



Audit Services  
Fourth Quarter 2006  
Implementation of Audit Recommendations

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**Implementation of Audit Recommendations  
As of Fourth Quarter 2006  
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When updating this document quarterly, all items noted as resolved on the prior matrix will be dropped. ‘Completed’ 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.

**Implementation of Audit Recommendations  
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**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"> <li>• Review and determine the need for auxiliary systems</li> </ul>	County Manager	2 <sup>nd</sup> Quarter 2005	Mike Press	<p>The time keeping requirements gathering is complete and the gap analysis between business requirements and OTL as well as the OTL pilot with JCL are in process. The vacancy on the OSC Financial Applications Team for support of AR has been filled. These accomplishments and additional resource have set the foundation for the maintenance and continuous improvement of the time keeping and accounting receivable functions.</p>	<p><del>04/01/2006</del> <del>12/29/2006</del> Completed</p>
<ul style="list-style-type: none"> <li>• Establish training programs and training requirements for ASPIRE users</li> </ul>	County Manager	2 <sup>nd</sup> Quarter 2005	Mike Press	<p>We have established and equipped an Oracle training area within the OSC office space. The OSC Financial and HRMS Applications managers and staff are conducting one on one and small group training sessions on demand. We are actively promoting the availability of this training through the various Oracle User Groups. In addition we have purchased new training software, the Oracle User Productivity Kit (UPK). The UPK software enables the OSC Team to continuously update training materials and present Oracle specific user training courses on line as well as to create a record for each user who completes training and measure the user's competence level.</p>	<p><del>04/01/2006</del> <del>12/29/2006</del> Completed</p>
Additional Comments:					

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**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
Prepare a strategic plan for progress that addresses the results of needs assessments. The plan should include: <ul style="list-style-type: none"> <li>• Objectives</li> <li>• Goals</li> <li>• Performance Measures</li> <li>• Expected Outcomes</li> <li>• Assessment of priorities</li> </ul>	County Manager	2 <sup>nd</sup> Quarter 2005	Mike Press	The consultant has completed the Draft of the County ITS Strategic Plan which includes the Oracle Support Center. This draft is under review by a committee appointed the County Manager. The committee is charged with following: producing a final county wide plan and, continuous review and update of these plans. The OSC manager is a member of this committee.	<del>09/2005</del> <del>04/01/2006</del> <del>04/30/2006</del> <del>12/29/2006</del> Completed
Additional Comments:					

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**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	<p>Staff has submitted a policy, <i>Surplus Property Disposal</i>, to Chief Legal Counsel, and is awaiting confirmation. The policy will be implemented immediately following Chief Legal Counsel's release.</p> <p><i>Comments from Chief Legal Counsel:</i> It (draft policy) is in line but does not have a high priority right now. The real audit issue has been resolved; that is, the scrubbing of the memory prior to disposal. We do have a policy in place that does allow disposal, so we are not hindering any operations. The proposed policy will simply allow optional ways for disposal to employees, civic groups, elderly, schools, etc. rather than the statutory method, which is auction.</p>	<p><del>09/30/2006</del> <del>11/30/2006</del> 03/31/2007</p>
Additional Comments:					

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**Sheriff Transition**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
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	No such resolution is planned.	<del>12/29/2006</del> Completed
<p>Make the following efforts for reducing/collecting accounts receivable in the Inmate Welfare Fund:</p> <ul style="list-style-type: none"> <li>• Establish a policy and procedure for collecting amounts due from inmates that are not indigent.</li> <li>• 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.</li> </ul>	Sheriff	4th Quarter 2005	Frank Denning	Effective January 1, 2007, we will begin delivering a balance due notice at the time of release, with payment in full due within 30 days. Our experience with this program will dictate the course of any future, alternative collection efforts.	<del>12/29/2006</del> Completed
Additional Comments:					

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**Treasurer's Transition**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Develop a formal transition plan that will effectively direct the future management of the Treasurer's and DMV's operations under the Home Rule Charter upon completion of a review of options, alternatives, and opportunities.	County Manager	1 <sup>st</sup> Quarter 2006	Mike Press	Transitions Plans are under development	04/01/2007
Enhance the office procedures by researching best practice models for preparing policies and procedures and revising the current procedures to more closely follow those models.	Interim Treasurer	1 <sup>st</sup> Quarter 2006	Charles Letcher	The Treasurer's Office has used the new format for their revised procedures and the policy document has been rewritten using the new format. We have begun working on rewriting all office procedures in the new format, which will be an ongoing project throughout 2007.	<del>11/01/2006</del> Completed
Additional Comments:					

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**Accounts Payable Vendor Payment Review**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Require the computer interfaces to be analyzed and modified to provide the best possible balance between automated transaction processing and effective use of the ASPIRE system for processing vendor payments. At a minimum, the interfaces should recognize valid vendors and handle them appropriately.	Director, OFM	2 <sup>nd</sup> Quarter 2006	Tom Franzen	The Payables Supervisor is working with the Oracle Support Center on interface specifications.	03/31/2007
Develop and implement specific procedures which include authorized purposes for non-travel related food/meals and clearly define what is inappropriate.	Director, OFM	2 <sup>nd</sup> Quarter 2006	Tom Franzen	OFM completed a set of Business Expense Policies and Procedures in August of 2006. The draft documents were sent to Chief Counsel and the E-Team for review at that time. The draft procedures provide clearer definitions and new procedures on non-travel related meals as well as many other miscellaneous expenses.	<del>12/31/2006</del> 02/15/2007
Additional Comments:					

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**Johnson County Developmental Supports (JCDS) Transition**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Develop a management system that includes appropriate management and internal controls over operations.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	JCDS has created a control document titled "Approval Form" to be attached to all operational leases, contracts, purchases, etc. to ensure appropriate management control.	Completed
Develop a management reporting system to enable proper oversight of the effectiveness of management and internal controls and develop a mechanism for reporting to the Board of Governors to assure the established controls are effective.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Management currently is evaluating a revised reporting system to oversee internal controls, monitor the effectiveness of management practices, and provide a mechanism for reporting to the Governing Board.	03/31/2007
Develop a strategic plan which defines the organizational goals and implement the plan by developing an operational plan that defines measurable performance objectives and outcomes. Include results in the annual report to the Board of Governors.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Agency goals have been identified for 2007 and 2008 and division objectives are in development. Format for reporting to the Governing Board has been developed.	03/31/2007
Develop an operating procedures manual for all critical operations in JCDS.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	A new format and manual processes are in development.	03/31/2007
Additional Comments:					

**Implementation of Audit Recommendations  
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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Review alternatives for providing computer services including the availability of Johnson County Central Services and select a cost efficient method.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	In conjunction with Johnson County Central Services (Information Technology Services), alternative means for providing computer services were reviewed and a Memorandum of Understanding (MOU) with County IT has been finalized.	Completed
Review alternatives for managing the consumer database including the availability of Johnson County Central Services and select a cost efficient method.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	After reviewing with Johnson County Central Services (Information Technology Services) alternative means for managing the consumer database, the migration of the consumer database to the county server has been completed.	Completed
Renegotiate the contract for the consumer database management to gain accessibility and ownership of the software and program.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	A contract has been successfully negotiated along with input from County IT Services and review by Legal Services. Execution of the new contract is pending final signature.	01/02/2007
Prior to renewing a contract for grant management on the foundation grant, evaluate in-house capability to manage the grant. Such evaluation could include realignment of duties of the grant manager. If the decision is made to outsource grant management, use competitive bidding procedures and price the function at no more than 8 percent of the total grant.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	The evaluation of in-house grant management capability has been completed. Dennis Tucker has assumed responsibility of the grant Project Director. Contracts for technical assistance for project implementation have been executed with approval by County Legal Services.	Completed
Send all contracts to legal services for review to ensure proper language and protections are included.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	All contracts are sent to County Legal for their review.	Completed
Additional Comments:					

**Implementation of Audit Recommendations  
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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Establish a comprehensive set of financial policies and procedures ensuring adequate internal and management controls including supervision of staff. These procedures should include the review of monitoring of the financial transactions by the responsible member of the Governing Board.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	75% of the draft procedures have been written. Subsequent review and comment by County OFM and approval by JCDS Leadership Team to occur in the first quarter of 2007.	02/26/2007
Reconcile the Consumer Payroll Account (CPA) and make appropriate general ledger entries to adjust for the differences noted. If JCDS staff is unable to make a complete reconciliation of the account, we recommend closing the account and opening a new account. The old account should be closed, the balance adjusted to zero, by December 31, 2006.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	After working with the County Treasurer, Legal, and OFM to begin the process of closing the existing account and opening a new one, a re-evaluation of the entire CPA was indicated as necessary. This began in late December 2006 and will continue into 2007.	07/31/2007
Establish a procedure to reconcile the CPA monthly and have the reconciliation reviewed by a responsible manager. This reconciliation should be reviewed by the responsible member of the Governing Board and incorporated in the Board's minutes.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	The CPA procedure is in draft form. Reconciliations are being reviewed with the Governing Board Treasurer.	02/26/2007
Prepare a list of the amounts required to be escheated to the State Treasurer. Consult with the State Treasurer to determine whether any interest or penalties are due on the past due remittances and how best to handle the unidentified amounts. Remit the amount due to the State Treasurer as soon as possible.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	State Treasurer advised reissuing checks. All checks were reissued on 8/31/06.	Completed
Additional Comments:					

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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Establish procedures that will ensure that JCDS complies with the provision of K.S.A. 58-3950 <sup>1</sup> in the future.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Draft procedures for processing the consumer payroll in compliance with K.S.A. 58-3950 have been developed and are being evaluated with input from County OFM and Treasurers Office. Final procedures will be issued following the evaluation.	02/26/2007
Reduce the build-up of long lists of outstanding checks and the potential for escheatment by providing for alternative means of payment where the consumer is unable or unwilling to cash the payroll checks consistently. Possible alternatives might be to require automatic deposit of payroll, where there is repeated failure to cash checks, or payment of some of the payroll in cash.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	A new consumer payroll system that can support direct deposit is being researched. Final solutions will be implemented in consultation and cooperation with the County Treasurer, Legal, and OFM.	07/31/2007
Develop procedures to ensure that the required miscellaneous income (1099) information is captured and sent to the Office of Financial Management.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Procedures for review of contracts and agreements by Legal include review of these documents by OFM to ensure miscellaneous income information is correct and captured.	Completed
Determine the amount of additional compensation required to be reported for employees receiving reimbursement for non-travel related meals and adjust tax reporting accordingly.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Amount of additional compensation and method to address non-travel related meals for employees is in development with County OFM, Budget, and HR.	03/31/2007
Establish procedures for the use and monitoring of the petty cash fund. These should include regular reconciliations, supervisory review, and clear descriptions of the appropriate use of the petty cash, which would exclude the reimbursement of employee expenses.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Procedure in draft form. Draft completion and subsequent review and comment by County OFM and approval by JCDS Leadership Team to occur in the first quarter of 2007.	02/26/2007
Additional Comments: <sup>1</sup> K.S.A. 58-3950 – “Report of Abandoned Property” – requires filing a report by November 1 <sup>st</sup> of each year showing the amount and identifying information for abandoned property held as of the prior June 30 <sup>th</sup> . The report is to be accompanied by the value of the abandoned property.					

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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Discontinue the consultant contracts with the researchers and focus resources on direct services to JCDS consumers.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Consulting contracts with the researchers have been terminated.	Completed
Develop an inventory and reporting system for all pharmaceuticals and specifically document controlled substances for ready identification.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	An inventory and reporting system for all pharmaceuticals, including controlled substances, has been developed.	Completed
Establish appropriate controls over controlled substances to include separate storage and tracking mechanisms from receipt to dispersal or destruction.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Separate storage and tracking mechanisms for controlled substances have been established.	Completed
Review Board Policy 1-13, "Application of Contract Service Funds Through Governing Board", and consult with counsel to recommend a policy to the Governing Board which requires that grant funds be used specifically for JCDS consumers, requires that an accounting be provided to JCDS for all grants, and requires that JCDS shall have the authority to audit such reports.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Initial discussion held with County Legal. The Governing Board is in the process of reviewing the existing policy.	07/31/2007
Additional Comments:					

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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Have other Governing Board policies reviewed by legal for compliance with applicable federal, state, and local laws and policies and make recommendations for any needed changes.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	The Governing Board is updating all Board policies including review by County Legal Services.	07/31/2007
Develop stringent guidelines and accountability procedures to ensure incident reports and investigations: <ul style="list-style-type: none"> <li>• Are accurately documented</li> <li>• Submitted within policy timelines</li> <li>• Thoroughly and consistently investigated</li> <li>• Generate corrective measures which properly address the incident cause within policy timelines</li> <li>• Assure that corrective measures have been implemented prior to closing investigated cases.</li> </ul>	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	The incident management system has been revised to ensure accuracy and accountability from initiation to closure. Investigations have been limited to Risk Management (non-medication error incidents) and Nursing Services (medication error incidents). Corrective action plans now are developed only by the respective supervisor of Risk Management or Nursing Services. Incident investigations are closed following final review by the Associate Executive Director at the completion of corrective action plans.	Completed
Develop a systematic process for tracking and trending incidents to assist in identifying potential problems with specific consumers, staff, facilities, or situations.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	A process is in place and being evaluated to determine the effectiveness of tracking and trending incidents.	03/31/2007
Additional Comments:					

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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Notify the agencies currently handling protected health information (PHI) that the current policy is not in compliance with the Final Regulation.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	The County HIPAA Steering Committee guided a risk analysis for each county department's/agency's handling of PHI and subsequent procedural revisions as needed.	Completed
Pending modification of the current policy, cease sending all email containing PHI outside the County email server.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	EMR Legal, the County's consultant, confirmed that JCDS is in compliance.	Completed
Modify and disseminate an email policy that will be in compliance with the HIPAA Final Regulation using either encryption or a comparable alternative.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	EMR Legal, the County's consultant, confirmed that JCDS is in compliance.	Completed
Take a physical inventory of items that cost \$1,000 to \$10,000 and maintain an accurate listing of these small assets in JCDS possession.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	In conjunction with OFM and ORACLE Support Center, an accurate and sustainable method of compilation of relevant purchases is being pursued. A subsequent physical inventory will be completed.	03/31/2007
Update the computer equipment inventory listing and include purchase date and an accurate purchase price. Ensure that computers are specifically assigned to an area or an employee and update the listing if the computer is moved or re-assigned.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Inventory updated as recommended.	Completed
Establish written policies and procedures to ensure compliance with County equipment policy and adequate management supervision and review.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	Written procedures are in draft form for review and approval by County ITS and JCDS Leadership Team.	02/26/2007
Additional Comments:					

**Implementation of Audit Recommendations  
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**Johnson County Developmental Supports (JCDS) Transition (Continued)**

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Amend Affiliate contracts to include a provision requiring them to immediately advise Community Development Disabilities Organization (CDDO) officials of any initiation of an SRS investigation involving suspected ANE <sup>2</sup> of the JCDS consumers they serve. In addition, such a provision should include a requirement that upon completion of any investigation process, all recommendations, correspondence and reports made between the Affiliate and SRS be forwarded immediately to CDDO officials.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	With participation by County legal services, the affiliate contracts have been amended as recommended.	Completed
Consult with County legislative liaison to determine a way to ensure that SRS communicates the status and results of ANE investigations to JCDS.	Johnson County Developmental Supports	3 <sup>rd</sup> Quarter 2006	Dennis Tucker	With representation by Johnson County Legal Services, JCDS is engaged in an Administrative Appeal with SRS pertaining to SRS' practices as they relate to Abuse, Neglect and Exploitation of vulnerable persons with disabilities. Further discussions with Legal Services and County legislative liaison are yet to be completed.	03/31/2007
Additional Comments: <sup>2</sup> ANE – Abuse, Neglect, or Exploitation.					