



Audit Services
Third Quarter 2006
Implementation of Audit Recommendations

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**Implementation of Audit Recommendations
As of Third 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
As of Third 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 and determine the need for auxiliary systems 	County Manager	2 nd Quarter 2005	Mike Press	<p>ITS and OSC collaborate on requests for new or replacements system to perform gap analysis between business requirements and standard Oracle functionality. From this analysis a recommendation is made to decision makers on the practicality of including the requested functionality within the Oracle ERP system. The Oracle operational managers make recommendations to the Oracle Executive Committee on the work effort required, current work load and initial prioritization. The Oracle Executive Committee is responsible for setting the priority of major projects such as implementation of new functionality.</p>	<p>04/01/2006 12/29/2006</p>
<ul style="list-style-type: none"> Establish a process for identifying and fulfilling user needs for management and operational reports 	County Manager	2 nd Quarter 2005	Mike Press	<p>The BPO groups have identified 15 common reports for Agency use. All Reports requested by BPO groups are complete. New reports may be requested directly from the Financial and HR applications Managers or via the Help Desk and Magic ticket system. The Financial and HR application managers are responsible for prioritizing requests and insuring timely completion. They elevate reporting issues to management and the OSC Executive Committee as necessary.</p>	<p>04/01/2006 04/30/2006 09/30/2006 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
<ul style="list-style-type: none"> • Establish training programs and training requirements for ASPIRE users 	County Manager	2 nd Quarter 2005	Mike Press	The Leadership of the Aspire Team has been tasked to conduct an ongoing County wide assessment to measure the level of skill in and knowledge of Oracle Applications functionality and identify barriers to the full and efficient use of Oracle Applications. Information from this assessment is to be used to establish training requirements and training plans to remove the aforementioned barriers and increase the efficient use of Oracle Applications.	04/01/2006 12/29/2006
Prepare a strategic plan for progress that addresses the results of needs assessments. The plan should include: <ul style="list-style-type: none"> • Objectives • Goals • Performance Measures • Expected Outcomes • Assessment of priorities 	County Manager	2 nd Quarter 2005	Mike Press	The County Manager has initiated a strategic plan process which addresses the objectives, goals, performance measures, expected outcomes and the assessment of priorities. 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.	09/2005 04/01/2006 04/30/2006 12/29/2006
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	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.	09/30/2006 11/30/2006
Additional Comments:					

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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	Policies and procedures were developed to address this matter.	09/29/2006 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
<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
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	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 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 st 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 st Quarter 2006	Charles Letcher	The Treasurer's Office is currently reviewing and rewriting the policies and procedures documents. Any revisions will use the new format along with any new procedures added to the manual.	11/01/2006
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
Review the vendor list and, to the extent possible, eliminate all duplications. This review should occur on a regular basis to ensure optimum performance of the ASPIRE system.	Director, OFM	2 nd Quarter 2006	Tom Franzen	The Vendor Master (VM) is reviewing this on a weekly basis and is merging duplicate vendors as necessary.	Completed
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 nd Quarter 2006	Tom Franzen	The Payables Supervisor is working with the Oracle Support Center on interface specifications.	03/31/2007
Provide periodic supervisory reviews of the Vendor Master's performance to ensure that policies and procedures are consistently followed.	Director, OFM	2 nd Quarter 2006	Tom Franzen	OFM has created a new position called Payables Supervisor/Accounting Analyst. The VM now reports directly to the Payables Supervisor instead of the Operations Manager. The Payables Supervisor has updated and modified the VM's duties. She is also providing regular reviews of the VM's performance.	Completed
Work with the ASPIRE team to inactivate all vendors in the inactive Payment Groups.	Director, OFM	2 nd Quarter 2006	Tom Franzen	The inactive payment groups were inactivated.	Completed
Additional Comments:					

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Accounts Payable Vendor Payment Review (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Ensure all Purchasing Card (P-Card) card holders are receiving sufficient P-Card Administrative Guidelines training to be fully aware of all policy and procedures related to the use of the P-Card.</p>	<p>Director, OFM</p>	<p>2nd Quarter 2006</p>	<p>Tom Franzen</p>	<p>OFM offers monthly p-card training which includes a review of the Administrative Guidelines and training on the use of the ExpensePath software.</p> <p>The Administrative Guidelines were updated in April of 2006 to require Office Program Coordinators to train cardholders on the guidelines every two years.</p> <p>The Administrative Guidelines were posted in a more prominent location on the OFM intranet. As new guidelines are adopted, they are sent to the Office Program Coordinators with a summary of the changes.</p>	<p>Completed</p>
<p>When performing P-Card Audits, ensure the County Departments' transactions are reviewed for purchases made to the same vendor during the same time frame (within 48 hours) and examine such purchases to determine if they are split transactions. Include this audit step in the Audit Guide.</p>	<p>Director, OFM</p>	<p>2nd Quarter 2006</p>	<p>Tom Franzen</p>	<p>The County Program Purchasing Administrator (CPPA) receives a weekly report from Accounts Payable listing potential split violations. Correspondence regarding potential violations are sent to the cardholder and Office Program Coordinator and Department Director. If not justified, violation notices are sent. The CPPA maintains a log of each potential violation. The CPPA performs periodic audits to identify repeat offenders so that appropriate disciplinary action may be initiated. This is now part of the audit procedures.</p>	<p>Completed</p>
<p>Additional Comments:</p>					

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Accounts Payable Vendor Payment Review (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Ensure the CMO, Commission, or the department's governing board chairman is reviewing and approving supporting documentation for a Department Director's P-Card purchases after the purchases are made.</p>	<p>Director, OFM</p>	<p>2nd Quarter 2006</p>	<p>Tom Franzen</p>	<p>The Administrative Guidelines were updated in April of 2006 to address this issue. The new language states that the reconciliation report must be signed and approved by someone in a position of authority over the cardholder. It further states that subordinates and peers of the cardholder are not allowed to approve the report for the cardholder. The audit procedures now check for compliance with this.</p>	<p>Completed</p>
<p>Include a sufficient definition of an "approving official" as someone who is in a supervisory role to the cardholder in the P-Card Administrative Guidelines and ensure instructions for approval of Department Directors' purchases are included.</p>	<p>Director, OFM</p>	<p>2nd Quarter 2006</p>	<p>Tom Franzen</p>	<p>The Administrative Guidelines were updated in April of 2006 to address this issue. The new language states that the reconciliation report must be signed and approved by someone in a position of authority over the cardholder. It further states that subordinates and peers of the cardholder are not allowed to approve the report for the cardholder. The audit procedures now check for compliance with this.</p>	<p>Completed</p>
<p>Additional Comments:</p>					

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Accounts Payable Vendor Payment Review (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
Require Department P-Card coordinators to contact the County Program Purchasing Administrator, (CPPA) immediately upon termination or suspension of employees with P-Card accounts and ensure the department is held liable for any charges made on the account after termination until the account is closed. Include Audit Steps in the Audit Guide to ensure departments are following these guidelines.	Director, OFM	2 nd Quarter 2006	Tom Franzen	The Administrative Guidelines were updated in April of 2006 to address this issue. The Office Program Coordinators are now required to notify OFM prior to the last day of a cardholder's employment so that the card can be inactivated. The audit procedures now check for compliance with this.	Completed
Update the P-Card Administrative Guidelines to ensure adequate instructions are given to the P-Card coordinators in the event of an employee termination.	Director, OFM	2 nd Quarter 2006	Tom Franzen	The Administrative Guidelines were updated in April of 2006 to address this issue. Training was given to the Office Program Coordinators in April of 2006 on this.	Completed
Develop and implement specific procedures which include authorized purposes for non-travel related food/meals and clearly define what is inappropriate.	Director, OFM	2 nd 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.	12/31/2006
Additional Comments:					

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Recently Issued Reports Requiring Action Plans in 4th Quarter 2006

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Johnson County Developmental Supports:</p> <ul style="list-style-type: none"> • Improvement is needed in management and internal controls, including development of a strategic plan, policy and procedural manual, and a management system of oversight to ensure efficiency and effectiveness • Management needs to review alternatives for providing computer services and managing the consumer database to ensure cost effective methods are used • Improvement is needed in contract and grant management which includes a review of contracts with legal services to ensure proper language and protection is provided 	Johnson County Developmental Supports	3 rd Quarter 2006	Dennis Tucker		
<p>Additional Comments: This report was issued in the third 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 fourth quarter 2006 and expect that management will be in the process of implementing our audit recommendations during that time.</p>					

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Recently Issued Reports Requiring Action Plans in 4th Quarter 2006 (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Johnson County Developmental Supports:</p> <ul style="list-style-type: none"> • Improve the management of financial activities, such as reconciling the consumer payroll account, filing escheatment of outstanding checks with the State Treasurer, and developing a comprehensive financial policies and procedures which include supervision of staff • Discontinue the consultant contracts with the researchers and focus resources on direct services to JCDS consumers • Improve controls on prescription drugs and controlled substances • Improve management of grant funding to Not for Profit Organizations • Ensure compliance with HIPAA regulations • Maintain adequate inventory controls • Improve procedures for tracking and trending Incident Reporting Management, developing guidelines and accountability to ensure its effectiveness 	Johnson County Developmental Supports	3 rd Quarter 2006	Dennis Tucker		

Additional Comments: This report was issued in the third 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 fourth quarter 2006 and expect that management will be in the process of implementing our audit recommendations during that time.