



Audit Services
Status of Audit Recommendations
As of December 31, 2018

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Executive Summary

Recommendations Implemented

22 recommendations were implemented during the 3rd & 4th quarters originating from the following audits:

- Nine recommendations from the *Johnson County Airport Commission Transition Audit*, published January 26, 2017,
- Four recommendations from the *Johnson County Sheriff's Office Revenue Audit*, published June 14, 2018,
- One recommendations from the *Review of the District Coroner's Administrative Activities*, published March 22, 2018*,
- Two recommendation from the *Med-Act Transition Audit*, published August 31, 2018,
- Two recommendations from the *Johnson County Elections Transition Audit*, published March 17, 2016, and
- Four recommendations from the *Johnson County Sheriff's Office Transition Audit*, published September 14, 2017.

*The *Review of the District Coroner's Administrative Activities* audit report offered 6 recommendations all of which were implemented in 2018.

Recommendation Closed (Non-Concur)

- Management did not concur with one recommendation (5.2) from the *Med-Act Transition Audit*, published August 31, 2018. This recommendation is being closed without action. (See Page 6)

Aging of Recommendations`

Recommendation Activity				Number Months Past Original Comp Date ¹						
Open as of 6-30-18	Issued 3 rd & 4 th Quarter	Implemented	Non- Concur	Open as of 12-31-18	Not Due	0-6 Months	7-12 Months	13-18 Months	19-24 Months	Over 2 Years
38	18	22	1	33	17	13	2	0	0	1

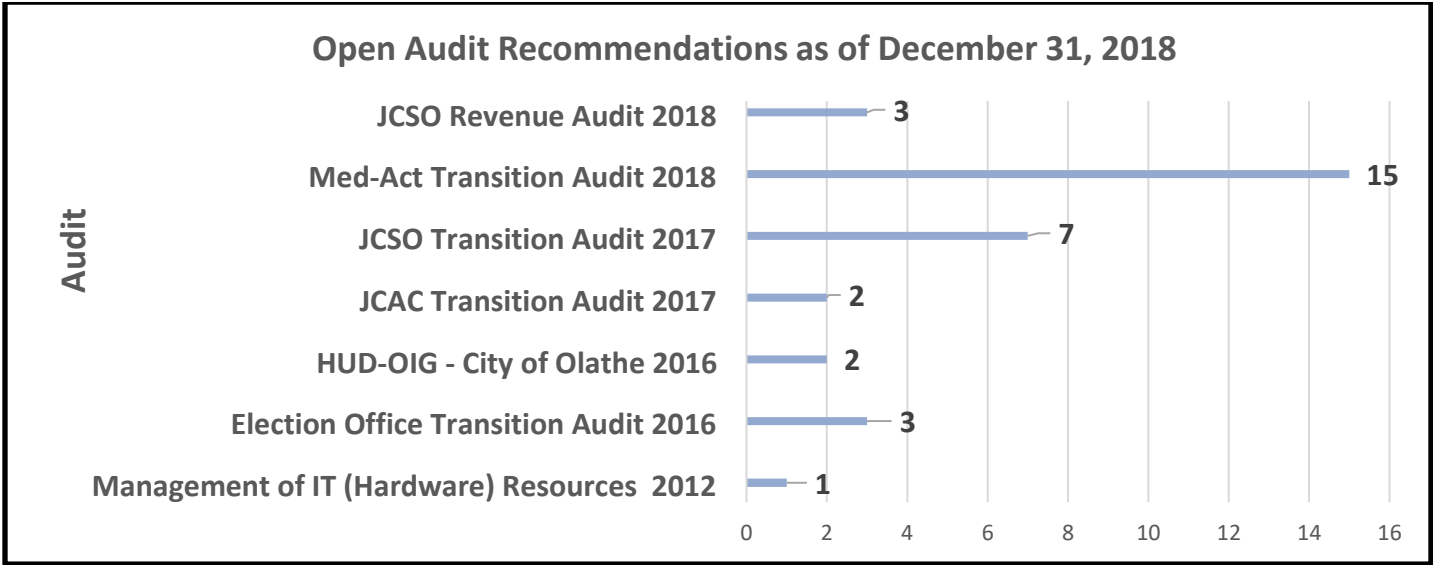
Aging Schedule Comments:

1. The Med-Act Transition Audit, published on August 30, 2018, offered a total of 18 recommendations, one of which management did not concur with.
2. In the "Over 2 Years" category, one recommendation (2.5) remains open from the Management of IT (Hardware) Resources audit published in February 2012. Management made significant progress in 2018 designing and implementing a process centralizing the procurement of IT equipment. Anticipated completion is first quarter 2019.

¹ Information revised as of May 30, 2019.

Executive Summary

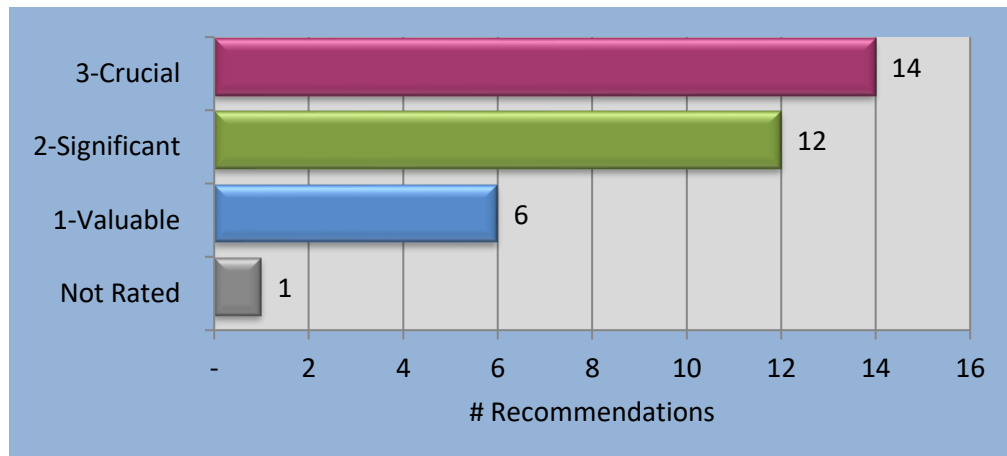
Number of open audit recommendations arrayed by the audit they originated from – as of 12/31/2018



Executive Summary

The inventory of open audit recommendations as of 12/31/2018 are rated as follows:

Impact Rating Breakdown²



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.

² Information revised as of May 30, 2019.

Recommendations Implemented During 3rd & 4th Quarters 2018

Audit	Responsible Party	Rec #	Recommendation	Rating
Johnson County Airport Commission Transition Audit	Aaron Otto	1.1	Develop a system of internal control and convey its requirements to staff. This system should address each of the five following components: Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring.	2
Johnson County Airport Commission Transition Audit	Aaron Otto	2.1	Develop and implement JCAC specific policies and procedures, in conjunction with the County's Purchasing Manager, addressing the authorization and receipt of goods and services.	3
Johnson County Airport Commission Transition Audit	Aaron Otto	3.1	Develop a system of internal control for management of business park and t-hangar leases.	2
Johnson County Airport Commission Transition Audit	Aaron Otto	3.2	Implement an appropriate lease management tool allowing JCAC administration to easily access key lease terms and rent schedules and ensures responsible parties are notified in advance of changes in lease terms such as increases in rent.	2
Johnson County Airport Commission Transition Audit	Aaron Otto	4.2	Ensure JCAC t-hangar tenant leases, registration policy and Rules and Regulations provide uniform and consistent direction to staff and tenants to ensure FAA registration guidance and JCAC Airport objectives are enforced and met.	2
Johnson County Airport Commission Transition Audit	Aaron Otto	6.1	Develop appropriate records to record and monitor assets valued less than \$10,000.	1
Johnson County Airport Commission Transition Audit	Aaron Otto	6.2	Perform a physical inventory of all assets annually and investigate any missing assets.	1
Johnson County Airport Commission Transition Audit	Aaron Otto	7.1	Request assistance from Emergency Management to complete their Continuity of Operations Plan (COOP) which addresses aspects of JCAC's operational requirements for all lines of business.	2
Johnson County Airport Commission Transition Audit	Aaron Otto	8.2	Establish a management reporting process identifying "credits" and "adjustments" applied to tenant accounts on a periodic basis.	2
JOCO 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.	3
JOCO 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 Expense (120).	2
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	1.1	Adopt and transition to the County's Oracle Accounts Receivable Module.	3
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	2.1	Consult with JIMS to develop and incorporate a system control within the Receipt Register System to produce an audit trail of receipts deleted or changed.	2
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	3.1	Close all but one petty cash account and establish the dollar amount, policy and procedures by determining appropriate use deemed necessary for the JCSO.	2
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	4.1	Require each division to attend Cash Handling training by TFM.	2

Recommendations Implemented During 3rd & 4th Quarters 2018

Audit	Responsible Party	Rec #	Recommendation	Rating
JCSO Transition Audit	Sheriff Hayden	1.2	Require the Chief Financial Officer (CFO) to enforce compliance with the JCSO Purchasing Policies and Procedures.	2
JCSO Transition Audit	Sheriff Hayden	2.1	Develop and implement policy and procedures for inventory management in accordance with the County's Capital Asset Policy 160.3.	3
JCSO Transition Audit	Sheriff Hayden	2.2	Develop and implement inventory management procedures for consumable supply-type inventories, including uniforms, ammunition, and other supplies.	3
JCSO Transition Audit	Sheriff Hayden	2.3	Perform a physical inventory and document results of personal property to ensure integrity in JIMS inventory records by December 31, 2017.	3
Med-Act Transition Audit	J. Paul Davis	4.2	Discontinue tracking office supply expense-type items.	1
Med-Act Transition Audit	J. Paul Davis	4.4	Implement a more efficient medical supply inventory and distribution system.	3
Review of the District Coroner's Administrative Activities	Lougene Marsh	2.1	Enter into written contracts when acquiring professional services.	2

Recommendation Closed – Not Implemented

Audit	Responsible Party	Rec #	Recommendation	Reason for Non-Concur
Med-Act Transition Audit	J. Paul Davis	5.2	Revise existing policies and procedures requiring two employees to pick up controlled substances from the pharmacy.	This recommendation is cumbersome and unnecessary. Security at the point of origin and destination are satisfactory and there are no in-transit concerns. However, Med-Act will review the recommendation as needed to determine if changes are required.

Open Recommendations as of December 31, 2018

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due ³	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.	County and City of Olathe have met to discuss efficiencies to be gained by consolidating the two entities' HOME programs.	12/31/2018	Not Due	3
HUD-OIG Joint Audit	Maury Thompson	5b	Amend previous HOME agreements to a 10-year affordability period with 10 percent loan forgiveness each to be aligned with Johnson County's HOME program affordability period and release all loans that have already met the 10-year affordability period.	County and City of Olathe will continue to discuss amending the City's HOME agreements to a 10-year affordability period in conjunction with 5a above.	12/31/2018	Not Due	3
Johnson County Airport Commission Transition Audit	Aaron Otto	1.2	Develop a management reporting system to ensure proper internal controls are in effect and monitored on a periodic basis.		12/31/2018	Not Due	2
Johnson County Airport Commission Transition Audit	Aaron Otto	6.3	Consider purchasing a barcode system to facilitate more efficient and accurate inventory tracking.	This is still under consideration.	10/31/2018	60	1
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. (Original proposed resolution date was 12/31/2017.)	12/31/2018	Not Due	3
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. (Original proposed resolution date was 12/31/2017.)	06/30/2018	180	2

³ Information revised as of May 30, 2019.

Open Recommendations as of December 31, 2018

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due ³	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: • Purchasing thresholds warrant solicitation of bids via the competitive procurement process, or if, • benefit would be received by contractually binding recurring expenditures.	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. (Original proposed resolution date was 12/31/2017.)	06/30/2018	180	3
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	1.2	Develop detailed standard operating procedures for their Accounts Receivable (A/R) program	We concur with this recommendation. The Sheriff's Office intends to use the County's policies, guidelines and procedures for the items invoiced through TFM-Accounts Receivable and will develop directives or procedures for the processes unique to the Sheriff's Office. These procedures will be developed in conjunction with the transition of the Accounts Receivable to the TFM-Accounts Receivable, and will be completed prior to the end of 2018.	12/31/2018	Not Due	3
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	4.2	Re-engineer remittance processing within the JCSO. Design and implement a systematic, uniform approach which includes sufficient internal controls.	We concur with this recommendation. The CFO will review the current remittance and deposit process and implement changes to streamline the collection, reconciliation and reporting of remittances received. This will be completed by October 1, 2018.	10/01/2018	90	3
Johnson County Sheriff's Office Revenue Audit	Sheriff Hayden	5.1	Considering the JCSO recently migrated to a new commissary contract with CBM Inc., it is imperative the JCSO develop standard operating procedures and designate specific personnel the responsibility for monthly balancing, reconciling and reporting.	The JCSO has been working with the new commissary provider, CBM Inc., as of May 21, 2018 to implement the new system. As part of that process, the JCSO has requested and received training and documentation from CBM to create a process ensuring that these funds are balanced, reconciled and properly reported monthly.	10/01/2018	90	3
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	1.1	Train personnel with purchasing authority in the JCSO Purchasing Policies and Procedures.	We will review and revise the Sheriff's Office internal purchasing directives and procedures as needed, and provide any necessary training.	06/30/2018	180	2

Open Recommendations as of December 31, 2018

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due ³	Rating
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	1.4	Coordinate with the Department of Technology and Innovation to ensure JCSO Purchasing Manager is granted Oracle Requisition Authority and is properly trained.	The Sheriff's Office is beginning an extensive review of the Purchasing Division's task. The extent to which the Purchasing Manager will use Oracle Requisition Authority to enter requisitions will be evaluated as part of the overall review.	09/30/2018	90	2
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	2.4	Consult the JIMS Office to seek improvements to the JIMS inventory database such as, recording of physical inventory checks, the date of the last physical inventory performed, and a report to evidence physical inventory processes.	The Sheriff's Office will continue to work with JIMS to make improvements to allow for an efficient and accurate inventory management database. Accounts will be reviewed routinely to ensure all items are being appropriately entered.	09/30/2018	90	3
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	2.5	Consult the JIMS Office and determine if the Corrections Department's uniform inventory system can be applied to meet JCSO business requirements.	Staff met with JIMS personnel on August 3, 2017 to review the Department of Corrections' uniform inventory system. We determined it should meet the JCSO's needs, and have assigned a project team to begin implementation as soon as possible.	09/30/2018	90	3
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	3.3	Establish written procedures to periodically verify contractor performance based on JCSO documentation and observation.	Written procedures will be completed, which will assist in ensuring liaison responsibilities are documented.	06/30/2018	180	3
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	5.1	Revise Employee Compensation 2004-01 to incorporate guidance describing what steps must be followed when approving employee time and attendance, to include validating differences between the employees' time record and the work schedule.	Johnson County Sheriff's Office Policy 2004-01 Employee Compensation to govern staff overtime was revised to a statement to prescribe guidance.	12/30/2017	360	2
Johnson County Sheriff's Office Transition Audit	Sheriff Hayden	7.1	Modify internal grant policies/procedures to align with County Grant Policy requirements.	The Chief Financial Officer is reviewing the Sheriff's Office internal grant policies and working with the County's Grant Coordinator to ensure compliance with federal and state regulations for grants, and with County policy as needed.	02/28/2018	300	2
Management of IT Resources - County Manager's Office	Brian Thomas	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.	07/01/2013	2009	-

Open Recommendations as of December 31, 2018

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due ³	Rating
Med-Act Transition Audit	J. Paul Davis	1.1	Develop a fee-setting policy which complies with County Policy 170.150 and adopts a desired level (or range) of cost recovery for the services being provided.	Med-Act will develop a fee setting policy that complies with the County Policy 170.150. Our goal as steward of the public trust is to establish reasonable and customary fees that support the Med-Act operations and ensure response readiness.	02/28/2019	Not Due	3
Med-Act Transition Audit	J. Paul Davis	1.2	Review the current ambulance transport rates to determine if they are set at the appropriate levels.	The Med-Act policy will include an annual review of our ambulance services fees as well as those in the MARC region. We will present a recommendation to the Board of County Commissioners for its approval.	02/28/2019	Not Due	3
Med-Act Transition Audit	J. Paul Davis	2.1	Develop a standby billing procedure which ensures consistency and equity and describes the criteria to consider when waiving fees.	The Med-Act policy will ensure consistency and equity. We will identify circumstances when waiving fees for standbys is appropriate.	02/28/2019	Not Due	2
Med-Act Transition Audit	J. Paul Davis	3.1	Develop and implement a plan to transfer all current fleet management responsibilities from Med-Act to the County's Fleet Services Division.	Med-Act will work with the county's fleet management team to transition fleet management responsibilities to a team concept. Meaning, the majority of our fleet is specialized (ambulances) and requires internal coordination to achieve our mission. We will designate an existing staff position to serve as the fleet coordinator to ensure apt coordination of maintenance, priority service of mission-critical vehicles and effective communications between the county's Fleet Manager and service vendors.	01/31/2019	Not Due	2
Med-Act Transition Audit	J. Paul Davis	3.2	Assess mission requirements and prepare a business case analysis regarding take-home vehicle assignments to include considering elimination of take-home vehicle assignments.	Med-Act will assess its mission requirements and review current practices to determine the business need for assigned take-home vehicles.	03/31/2019	Not Due	1
Med-Act Transition Audit	J. Paul Davis	3.3	Revise Med-Act internal Policy & Procedure 1201-Vehicles to include language, in addition to operational and maintenance requirements, which ensures compliance with County policy regarding: guidelines for the assignment of vehicles, documentation and approvals necessary, and the taxation of the personal use of County-owned or leased vehicles by employees.	Med-Act is in the process of reviewing and revising department policies and procedures. This work will coincide with the work related to the recommendation 3.2.	03/31/2019	Not Due	1

Open Recommendations as of December 31, 2018

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due ³	Rating
Med-Act Transition Audit	J. Paul Davis	3.4	Assume responsibility for managing all Med-Act fleet vehicles in accordance with Johnson County fleet management guidelines.	Fleet Services understands the Audit recommendation and is prepared to provide services as outlined above. Transition of the Med-Act fleet to management by Fleet Services will require the establishment of a service level agreement and the establishment of a cost structure consistent with all other fleet user departments. Upon approval of the Med-Act Transition Audit, formalization of service level agreements will take place between Med-Act and Fleet Services. Fleet Services does not anticipate any immediate impact to staffing due the increased work load required to perform the requested services.	01/31/2019	Not Due	2
Med-Act Transition Audit	J. Paul Davis	3.5	Administer and provide oversight for the current Med-Act vehicle maintenance and repair contract with the local vendor (for the near term) to ensure compliance with Kansas Board of Emergency Medical Services (KBEMS) regulations.	Fleet Services understands the Audit recommendation and is prepared to provide services as outlined above. Oversight of the current local vendor contract will be assumed by Fleet Services. Fleet will establish a direct point of contact to act as a liaison between the vendor and Med-Act. Details related to management of the repair contract, such as vendor payment, vehicle transfers, communication etc.... will be formalized along with the Service Level Agreement between Med-Act and Fleet Services	01/31/2019	Not Due	2
Med-Act Transition Audit	J. Paul Davis	4.1	Develop and maintain a reliable inventory tracking system of items required by EMS regulations and those categories of supplies dictated by the financial manager.	Med-Act has begun researching the best, cost effective method for improving inventory management and loss prevention. Our goal in this area is to develop a computer aided inventory management system which helps us achieve a "Just-In-Time" system while ensuring the most crucial supplies are in-stock all the time.	11/30/2018	30	3
Med-Act Transition Audit	J. Paul Davis	4.3	Implement a more efficient method of billing supplies to front-line providers in the field, rather than on a per-event basis. Greater efficiency can be obtained by billing less frequently.	Currently Med-Act bills departments who acquire supplies from us. We will establish a regular less-frequent billing cycle that ensures timely receipts.	01/31/2019	Not Due	2

Open Recommendations as of December 31, 2018

Audit	Responsible Party	Rec #	Recommendation	Proposed Action	Initial Resolution Date	Days Past Due ³	Rating
Med-Act Transition Audit	J. Paul Davis	5.1	Develop a report to monitor how crews administer controlled substances to identify potential "red flags" of loss or theft.	We expect to meet this recommendation once we move to a new, more robust, electronic patient care reporting system. We currently have controls in place which meet statutory and federal regulatory standards.	01/31/2019	Not Due	2
Med-Act Transition Audit	J. Paul Davis	5.3	Revise existing policies and procedures to define responsibilities for reporting any significant loss or theft of controlled substances to the U.S. Drug Enforcement Administration (DEA).	Med-Act will comply with this recommendation.	09/30/2018	90	1
Med-Act Transition Audit	J. Paul Davis	6.1	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.	This must be a shared responsibility. Med-Act will work with JIMS to develop and provide an Asset Management practice guide or policy.	06/30/2019	Not Due	1
Med-Act Transition Audit	J. Paul Davis	6.2	Develop and implement policy and procedures for inventory management to ensure compliance with the County's Capital Asset Policy 160.3.	Med-Act has begun a baseline inventory of durable goods and equipment. We will develop a policy that ensures compliance with the County's Capital Asset policy.	07/31/2019	Not Due	3
Med-Act Transition Audit	J. Paul Davis	7.1	Adopt industry performance metrics that align with Med-Act's mission and publicly report operational results.	We acknowledge we can improve on providing more public information, generally, with respect to operational performance metrics. We will engage our PIO team to help us address this recommendation.	10/31/2018	60	1