



Audit Services
First Quarter 2007
Implementation of Audit Recommendations

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**Implementation of Audit Recommendations
As of First Quarter 2007
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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.

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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>09/30/2006 11/30/2006 03/31/2007 06/01/2007</p>
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	A final Treasurer Transition Report and Plan will be issued on or before April 6, 2007.	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 nd Quarter 2006	Tom Franzen	The Payables Supervisor is working with the Oracle Support Center on interface specifications. Work continues on design and testing.	03/31/2007 05/31/2007
Develop and implement specific procedures which include authorized purposes for non-travel related food/meals and clearly define what is inappropriate.	Director, OFM	2 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 02/15/2007 05/01/2007
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 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 rd Quarter 2006	Dennis Tucker	This item will be deferred to the new Executive Director for development and implementation.	03/31/2007 12/31/2007
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 rd Quarter 2006	Dennis Tucker	Agency goals have been identified for 2007 and 2008 as well as division objectives. The format for measuring objectives has been developed and implemented with the Governing Board.	Completed
Develop an operating procedures manual for all critical operations in JCDS.	Johnson County Developmental Supports	3 rd Quarter 2006	Dennis Tucker	The format and processes for a new operating procedures manual for all critical functions has been approved by the Leadership Team on March 19, 2007. Departments are conducting reviews of rules and processes for inclusion into the manual.	03/31/2007 06/30/2008
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
Renegotiate the contract for the consumer database management to gain accessibility and ownership of the software and program.	Johnson County Developmental Supports	3 rd 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 has been implemented.	Completed
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 rd Quarter 2006	Dennis Tucker	Financial rules and processes have been developed and reviewed by county OFM. These were approved by the Leadership Team on March 19, 2007.	Completed
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 rd 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
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 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 rd Quarter 2006	Dennis Tucker	The CPA procedure has been approved by the Leadership Team. Reconciliations are being reviewed with the Governing Board Treasurer monthly.	Completed
Establish procedures that will ensure that JCDS complies with the provision of K.S.A. 58-3950 ¹ in the future.	Johnson County Developmental Supports	3 rd Quarter 2006	Dennis Tucker	Final procedures have been approved by the Leadership Team on March 19, 2007.	Completed
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 rd 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
Additional Comments: ¹ K.S.A. 58-3950 – “Report of Abandoned Property” – requires filing a report by November 1 st of each year showing the amount and identifying information for abandoned property held as of the prior June 30 th . 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
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 rd Quarter 2006	Dennis Tucker	Amount of additional compensation and method to address non-travel related meals for employees has been developed with County OFM, Budget, and HR. Implementation will begin with the payroll effective March 25, 2007.	Completed
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 rd Quarter 2006	Dennis Tucker	Procedures were approved by the Leadership Team on March 19, 2007.	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 rd Quarter 2006	Dennis Tucker	An initial discussion has been held with County Legal. On March 27, 2007 the Governing Board will begin discussing the foundation of this policy.	07/31/2007 12/31/2007
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 rd Quarter 2006	Dennis Tucker	The Governing Board is updating all board policies and will include review by County Legal Services.	07/31/2007 12/31/2007
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
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 rd Quarter 2006	Dennis Tucker	A process was fully implemented February 20, 2007.	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 rd Quarter 2006	Dennis Tucker	An inventory has been completed and a tracking report has been submitted to the Executive Office on March 19, 2007.	Completed
Establish written policies and procedures to ensure compliance with County equipment policy and adequate management supervision and review.	Johnson County Developmental Supports	3 rd Quarter 2006	Dennis Tucker	The purchasing policy was approved by the Leadership Team on March 19, 2007.	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 rd Quarter 2006	Dennis Tucker	Through our state association, JCDS is exploring administrative and political solutions, as well as continued pursuit of legal solutions.	03/31/2007 04/30/2008
Additional Comments: ² ANE – Abuse, Neglect, or Exploitation.					

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Recently Issued Reports Requiring Action Plans in 2nd Quarter 2007

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Library Special Use Fund</p> <ul style="list-style-type: none"> • Update Library purchasing Administrative Regulations and procedures to ensure adequate internal control over purchasing. • Develop a quality control process to ensure compliance with existing Administrative Regulations and procedures. 	Library	1 st Quarter 2007	County Librarian		
<p>Additional Comments: This report was issued in the first quarter 2007. 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 2007 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 2nd Quarter 2007 (Continued)

Audit Comment	Department	Date Comment Appeared	Responsible	Management Action Plan & Management Comments	Resolution Date
<p>Management of Incident Reporting Systems</p> <ul style="list-style-type: none"> • Develop a systematic process for tracking and trending incidents to assist in identifying potential problems with specific consumers, staff, facilities, programs, or providers. • Develop guidelines and accountability procedures. • Establish a grading system for assigning risk levels to reported incidents when warranted. 	Mental Health Public Health Med-Act	1 st Quarter 2007	David Wiebe Leon Vinci Ted McFarlane		
<p>Management of Incident Reporting Systems (cont.) Develop a centralized process for tracking all reported incidents from the five divisions.</p>	Public Health	1 st Quarter 2007	Leon Vinci		
<p>Management of Incident Reporting Systems (cont.) Evaluate the utility of, and implement if warranted, a first-reporter, point-of-entry electronic incident reporting system similar to Med-Act's.</p>	Mental Health Public Health	1 st Quarter 2007	David Wiebe Leon Vinci		
<p>Additional Comments: This report was issued in the first quarter 2007. 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 2007 and expect that management will be in the process of implementing our audit recommendations during that time.</p>					