

Audit Committee  
October 27, 2021

Meeting Summary<sup>1</sup>

The Audit Committee met at 3:00 PM on Wednesday, October 27, 2021. The resolution establishing the Audit Committee, No. 001-17, states “Meetings of the Committee, unless otherwise closed, shall be open meetings.”

Chairman Eilert called the meeting to order.

Members of the Audit Committee present were Chairman Eilert, Commissioner Hanzlick, and Commissioner Allenbrand. Commissioner present was Commissioner Ashcraft. Attendees from the County Managers Office included the County Manager, both Assistant County Managers, and two senior analysts. All audit staff were present.

Chairman Eilert reminded the committee that the County Auditor retired June 1<sup>st</sup> and Michael Eglinski is serving as the Interim County Auditor.

Interim County Auditor requested a motion to accept the meeting summary from April 7, 2021; Hanzlick motioned to approve the meeting summary, Allenbrand seconded the motion. The committee voted 3-0 approving the meeting summary.

Interim County Auditor Eglinski introduced John Halliday to discuss the Audit Recommendations audit follow up. Interim County Auditor reminded the committee that in 2020 we changed the reporting of the implemented audit recommendations to twice a year. Eglinski explained the follow up process.

- Audit recommendations are made when a report is released, the team leader will enter the recommendations into our Performance Audit Management System (PAMS)
- About a month before reporting, the audit team leader will follow up with the responsible parties for the recommendations and determine if any of the recommendations have been completed/implemented.
- A sample of the report was provided to Audit Committee that was released in September 2021. The report structure:
  - New Audits – We had released 3 audits this year, as of June 30, 2021. These three audits provided 18 recommendations
  - Open recommendations from the new audits
  - All open audit recommendations

Chairman Eilert asked if any of the open audit recommendations were not implemented or delayed due to COVID. Interim County Auditor said that would be a question for management. He said he will discuss delays/timing changes in audits that occurred due to COVID in the 2021 Audit Plan status update and the 2022 Audit Plan. Commissioner Ashcraft pointed out that a few years ago, the open audit recommendations had remained open for years beyond their estimated

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<sup>1</sup> This meeting summary is a draft and it will be presented to the Audit Committee for review, comment, and approval at the March 2022 meeting.

implementation dates, usually, like in the case of the business expense policy and procedures, because they were in the previous Legal Counsel's office for review. Commissioner Ashcraft was glad to see that the managers' responsiveness had gotten better. Commissioner Ashcraft asked the County Manager if there was anything included in the CMO goals or objectives or performance reviews that included Directors' responsiveness to the County Auditor's recommendations.

County Manager, Penny Postoak-Ferguson explained that she doesn't have anything specific toward the responsiveness of management to audit recommendations, but in general she expects her managers and the Directors to be responsive and consider continuous improvement for the County's programs.

Chairman Eilert moved the meeting on to the Status of the 2021 Audit Plan. Interim County Auditor Eglinski presented the status of this year's plan. Audit Services has released 4 audits this year as of October 2021:

- JCDS: Addressing turnover and changes from the pandemic – May 2021
- Review of Social Media Controls – May 2021
- Johnson County 9-1-1 Operations – May 2021
- Property and evidence room tracking system – October 2021

The Cybersecurity audit is almost complete and will be reported in Executive Session in November. Microtransit was delayed slightly because the originally assigned Team Leader took the Financial Manager position at Corrections. Halliday is finishing up the project and we hope to deliver that report in December. The Mental Health Center audit will be reported on in early 2022.

Motor Vehicle Refunds has been started in October 2021, it will be reported on sometime in first quarter of 2022.

Interim County Auditor Eglinski recommended Johnson County Parks and Recreation District – Children's Services, Johnson County Library's performance management, and Grant management follow up to be included on the 2022 audit plan. We recommended the remote work/telework audit to be removed from the plan.

Chairman Eilert asked why we would want to drop the remote work audit? Interim County Auditor explained that the original thoughts were to examine the lessons learned from remote work during the pandemic. However, over the past year, the CMO has had a group working on developing policy and procedures for remote work and has been examining the lessons learned from the pandemic. County Manager, Penny Postoak-Ferguson confirmed her JOCO Next group was already looking at the lessons learned and best practices for remote work.

Interim County Auditor said we would still be willing to perform the audit. Commissioner Hanzlick said it seems that it would be a duplication of efforts. Chairman Eilert said he was fine with removing it.

Interim County Auditor then went on to explain what is on the Proposed Audit Plan for 2022:

- Succession planning is considered an important topic with strong succession planning helping attract and retain employees. The audit would look at the processes, informal and formal for succession planning in the County.
  - Commissioner Hanzlick asked if the audit would be County-wide looking at all departments.
  - Commissioner Allenbrand asked if this was an audit that should be done by the County Auditor or the County Manager's Human Resources function. The County Manager mentioned that she would want Human Resources involved but currently the Human Resources Director and a Human Resources Manager positions are both open, so they are fairly short staffed.
  - Interim County Auditor said the audit would include cross sections of the County for best practices that can be applied to other departments, including the entire County would create a very large audit, mostly we intend to look at the County's processes for succession planning
  - County Manager Penny Postoak-Ferguson said she supported a performance audit related to succession planning.
  - FMA Director, Brent Christensen said that the new Oracle cloud Human Resources system includes features for succession planning.
- Library Performance Management
  - This was requested by the County Librarian, Sean Casserley
  - He would still like us to look at the PPD processes for performance reviews since they have been performing the processes for about 3 years, he would like to know if they are working.
  - County Manager Penny Postoak-Ferguson explained they implemented the PPD (Pillars of Performance and Development) review processes about 3 years ago. This would be a sample of how those processes are working.
- Johnson County Parks and Recreation District – Children's Services
  - This is a carry-over that was delayed due to program challenges during the pandemic.
  - The JCPRD Director still would like this audit performed and believes that it can start in the Spring of 2022.
- Cybersecurity audit – Data Security
  - We would look at data security in 2022
  - Wouldn't begin this audit until later in 2022 to give DTI and JIMS security a break from us and the audit team a break from Cybersecurity
  - Commissioner Hanzlick asked if this was our third Cybersecurity audit...Interim County Auditor answered we are currently on our 4<sup>th</sup> so the 2022 audit would be our 5<sup>th</sup> Cybersecurity audit.
  - Interim County Auditor explained we are following the NIST cybersecurity framework for our Cybersecurity audits criteria and we are going through the categories of the five functions.
  - Chairman Eilert explained in his position on the Board in a private sector company Cybersecurity information is updated at every meeting. He believes this is a good practice and important to continue.
- Aging Services in Aging and Human Services department

- This would start later in 2022 and the program focus would depend on the new director and program risks.
- Commissioner Hanzlick pointed out that they will have a new director
- Chairman Eilert mentioned we might consider some of the aging Housing programs that were moved to Planning
- Commissioner Allenbrand said to include insights from the Area Agency on Aging during the audit.
- Assistant County Manager Joe Connor is supportive of this audit and is part of the Area Agency on Aging.
- Grant Management
  - This would include follow up on recommendations provided in 2 audits
  - FMA Director would prefer we delay the start of this audit
  - FMA Director Brent Christensen pointed out the Grant Management has just been transferred to his department. He would like time review the policies and procedures in grant management before we begin the audit.
  - Commissioner Allenbrand and Commissioner Hanzlick asked if the audit would include all grant management
  - Interim County Auditor explained it would follow up on the recommendations in the 2 audits from 2010 and 2012 which were to have some centralized grant management, some review of compliance, and policies and procedures for grant management. The central grant management functions would affect all grants managed but wouldn't specifically review for compliance of grant requirements.
- Interim County Auditor said we will also have our Peer Review as required by GAGAS which is due at the end of 2022. He explained this is basically an external audit of the audit team. We also have time reserved for any special projects or consulting requests.

Interim County Auditor reminded the committee, they would meet again in March or April and the plan should be reviewed to address any changing risks that occur.

Chairman Eilert asked for a motion to recommend the 2022 Audit Plan as presented to the full Board of County Commissioners. Commissioner Hanzlick moved to recommend the 2022 audit plan for approval, Commissioner Allenbrand seconded the motion. The motion passed 3 – 0.

Chairman Eilert said the next step would be to bring the plan to the entire Board of County Commissioners for consideration.

Chairman Eilert reminded everyone that our audits are designed to be government performance audits. The County contracts with an External Auditor for the financial audits. While our Audit Services' audits may address some pieces of financial elements, they are all performance audits. We currently have two open positions – 5 out of 7 auditors are currently available. The County has contracted with a company to perform a nationwide search for the County Auditor position.

Chairman Eilert adjourned the meeting.