



Audit Services  
Status of Audit Recommendations  
as of September 30, 2016

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## Executive Summary

### Recommendations Implemented or Closed

No activity this quarter.

### Aging of Recommendations

Recommendations				Number Days Past Original Comp Date					
Total	Implemented	Non-Concur	Open	Not Due	0-6 Months	7-12 Months	13-18 Months	19-24 Months	Over 2 Years
29	0	0	29	25	1	1	0	0	2

### Aging Schedule Comments

The two recommendations in the “Over 2 Years” category originate from the *Management of IT (Hardware) Resources* audit published February 2, 2012. The specific recommendations and their current status follows:

- Recommendation 2.5:

“Require all IT equipment hardware purchases be centrally procured, purchased from Purchasing’s recommended source and approved by the IT governance structure previously recommended in this report.”

DTI’s update (11/1/2016):

DTI agrees with the recommendation of the need for a more centralized process for IT equipment purchases and is doing some ground work to determine the best, most effective approach to this for Johnson County as an organization. DTI concurs that however the implementation/approach, there will be resulting business process changes required to successfully implement this which will need the support of the CMO office. The Governance Committees are developing policies and procedures for approval by the BOCC and County Management on a wide range of county IT operations, including this centralized process for IT equipment purchases.

## Executive Summary

- Recommendation 3.2:

“For those support functions the County determines are critical to the success of its IT program, determine the most efficient/effective mechanism for service delivery.”

DTI’s update (11/1/2016):

During the past year, DTI has undergone a wholesale change in organizational structure and leadership; within the past several years, staff of other IT department were consolidated into DTI. The consolidation has raised some challenges in regard to expectations of some staff work responsibilities (ex: is data entry an IT function vs. a business function) and scope of services/service level to be provided. New leadership is planning to develop an IT Strategic Plan along with a mission/vision for the department. It is anticipated that this recommendation will be a topic covered within the scope of this effort.

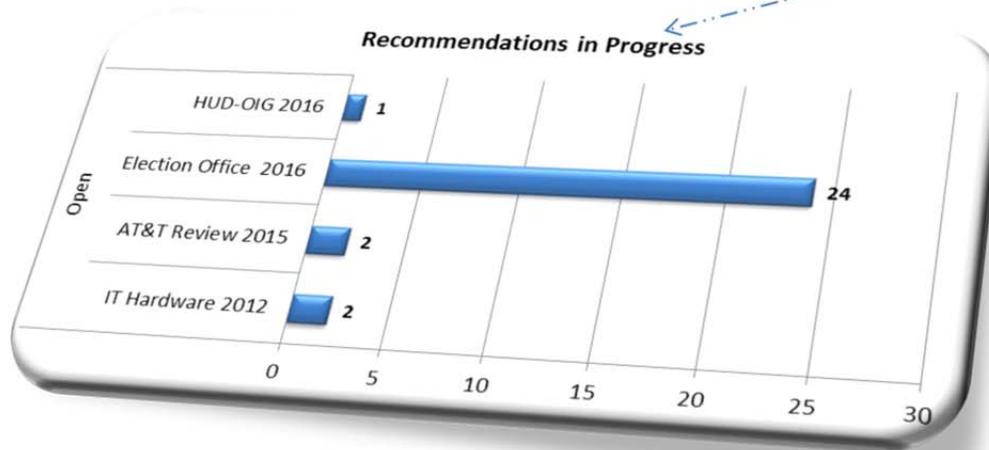
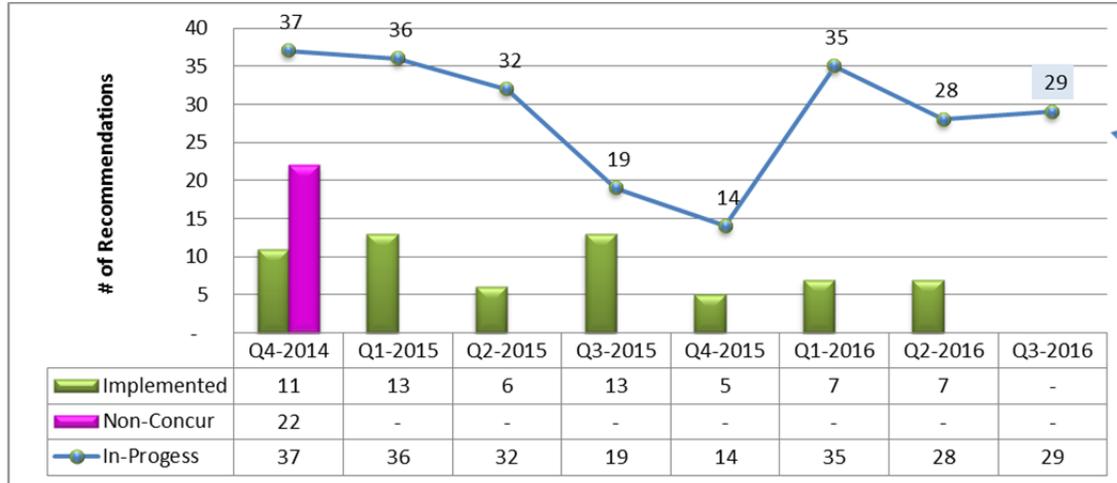
### Recommendation Added During Third Quarter

One recommendation was added this quarter originating from the joint audit performed with the Department of Housing & Urban Development, Office of Inspector General, of the *City of Olathe Kansas’ Neighborhood Stabilization Program, Community Development Block Grant Program, and HOME Investment Partnerships Program.*

The specific recommendation addressed to Johnson County was: “Work with the City to pursue the efficiencies to be gained by consolidating the two entities’ HOME programs.” Mr. Maury Thompson, Assistant County Manager, is the County’s responsible official. Mr. Thompson has rated this recommendation as “Crucial”, which is defined as, Implementing this recommendation may improve operations, resulting in significant program outcomes and cost efficiencies; strengthen internal controls and/or reduce the potential for liability and/or loss. The following rating scale was developed to enable management to gauge the value of audit recommendations.

Rating	Implementing a recommendation with the designated rating may improve...
1- Valuable	...efficiencies and effectiveness in a process leading to enhanced operations.
2- Significant	...efficiencies and effectiveness in a process resulting in enhanced program outcomes, cost efficiencies, strengthened internal controls and/or compliance.
3- Crucial	...operations, resulting in significant program outcomes and cost efficiencies; strengthen internal controls and/or reduce the potential for liability and/or loss.

# Executive Summary



## Open Recommendations as of September 30, 2016

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due	Rating
HUD-OIG Joint Audit	Maury Thompson	5a	Work with the City to pursue the efficiencies to be gained by consolidating the two entities' HOME programs. (If the decision is made to consolidate the two entities programs, the following recommendation was issued to the City of Olathe as a companion to 5a, "Amend previous HOME agreements to a 10-year affordability period with 10 percent loan forgiveness each year to be aligned with Johnson County's HOME program affordability period and release all loans that already met the 10-year affordability period."	0	12/31/2018	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	1.1	Request assistance from the Director, Treasury and Financial Management, in concert with Audit Services, to assist with the design and implementation of an effective system of internal control and convey its requirements to all Election Office personnel. This system of internal control should follow the COSO model and address the five interrelated components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring	The Election Office acknowledges the audit's findings. We will work with Treasury and Financial Management to document and implement policies and procedures that will improve internal controls.	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	3.1	Develop/implement appropriate controls to ensure the P-Card Guidelines are followed when purchasing with the P-Card, including: • Providing current and sufficient business justification for purchases, • Providing all supporting documentation for purchases, • Ensuring supporting documentation contains detailed information including flight itinerary and hotel expense detail to provide the who, what, when, and where of expenses, and • Ensuring only the assigned cardholders are making purchases with the accounts.	The Election Office acknowledges the audit's findings. We will work with Treasury and Financial Management to educate our staff on proper purchasing card policies and procedures to protect against inappropriate spending and insufficient documentation.	12/31/2017	Not Due	<b>3</b>

### Open Recommendations as of September 30, 2016

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due	Rating
Johnson County Election Office Transition Audit	Ronnie Metsker	4.1	Develop office policies and procedures which follow the County's Administrative Policy and Procedure for Purchasing (110) and Business Expenses (120). Election Office policies and procedures should address, at a minimum, the following requirements: • Each purchase will support the mission of the Election Office and have a bona fide need/requirement, • Good judgment must be exercised when obtaining goods and services at the lowest reasonable cost, • The Oracle record for each purchase will include supporting documentation for the purchase, • Established management authorization/approval levels.	The Election Office acknowledges the audit's findings. On the advice of Treasury and Financial Management, we will seek the example of other county departments in improving and implementing our own purchasing policies and procedures. Potential contacts include Public Health, Sheriff's Office, Wastewater, and Facilities.	12/31/2017	Not Due	<b>2</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	5.1	Adopt Department of Technology and Innovation's (DTI) County-wide IT Hardware Asset Management Practice, and related policies, procedures and standards, for ensuring proper stewardship of County IT resources.	The Election Office acknowledges the audit's findings. In response, our Warehouse and Technology Manager has updated an inventory of office equipment using Microsoft Excel. We are exploring options for a new election management system, which is likely to include an asset management tool. We will work with the Department of Technology and Innovation to determine that system's compatibility with the county's policies, procedures, and standards for asset management, then work toward developing and implementing our policies and procedures.	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	5.2	Develop office policies and procedures in support of DTI's IT Hardware Asset Management Practice, and related policies, procedures and standards.	See 5.1	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	6.1	Request assistance from the Director, Treasury and Financial Management to utilize capabilities within Oracle to enhance and streamline accounting for special elections direct costs.	The Election Office acknowledges the audit's findings. We will work with Treasury and Financial Management to educate our staff on Oracle's function as an accounting and invoicing tool to improve our billing of jurisdictions for non-countywide elections.	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	6.2	Use Oracle's Receivable module as the tool to invoice local jurisdictions.	See 6.1	12/31/2017	Not Due	<b>3</b>

### Open Recommendations as of September 30, 2016

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due	Rating
Johnson County Election Office Transition Audit	Ronnie Metsker	6.3	Develop an office policy addressing broad objectives regarding tracking and billing direct costs associated with special elections.	The Election Office acknowledges the audit's findings. We will work with Treasury and Financial Management and Budget and Financial Planning to assess the pricing, tracking, recording, and reporting of election costs. In addition, we will work with the Kansas Secretary of State's Office to review relevant statutes. To ensure transparency, accountability, and continuity, we will adequately document the revised policies and procedures.	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	6.4	Develop office procedures that will provide assurance local jurisdictions are billed in a timely and accurate manner to include: <ul style="list-style-type: none"> <li>• Effective recording, tracking and reporting all vendor costs,</li> <li>• Establishing relevant rates for office costs/services, and</li> <li>• Reviewing and updating procedures periodically.</li> </ul>	See 6.3	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	6.5	Review previous billings for the January 2015 special election and all special elections in 2014 to ensure they were billed accurately and take appropriate action if errors are detected.	The Election Office acknowledges the audit's findings. Using our policies and procedures as a guide, we will review the billings and reconcile errors.	12/31/2017	Not Due	<b>2</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	7.1	Request assistance from the Director, Treasury and Financial Management to develop and implement needed procedures and controls over cash receipts and deposits.	The Election Office acknowledges the audit's findings. We will work with Treasury and Financial Management to educate our staff on proper procedures for cash collections, receipts, deposits.	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	7.2	Revise current office policy (No. 1 – 102, Accounts Receivable, Front Office) to reflect sound cash handling objectives, including: <ul style="list-style-type: none"> <li>• Segregation of duties,</li> <li>• Restrictively endorsing all checks immediately upon receipt,</li> <li>• Assigning responsibility for the fund to a single employee and a designated backup,</li> <li>• Performing periodic surprise cash counts, and</li> <li>• Reconciling the fund at least monthly.</li> </ul>	The Election Office acknowledges the audit's findings. Once the work referenced above with Treasury and Financial Management is complete, we will implement the revised procedures and controls.	12/31/2017	Not Due	<b>3</b>

### Open Recommendations as of September 30, 2016

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due	Rating
Johnson County Election Office Transition Audit	Ronnie Metsker	8.1	Re-evaluate the Knight Foundation grant and determine if the project is worth continued pursuit. • If the project has merit, then resources need to be dedicated to the initiation and development of the software application. • If the project is not pursued, return the funds to the Knight Foundation.	The Election Office acknowledges the audit's findings. To ensure immediate evaluation of the Knight Foundation grant, we spoke with a representative from the Knight Foundation on February 12, 2016. The representative, like the audit, encouraged us to evaluate the project and consult our staff before making a final decision. We are working toward and will consider the audit recommendations.	12/31/2017	Not Due	2
Johnson County Election Office Transition Audit	Ronnie Metsker	8.2	Should the Election Office decide to pursue future grant opportunities, develop grant management procedures, to include the following: • Defined roles • Detailed objectives • Periodic evaluations • Financial transparency • Reporting requirements • Record retention	The Election Office acknowledges the audit's findings. We will work with the Grants Compliance Officer in Budget and Financial Planning to educate our office's staff on grant management and implement proper policies and procedures before pursuing future grant-related opportunities.	12/31/2017	Not Due	2
Johnson County Election Office Transition Audit	Ronnie Metsker	9.1	Request the County's Purchasing Manager to conduct an assessment of the Election Office's procurement activity.	The Election Office acknowledges the audit's findings. We will initiate contact with the Purchasing Manager in Treasury and Financial Management to assess our procurement activities.	12/31/2017	Not Due	2
Johnson County Election Office Transition Audit	Ronnie Metsker	9.2	Designate office staff to be assigned appropriate and necessary financial responsibilities, as well as, contract management responsibilities. Financial and contract management responsibilities and actions would be an outcome from the assessment performed by the Purchasing Manager.	The Election Office acknowledges the audit's findings. We will work with the Purchasing Manager and Treasury and Financial Management to assign responsibilities and educate our staff on policies and procedures related to contract management and procurement.	12/31/2017	Not Due	2
Johnson County Election Office Transition Audit	Ronnie Metsker	9.3	Develop written procedures for procurement and contract management practices to ensure the Election Office complies with the County's purchasing policies. Written procedures would be based, in part, from the assessment performed by the Purchasing Manager.	The Election Office acknowledges the audit's findings. We will consider the Purchasing Manager's assessment and Treasury and Financial Management's training to implement and document procedures related to contract management, procurement, when soliciting bids and purchasing voting machines in 2017.	12/31/2017	Not Due	2

### Open Recommendations as of September 30, 2016

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due	Rating
Johnson County Election Office Transition Audit	Ronnie Metsker	9.4	Identify, review, and catalogue all current contracts and recurring office expenses to determine if: <ul style="list-style-type: none"> <li>• Purchasing thresholds warrant solicitation of bids via the competitive procurement process, or if,</li> <li>• benefit would be received by contractually binding recurring expenditures.</li> </ul>	The Election Office acknowledges the audit's findings. We will document current office contracts and recurring expenses, then work with Treasury and Financial Management to review the findings and, as needed, take action.	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	10.1	Coordinate with the Sheriff's Office and the Facilities Director to arrive at a consensus regarding access to the Election Office.	The Election Office acknowledges the audit's findings. We will initiate contact with the appropriate representatives in the Sheriff's Office and Facilities to examine each access point and scrutinize each permission associated with them.	12/31/2017	Not Due	<b>2</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	10.2	Develop policy and procedures addressing the physical access to the Election Office, including documenting an employee's job function and listing out all the necessary access required for that position.	The Election Office acknowledges the audit's findings. We will utilize the findings from our assessment with the Sheriff's Office and Facilities to document and implement access-related policies, procedures, and permissions. Our Office Administrator has already documented and submitted each employee's access permissions for review by management.	12/31/2017	Not Due	<b>2</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	10.3	Periodically review the listing of individuals who have access to the existing facility and determine whether or not continued access is warranted.	See 10.2	12/31/2017	Not Due	<b>2</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	10.4	Develop a method to track all the part time / temporary employees who have access to the Election Office.	See 10.2	12/31/2017	Not Due	<b>3</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	10.5	Update and maintain on a recurring basis the door and equipment key inventory (per Election Office Administrative Policy 1.13) detailing the possession of office keys to cabinets, safes, vaults, carts, files, drop boxes, padlocks, flag pole, cash register and vehicles.	The Election Office acknowledges the audit's findings. We will work to create an up-to-date inventory of keys that includes the employees in possession of them.	12/31/2017	Not Due	<b>2</b>
Johnson County Election Office Transition Audit	Ronnie Metsker	11.1	Request assistance from Emergency Management to develop a Continuity of Operations Plan (COOP) that is tied to the overall County plan and addresses aspects of the Election Office's operational requirements regarding voter registration and holding elections.	The Election Office acknowledges the audit's findings. We will contact Emergency Management and Communications to initiate work on a Continuity of Operations Plan (COOP) for our office.	12/31/2017	Not Due	<b>3</b>

### Open Recommendations as of September 30, 2016

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due	Rating
Management of IT Resources - County Manager's Office	Joe Waters	2.5	Require all IT equipment hardware purchases be centrally procured, purchased from Purchasing's recommended source and approved by the IT governance structure previously recommended in this report	Research the potential for centrally managed, approved or tracked technology purchases	7/1/2013	1187	-
Management of IT Resources - County Manager's Office	Joe Waters	3.2	For those support functions the County determines are critical to the success of its IT program, determine the most efficient/effective mechanism for service delivery	DTI continues to evaluate support functions and to catalog and inventory skill sets	7/1/2013	1187	-
Review of AT&T Telephone and Communication Payments & Services	Joe Waters	1.1	Develop County-wide guidelines for the provision and payment of AT&T telephone and communication services. Guidelines should: a. Address monitoring and reconciling service plan changes (additions, modifications and deletions) to ensure these changes are reflected on future billing invoice statements. b. Clearly define roles and responsibilities for all County staff involved in the procurement and payment of telephone and communication services, including DTI's telecommunications liaisons and administrative staff, as well as department-level management and administrative staff. c. Require a recurring review of the requirement for services. Such guidelines would reflect an active, collaborative approach among all interested parties.	DTI agrees with the Auditor's recommendations and will work with all County departments to develop clear, consistent guidelines that provide the County with the best value in the telecommunications investment.	9/30/2016	Not Due	2
Review of AT&T Telephone and Communication Payments & Services	Joe Waters	1.2	Revise the Telephone Reports Process guideline to reflect the level of review to be performed by DTI staff and illustrate current procedures followed. DTI staff should ensure these guidelines are reviewed, at least annually, for reliability and accuracy.	DTI agrees to revise DTI's internal telecom bill review procedures and update them as needed in the future.	3/31/2016	183	1