tom Franzen	Staff established and distributed to the organization a procedure for standardized cleansing of data from surplus computer hard drives. Staff has since processed the backlog of over 400 surplus computers. Staff is maximizing the return on surplus equipment by utilizing the currently available public auction process.	Completed
Additional Comments:					

**Implementation of Audit Recommendations
As of First Quarter 2006**

Sheriff Transition

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Establish written policy and procedures to ensure inventory records list all assets meeting County policy and only those assets that are currently owned appear on the inventory list.	Sheriff	4th Quarter 2005	Frank Denning	We are in the process of developing the policies and procedures to address this matter.	09/29/2006
Perform the following for the Inmate Welfare Fund (IWF) cash on hand: <ul style="list-style-type: none"> • Reconcile the cash on hand and ensure an accurate record is kept of cash in money bags and cash drawers. • Number and account for bags in a consistent manner. • Regularly count and inventory cash money bags and the cash contained therein. • Monitor responsible staff to ensure policy and procedures are followed. 	Sheriff	4th Quarter 2005	Frank Denning	<ul style="list-style-type: none"> • A complete count of cash on hand in the money bags and cash drawers has been completed and the record maintained. • Bags are numbered and accounted for daily. • Cash in the money bags is counted every day, and bags are inventoried. The bags are subject to “unannounced counts” by the Sheriff’s Fiscal Unit. • Staff is monitored. 	Completed
Remove all non-trust fund activity from the IWF to the general fund. Transfer sufficient funds to or from this account to the general fund to ensure that the bank balance for this fund is equal to the current inmate balances plus any outstanding checks to released inmates.	Sheriff	4th Quarter 2005	Frank Denning	All non-trust activity is being recorded in the newly-established Commissary Fund, which is a Fee Fund within the General Fund. The appropriate funds were transferred from the IWF to the Commissary Fund at the beginning of 2006. The remaining balance in the IWF is sufficient to equal the current inmate balances plus outstanding checks to released inmates.	Completed
Additional Comments:					

**Implementation of Audit Recommendations
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Sheriff Transition (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Reconcile the cash in the IWF to the inmate balance report on a monthly basis by an individual independent of the fund operation.	Sheriff	4th Quarter 2005	Frank Denning	The IWF cash balance is reconciled to the Account Balance Reports monthly.	Completed
Consult with the Office of Financial Management and Budget Department on the Jail Commissary activity : <ul style="list-style-type: none"> • To determine the best handling of the commissary activity within the county accounting structure. • To determine the best way to handle the IWF receipt and expenditure activity for 2005 and 2006. 	Sheriff	4th Quarter 2005	Frank Denning	Meetings were held with the Sheriff's Office, the Office of Financial Management, and the Budget & Financial Planning Department, and the appropriate procedures were established.	Completed
Obtain BOCC approval for the commissary activity prospectively for the remainder of 2005 and 2006 and retrospectively for 2004. Include all commissary activity in future budget processes.	Sheriff	4 th Quarter 2005	Frank Denning	In meetings with the Office of Financial Management and the Budget & Financial Planning Department, it was determined BOCC approval was not required. Commissary Fund activity is now "on budget."	Completed
Additional Comments:					

**Implementation of Audit Recommendations
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Sheriff Transition (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Prepare new documents for the IWF bank account which meet the requirements for a Johnson County bank account.	Sheriff	4th Quarter 2005	Frank Denning	The Sheriff's Office will meet with the County Treasurer's Office to determine the specific requirements applicable to the IWF bank account.	06/30/2006
Consider alternatives to the current policy for inmate release checks other than "farm outs." The Sheriff should determine the dollar amount which minimizes the cost of the alternatives and implement a new policy to reflect that determination.	Sheriff	4th Quarter 2005	Frank Denning	A policy has been proposed and is being considered by the management staffs of the jails.	06/30/2006
Formalize the authority for each of the charges made to inmates in the IWF.	Sheriff	4th Quarter 2005	Frank Denning	The Sheriff authority exists in statute and case law. The authority to charge inmates for the various goods and services they receive from the commissary while incarcerated has been the subject of litigation in the Federal courts and has been upheld as constitutional. Ref: Feigley v. Dept. of Corrections, PA Cmwlt, 2005; Rodriguez v. Swanson Services Corp., D.Me., 2001; French v. Butterworth, 614 R.2d 23,24 (1 st Cir. 1980); and others.	Completed
Adopt procedures to formally determine the indigent status of inmates, where possible, to justify charges to inmates in the IWF.	Sheriff	4th Quarter 2005	Frank Denning	Indigent status within the definition of the jail setting is different, based on case law, from the criminal court definition of indigent. No further actions are planned.	Completed
Develop a resolution for consideration by the BOCC which will allow for recovery of the costs associated with incarceration in the IWF.	Sheriff	4th Quarter 2005	Frank Denning	This matter is still under consideration.	12/29/2006
Additional Comments:					

**Implementation of Audit Recommendations
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Sheriff Transition (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Make a list of the current amounts from the IWF subject to escheatment and take action to notify the required individuals according to K.S.A. 58-3950.	Sheriff	4th Quarter 2005	Frank Denning	This process was deemed not required based on the Sheriff's Office's contact with the State Treasurer's office and filing under the State Treasurer's Voluntary Compliance Program.	Completed
Prepare and file the required Report of Abandoned Property by the November 1st date to comply with K.S.A. 58-3950.	Sheriff	4th Quarter 2005	Frank Denning	The November 1 st date is not applicable to the State Treasurer's Voluntary Compliance Program, under which our Report of Abandoned Property has been filed.	Completed
Develop policies and procedures to ensure compliance with K.S.A. 58-3950 escheatment rules annually for checks not cashed from the IWF.	Sheriff	4th Quarter 2005	Frank Denning	Policies and procedures have been established.	Completed
Additional Comments:					

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Sheriff Transition (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Make the following efforts for reducing/collecting accounts receivable in the Inmate Welfare Fund:</p> <ul style="list-style-type: none"> • Establish a policy and procedure for collecting amounts due from inmates that are not indigent. • Make an effort to collect the amounts due from all inmates by using other collections mechanisms, such as: 1) the Kansas Setoff Program, or 2) presenting invoices for the services provided at release and parole hearings to request restitution. 	Sheriff	4th Quarter 2005	Frank Denning	This matter is still under consideration.	12/29/2006
<p>Improve the IWF control environment by working with the vendor and the Office of Financial Management to develop reporting capabilities in the commissary system sufficient to provide an adequate control environment encompassing both a reconciliation of the inmate accounts with the cash account and a validation of the vendor invoices.</p>	Sheriff	4th Quarter 2005	Frank Denning	The reconciliations are performed on a monthly basis. Vendor invoices are examined weekly for appropriateness of the charges.	Completed
<p>Develop policies and procedures to ensure accurate inmate balance reconciliation and the validity of the vendor invoices in the commissary network system.</p>	Sheriff	4th Quarter 2005	Frank Denning	Procedures have been implemented to ensure the accurate inmate balance reconciliation on a monthly basis. Vendor invoices are examined weekly for appropriateness of the charges.	Completed
Additional Comments:					

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Sheriff Transition (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Perform the following to improve the internal and management controls for the Inmate Welfare Fund:</p> <ul style="list-style-type: none"> • Assign accounting, check writing, bank reconciliation, and daily transaction reconciliation duties to two or more individuals. • Require that the people assigned take regular, annual vacations or rotate their duties and have others perform the functions during these periods. 	Sheriff	4th Quarter 2005	Frank Denning	<ul style="list-style-type: none"> • Such duties for the Inmate Welfare Fund have been segregated. • People assigned to the IWF bookkeeping function are encouraged to take regular vacations. Improvements in internal controls should mitigate concerns over vacation issues. There is no County policy that requires vacations to be taken with any particular frequency or regularity. 	Completed
<p>Perform the following to improve the internal and management controls for grant and project management:</p> <ul style="list-style-type: none"> • Develop monitoring and control procedures to ensure that applications for federal grants and programs are accurate and complete. • Develop procedures to monitor and review project expenditures to ensure compliance with the project objectives. 	Sheriff	4th Quarter 2005	Frank Denning	<ul style="list-style-type: none"> • Monitoring and control procedures are in place and have been emphasized to the staff that handles federal grants and programs. • Controls are in place to ensure that funds will be expended only on items meeting project objectives. 	Completed
Additional Comments:					

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Sheriff Transition (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Consult with the BOCC to obtain authorization for the expenditures made that were not in accordance with program objectives for the Olathe Detention Center Repair.	Sheriff	4th Quarter 2005	Frank Denning	BOCC authorization would not have been required for expenditures of such a small amount, but the Sheriff is aware of, and intends to comply with, the requirements for obtaining BOCC approval for expenditures meeting the specified criteria.	Completed
Analyze purchasing card activity and reduce the number of cards issued and the credit limits on the cards that are issued to more closely match the use of the cards.	Sheriff	4th Quarter 2005	Frank Denning	The needs of the Sheriff's Office are based on the potential for emergency response just as much as day-to-day usage and are determined by analyzing individual needs. We will continue to monitor purchasing card usage, by means of an annual review, to maintain them at the level deemed necessary.	09/29/2006
Develop a long term plan for the use of the Forfeited Property Fund and the Controlled Substance Tax Fund to make the best use of the public assets held in this fund.	Sheriff	4th Quarter 2005	Frank Denning	The Sheriff is not required to make public the specifics of his plans for expenditures from the Forfeited Property Fund and Controlled Substances Tax Fund, and any lack of disclosure should not be construed as a lack of plans. By statute, he is only required to report at the end of each year to the BOCC the type and approximate value of the forfeited property received, the amount of any forfeiture proceeds received, and how any of those proceeds were expended. This report was filed timely.	Completed
Additional Comments:					

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Sheriff Transition (Continued)

<p>Provide the BOCC with an amended report on Forfeited Property Fund, showing correct balances for 2004, as soon as possible.</p>	<p align="center">Sheriff</p>	<p align="center">4th Quarter 2005</p>	<p align="center">Frank Denning</p>	<p>By statute, the Sheriff is required to report at the end of each year to the BOCC the type and approximate value of the forfeited property received, the amount of any forfeiture proceeds received, and how any of those proceeds were expended. This report for 2005 was filed timely and reflected the correct balances for 2004 in the beginning balances.</p>	<p align="center">Completed</p>
<p>Additional Comments:</p>					

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Recently Issued Reports Requiring Action Plans in 2nd Quarter 2006

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Treasurer's Transition: Improvements needed in:</p> <ul style="list-style-type: none"> • Written policies and procedures for Treasurer's Office • Transition planning for the Department of Motor Vehicles • Fund and asset management of the Department of Motor Vehicles 	<p style="text-align: center;">County Manager, Interim Treasurer, and DMV</p>	<p style="text-align: center;">1st Quarter 2006</p>	<p style="text-align: center;">Mike Press Charles "Mick" Letcher Tom Roskop</p>		

Additional Comments: This report was issued in the first quarter 2006. Due to the release date, we have not requested that management supply action plans or comments at this time. Audit Services will be requesting the management action plans and resolution dates during the second quarter 2006 and expect that management will be in the process of implementing our audit recommendations during that time.