

STATUS OF AUDIT ACTIVITY

As of DECEMBER 31, 2019

Ken Kleffner

Johnson County Audit Services

February 27, 2020



RECOMMENDATIONS ISSUED & IMPLEMENTED

Recommendations					Number Months Past Original Comp Date					
Open as of 6/30/2019	Issued 3 rd & 4 th Quarter	Implemented	Closed	Open as of 12/31/2019	Not Due	1-6 Months	7-12 Months	13-18 Months	19-24 Months	Over 2 Years
22	0	14	0	8	2	1	3	2	0	0

Implemented During 3rd & 4th Quarter

- 1 Physical Security Management Audit (2019)
- 4 Cybersecurity Incident Response & Recovery Planning Audit - JCL (2019)
- 6 Med-Act Transition Audit (2018)
- 1 JCSO Revenue Audit (2018)
- 1 JCAC Transition Audit (2017)
- 1 HUD-OIG Joint Audit (2016)

Audits Closed During 3rd & 4th Quarters



Airport Commission Transition Audit (2017)

- A total of nineteen recommendations offered
- The last recommendation implemented 3rd quarter
- Audit closed

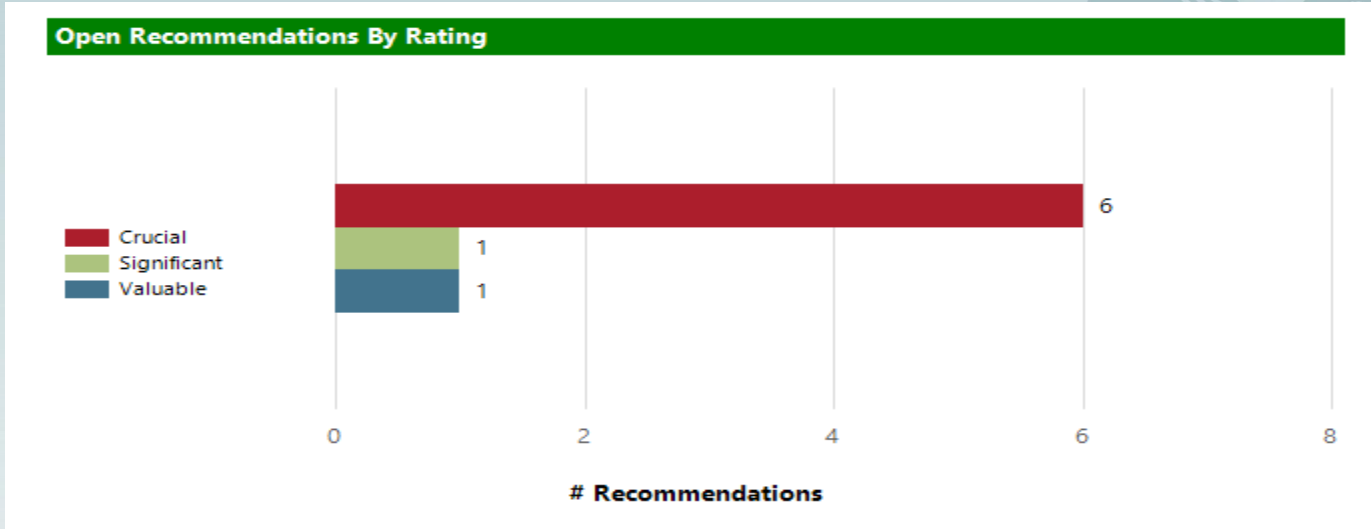
Sheriff's Office Revenue Audit (2018)

- A total of seven recommendations offered
- The last recommendation implemented 3rd quarter
- Audit closed

RECOMMENDATIONS IN PROGRESS

Open Audits	Total Recommendations	Open Recommendations	% Complete
Physical Security Management Audit (2019)	3	2	33%
Cybersecurity Response & Recovery Audit (2019)	7	1	86%
Med-Act Transition Audit (2018)	18	4	78%
HUD-OIG - City of Olathe (2016)	2	1	50%
Total	30	8	73%

Impact Rating Breakdown



Crucial	May improve operation, resulting in significant program outcomes and cost efficiencies; strengthen internal controls and/or reduce the potential for liability and/or loss.
Significant	May improve efficiencies and effectiveness in a process resulting in enhanced program outcomes, cost efficiencies, strengthen internal controls and/or compliance.
Valuable	May improve efficiencies and effectiveness leading to enhanced operations.

HUD – OIG Joint Audit Update (2016)

Background

- HOME program assists eligible homeowners with rehabilitation of their homes to bring them into compliance with local housing codes
- Prior to January 1, 2020, the City of Olathe administered this program for Olathe residents
- Human Services administered this program for all other Johnson County residents

HUD – OIG Joint Audit Update (2016)

Audit found

- The City did not fully use its HOME funds
- FY 2011 – 2015, the City distributed only 38% of available funds to eligible homeowners
- The City required homeowners to repay 50% of the loan if they remain in the home for 7 years
 - In contrast, the County forgives the loan at a rate of 10% each year and the entire amount is forgiven if recipient remains in home for 10 years
- The City could not provide evidence of a plan to ensure program success in the future

HUD – OIG Joint Audit Update (2016)

Audit recommended

Addressed to Johnson County

- Work with City to pursue efficiencies to be gained by consolidating the two entities' HOME programs

Addressed to the City of Olathe

- Amend HOME agreements to
 - 10-year affordability period
 - 10% loan forgiveness each year

(Recommended the City amend their HOME program to mirror Johnson County's HOME program)

HUD – OIG Joint Audit Update (2016)

Status

- Human Services (HS) assumed responsibility to administer the HOME program for City of Olathe residents on 1-1-2020
- The City did not amend HOME agreements to mirror Johnson County's HOME program affordability period prior to transfer
- The audit recommendation to modify the City's HOME agreements has been redirected to HS
- Director, HS agreed to pursue opportunities, if any, to remedy this inequity

Questions ?

Thank you

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