

Audit Committee
October 11, 2018

Meeting Summary¹

The Audit Committee met at 1:00 PM in rooms LL 202/204 of the County's Administration Building. Audit Committee members present were: Chairman Eilert, Vice-Chair Allen and Commissioner Klika. Commissioner Brown was also present. The County Manager and the members of her leadership team were present along with Audit Services personnel.

Audit Committee Agenda topics were:

- Status of 2018 Audit Plan
- 2019 Audit Planning
 - Planning Process
 - Proposed Audit Plan
 - Seek Audit Committee input
 - Finalize 2019 Audit Plan
 - Next Steps
 - Seek BOCC approval
- Recap – Action Items

Summary of the discussion follows:

The County Auditor reported the status of *Planned and Unplanned Audits* as of October 11, 2018, to include *Other Professional Services* performed since the last Committee meeting on March 21, 2018.

The County auditor discussed the current audits in progress:

- *Do Johnson County's plans for responding to and recovering from IT incident include key controls identified by recommended practices?* (Tentative reporting is early 1st Quarter 2019)
- *Do Johnson County's physical security measures protect the public employees and safeguard their assets?* (Tentative reporting is early 1st Quarter 2019)
- Tentative reporting to the Law Library Board of Trustees is late 4th Quarter 2018.

The County Auditor pointed out that we devoted 4.5 FTE to the Sheriff's Office audits and non-audit services. He also pointed out that our profession is recommending audit organizations include a Cybersecurity related audit on their annual audit plans.

The County Auditor presented the following Proposed Audit Plan for 2019:

- Human Services
- Transition Audit – Department of Corrections

¹ In the March 14, 2019, Audit Committee meeting, Commissioner Klika made a motion to accept this summary and Commissioner Allen seconded the motion. The Audit Committee voted unanimously to accept this meeting summary.

- Cybersecurity Audit
- Contract Management Activities and Practices
- Johnson County Developmental Supports (JCDS)
- Other Professional Services and Initiatives
 - Peer Review due fall of 2019,
 - Countywide risk assessment update,
 - Staff requested advisory services (non-audit services)
 - Audit Follow-up

Human Services, Department of Corrections Transition Audit, and Contract Management Activities and Practices are audits being carried forward from the 2018 Audit Plan to the 2019 Audit Plan.

Commissioner Klika pointed out that the carryover could easily be explained by the amount of time Audit Services dedicated to the Sheriff’s Office.

Commissioner Klika recommended Audit Services consider reviewing KC ATA’s contract performance regarding the contract Johnson County has with them. The County Manager agreed that this should be a consideration at the staff level, similar to the review when the contract was first established.

Chairman Eilert requested an outline identifying future Cybersecurity reviews – what a multi-year Cybersecurity audit plan might look like – at the March 2019 Audit Committee meeting.

Discussion ensued about the timing of the 2019 Cybersecurity audit, given the centralization effort underway and the recent departure of the CIO. The Audit Committee agreed the audit should possibly take place later in calendar year 2019.

Chairman Eilert asked how we evaluated our audits after completion. The County Auditor responded with the following:

1. Receive feedback from the audit client through surveys we administer after each audit. Audit Office started administering feedback surveys in 2013,
2. Management evaluates each audit recommendation and “rates” each according to the criticality to their organization, and
3. Consider the impact of an audit on the organization. Two examples were given to illustrate impact. The Fleet Management Audit and the 2012 Management of IT Resources audit each had significant positive impact on the organization.

The County Auditor said it is our goal is to be a catalyst for change and improvement in the organization. Commissioner Klika stated he appreciates the County Auditor’s approach with management and the tone of our reports. Commissioner Klika also asked to introduce the Audit staff present.

The Audit Committee requested the County Auditor present the 2019 Audit Plan to the Board of County Commissioners in the first two weeks of November.