



Date: April 20, 2016

To: Johnson County Board of County Commissioners

From: Ken Kleffner
County Auditor

Subject: 2016 – 2017 Audit Plan

International Standards for the Professional Practice of Internal Auditing require the County Auditor establish risk-based plans to determine the priorities of the internal audit activity. Further, these standards require audit engagements be based on a documented risk assessment with the input of senior management. I'm excited to report the proposed audit plan satisfies these audit standards.

Attached is the audit plan I am proposing for the next 18-month period. This plan was developed in consultation with County leadership and considers the results of the recently completed risk assessment facilitated by Audit Services. The attached plan also takes into consideration those departments and agencies which have recently experienced a transition to new leadership and the length of time elapsed since a County department or agency has been audited.

Ken Kleffner, CIA
County Auditor

CC: County Manager

Proposed 2016 – 2017 Audit Plan

1. Countywide Review of Purchase Card Use

Objective: Provide assurance to BOCC and County leadership that internal controls are operating as intended.

Audit Services has never performed a County-wide audit of purchase card usage and activity.

2. Emergency Management & Communications Transition Audit

The *Emergency Communications* program scored “high” and *Countywide Communications* and *Emergency Management* programs scored in the “moderate” range in the recently completed risk assessment.

Objective: Audit objectives will be designed to advise the newly appointed director, the County Manager and the Board of County Commissioners of any risk management, governance or internal control issues that need to be addressed. A specific objective may include an assessment of performance management and reporting systems.

Audit Services has never audited Emergency Communications. Last audit of Emergency Management was July 2011.

3. Med-Act

Med-Act is a carryover audit from the 2015 audit plan. Med-Act’s *Operations* and *Support Services* programs scored “high” on the recently completed risk assessment. Audit objectives will be designed to review internal controls established to mitigate risk in these two programs and may include:

- An assessment of Med-Act’s performance management and reporting system which gauges their ability to achieve their mission: “ensure medical emergencies in Johnson County have the best possible outcome”.
- Review system of internal control that provides assurance that consumables are properly safeguarded and accounted for:
 - ✓ medical supplies and drugs
- Review administration and management of billing and collection activity to include the third party administrator who administers the program on Med-Act’s behalf.

Audit Services has never audited Johnson County Med-Act.

4. **Johnson County Airport Commission (JCAC)**

JCAC's air operations at New Century Airport and the Executive Airport scored "high" in the recently completed risk assessment. Audit objectives will be designed to review internal controls established to mitigate risk in operating two airports in a safe and efficient manner.

Last audit of Johnson County Airport Commission was February 2009. A change in leadership, both at the Executive and Deputy Director positions, has occurred since the last audit was performed.

5. **Human Services**

Three programs, *Housing Services*, *Community Based Aging Services* and *Outreach/Administrative Services/Community Development* scored "high" on the recently completed risk assessment. Audit objectives will be designed to review management practices and controls established to ensure these programs are operating as intended.

Audit Services has never audited Human Services. This audit supports the Board of County Commissioners 2015-2016 Strategic Priorities.

6. **Developmental Supports**

JCDS' *Community Support Provider* program scored "high" on the recently completed risk assessment. JCDS' *Community Development Disabilities Organization* program (only other program) scored a "moderate" rating in the recently completed risk assessment. An audit of both programs is recommended. Audit objectives will be designed to review management practices and controls established to ensure these programs are operating as intended.

Last audit of Johnson County Developmental Supports was July 2006. A change in leadership at the Executive Director level has occurred since the last audit was performed. This audit supports the Board of County Commissioners 2015-2016 Strategic Priorities.

7. **Other Professional Services and Initiatives**

- **Consulting and Advisory Services (non-audit services)**

Upon request, Audit Services provides independent and objective consulting services.

- **Audit Follow-up**

Audit Services maintains a robust audit follow-up program which is designed to address audit issues after the audit report has been published.

- **External Peer Review**

Our audit reporting discloses that our audits are conducted in accordance with Government Auditing Standards with the following qualification: “except that Peer Review has not been performed.” In the 2015 Audit Plan, the Board of County Commissioner’s approved Audit Services’ request to pursue and obtain an external peer review. Steps taken to date include training and making adjustments, improvements and refinements to Audit Services’ system of quality control. An external peer review of Johnson County Audit Services is anticipated late 2016.