



Audit of the Supervisor of Elections Office - #765

Executive Summary

Why CAO Did This Review

Pursuant to Section 102.118 of the Municipal Code, each of the constitutional officers is to be audited by the Council Auditor's Office at least once every five years.

The Supervisor of Elections Office (SOE) is a constitutional office established pursuant to Article VIII Section 1(d) of the Florida Constitution and Article IX of the Charter of the City of Jacksonville. The SOE is responsible for maintaining the voter roll and conducting all elections within Duval County as established in Article IX of the City Charter.

What CAO Recommends

We recommend the SOE ensure that the Fair Labor Standards Act is followed when paying election workers and that appropriate internal controls related to system access rights and the review of pay information are in place. Additionally, time and attendance should be accurately recorded by election workers and properly authorized by precinct managers on their respective time sheets.

We also recommend that the SOE obtain, in advance, all the appropriate documentation (e.g. fully executed agreements and completed form W-9) needed to process rental payments in a timely and accurate manner.

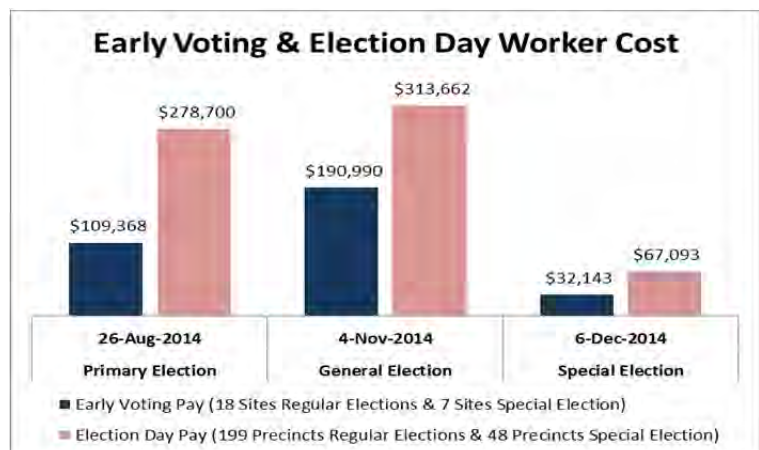
What CAO Found

Overall, it appears that payments to election workers were materially accurate and properly supported. However, we did find some internal control weaknesses and other items that need to be addressed. Specifically we found:

- Potential compliance issues with the Fair Labor Standards Act, which included the Early Voting workers not always being compensated based on recorded hours.
- Weaknesses in the review of the Election Day and Early Voting payrolls.
- SOE employees and other individuals with excessive access rights within the poll worker system.
- Precinct managers did not consistently authorize the time and attendance of Election Day workers.

Overall, it appears that payments to polling locations were not properly supported and there were issues with accuracy. Specifically we found:

- Missing and incomplete polling location agreements.
- Issues with the accuracy and timeliness of the payments to several polling locations.





Council Auditor's Office

Supervisor of Elections Audit

April 10, 2015

Report #765

Released on: June 30, 2015

EXECUTIVE SUMMARY

AUDIT REPORT #765

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OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



April 10, 2015

Report #765

Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Pursuant to Section 102.118 of the Municipal Code, each of the constitutional officers is to be audited by the Council Auditor's Office at least once every five years. Additionally, pursuant to Section 5.10 of the City of Jacksonville Charter, all agencies of the Consolidated Government are subject to audit by the Council Auditor's Office.

The Supervisor of Elections Office (SOE) is a constitutional office established pursuant to Article VIII Section 1 (d) of the Florida Constitution and Article IX of the Charter of the City of Jacksonville. The SOE is responsible for maintaining the voter roll and conducting all elections within Duval County as established in Article IX of the City Charter.

The focus of our audit was mainly two activities of the SOE, which are paying election workers for their services rendered and paying polling locations for using their facilities. The SOE issued 3,486 payments to election workers totaling \$991,852 and issued 264 payments to polling locations totaling \$38,731 for the 2014 Elections as of March 10, 2015.

The SOE conducted three elections during calendar year 2014. Furthermore, the office used 199 polling locations during the Primary Election, 199 polling locations during the General Election, and 48 polling locations during the Special Election.

STATEMENT OF OBJECTIVES

The objectives of the audit were as follows:

1. To determine whether payments made to election workers were accurate and properly supported.
2. To determine whether payments made to polling locations were accurate and properly supported.

STATEMENT OF SCOPE AND METHODOLOGY

The scope of our audit was all elections held in Duval County during the 2014 calendar year (January 1, 2014 through December 31, 2014). To complete the audit, we conducted staff

interviews, reviewed relevant systems in place, and examined supporting documentation. More specifically:

- We obtained a listing of all the payments made to election workers for each election held during the audit period. In total we reviewed 3,486 payments totaling \$991,852 which were made to election workers.
 - We verified that each payment was accurate, properly supported, and properly authorized.
 - We also verified that taxes were accurately withheld for election workers.
- We obtained a listing of all the polling locations used in each election during our audit period from information available online, and a listing of all the payments for rental expenses issued to these locations from the City's accounting system. In total we reviewed 264 payments totaling \$38,731 in rental expenses which were issued as of March 10, 2015.
 - We verified that payments issued to polling locations for the 2014 Elections were accurate, properly supported, and properly authorized.
 - We verified if there was a proper rental agreement on file between the SOE and the polling location.

REPORT FORMAT

Our report is structured to identify Internal Control Weaknesses, Audit Findings, and Opportunities for Improvement as they relate to our audit objectives. Internal control is a process implemented by management to provide reasonable assurance that they achieve their objectives in relation to the effectiveness and efficiency of operations and compliance with applicable laws and regulations. An Internal Control Weakness is therefore defined as either a defect in the design or operation of the internal controls or is an area in which there are currently no internal controls in place to ensure that objectives are met. An Audit Finding is an instance where management has established internal controls and procedures, but responsible parties are not operating in compliance with the established controls and procedures. An Opportunity for Improvement is a suggestion that we believe could enhance operations.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDITEE RESPONSES

Responses from the auditee have been inserted after the respective finding and recommendation. We received these responses on June 29, 2015, from the SOE, via Jerry Holland, Supervisor of

Elections, in a memorandum dated June 24, 2015. All responses from the auditee are included verbatim as presented to our office.

AUDIT CONCLUSIONS

By Objective:

1. Overall, it appears that payments to election workers were materially accurate and properly supported. However, we did find some internal control weaknesses that need to be addressed.
 2. Overall, it appears that payments to polling locations were not properly supported and there were issues with accuracy.
-

AUDIT OBJECTIVE #1

To determine whether payments made to election workers were accurate and properly supported.

Internal Control Weakness 1 – 1 *Control Weaknesses with Payment Review and Approval Process*

There is a significant weakness within the Early Voting and Election Day payroll process. The current process provides for an SOE employee to enter all election workers information into the Election Worker Payroll System. After the employee is finished calculating the election worker payments, two other SOE employees randomly select about 10% of the precincts and review the accuracy of the respective payments for the election workers working at those precincts. We noticed that the employee responsible for entering in all the election worker payments could still make unauthorized changes to the election worker payments right after the review has been performed without being detected since there is no check of what was reviewed to what was paid in the end.

Furthermore, this same employee charged with entering all of the payroll information is also in charge of approving the pay of certain special types of workers. Specifically we found that this individual was the approver of 41 payments (\$7,555) during 2014 elections.

Recommendation to Internal Control Weakness 1 – 1

The SOE should adjust the payroll process to ensure the reviewer compares the payment grand totals obtained during the initial review process (adjusted for any corrections to arrive at a new grand total) to the grand totals obtained from the City-wide Payroll System after the payments are submitted to City Payroll.

Also, the individual charged with compiling and entering the entire election worker payroll should not be the approver of any of the time worked of these same individuals.

Auditee Response to Internal Control Weakness 1 – 1

Agree Disagree Partially Agree

Although this was covered in the previous audit, it was not clear to us when the review for accuracy was being suggested. We added the review after the calculations to make sure the math was correct for payment, but we now see the request was also for after the payments were generated to confirm payments were properly executed. We will add this to future reviews.

Internal Control Weakness 1 – 2 *Inadequate Access Rights to the Election Worker Payroll System*

The Voter Registration (VR) System utilized by the SOE has multiple modules/functions that are used during the preparation of an election. One of the modules within the system is the Election Worker module which is used to manage election workers and process their respective payments. During our review of the system, we noted that there were a total of 30 user accounts with access to the Election Worker module in the VR system. The more individuals with access (especially those without a valid business purpose), the higher the risk someone could manipulate the data.

Of the 30 user accounts, 15 were related to SOE employees with the remaining 15 being associated with the software vendor and other guest accounts. Based on discussions with the SOE, it appears that 6 of the 15 SOE employees did not need access based on their job functions and most (if not all) of the vendor and guest accounts should be removed.

Recommendation to Internal Control Weakness 1 – 2

We recommend that at least once a year, the SOE review the appropriateness of the access rights granted to users of the system utilized to process election worker payments, and make revisions of such access rights where needed to properly segregate job functions. This is in addition to making changes to access rights based on people switching jobs and/or leaving the office.

Auditee Response to Internal Control Weakness 1 – 2

Agree Disagree Partially Agree

We can see how from the outside there would be a need to maintain this better, however not noted is that the voter registration logs anyone who changes data. For the record, those employees who no longer needed access but where not removed, had never shown on the automated logs at any time that there was a record of them altering data or files.

Council Auditor Comment to Auditee Response to Internal Control Weakness 1 – 2

This is noted as an internal control weakness due to the fact that there is not a periodic (at least annual) review taking place of the access rights to the payroll module of the VR System. The lack of the periodic review occurring opens the SOE and the City to unneeded risks of someone making an unauthorized change. Proof of this review being important is that there were individuals who had access to the system without a valid purpose. During the course of our audit, the Supervisor of Elections took steps to address the removal of certain users’ access as soon as we brought it to his office’s attention. Whether any of these individuals actually made adjustments in the system does not eliminate the concern.

Finding 1 – 1 *Potential Issues with the Fair Labor Standards Act*

Based on advice from the Office of General Counsel, election workers that we reviewed are employees and not volunteers since they are compensated at a more than nominal amount by the SOE and there is an economic benefit provided by the employee to the employer. Therefore, their compensation is governed by the Fair Labor Standards Act (FLSA).

We found the following issues that may be in conflict with the FLSA:

- 1) In general, payments to Early Voting workers were based on the scheduled hours instead of time recorded on their approved time sheets. Without additional explanation, the recorded time could be deemed actual hours worked by the employee.
- 2) Similar to the item above, one hour lunches were deducted from Early Voting workers’ recorded time even when a shorter lunch was recorded on the time sheets.
- 3) Individuals working as Rovers during Early Voting were not always compensated at the appropriate pay rate.
- 4) The SOE did not always pro-rate different pay rates for multiple jobs worked during the same workweek.

Recommendation to Finding 1 – 1

We recommend that the SOE pay election workers based on actual hours recorded on the time sheets instead of hours scheduled to work, including any time spent working during lunch. The SOE should require election workers to record their actual time worked, which should be properly reviewed and approved by their direct managers on site.

The SOE should make sure election workers are properly compensated in accordance with the Fair Labor Standards Act.

Auditee Response to Finding 1 – 1

Agree Disagree Partially Agree

No comments from the Supervisor of Elections Office.

Finding 1 – 2 *Lack of Proper Authorization and Inconsistent Recording of Time*

While reviewing the timesheets used to record the time and attendance of election workers on Election Day and during Early Voting, we noticed issues with how time was recorded and approved. Specifically, we found:

- 1) 1,781 out of 3,277 (or 54%) payments made to election workers who worked at a precinct on Election Day during calendar year 2014, did not have the time worked properly filled in on the time sheet. Even though these workers did not mark the time worked, either leaving off the start time and/or the end time, they were compensated for a full day based on the presumption that the individuals work a full day unless marked otherwise. We did only identify four instances during our testing where workers were compensated a prorated reduced amount due to not working a complete day and found no evidence any employee worked a partial day and was compensated for a full day's work.
- 2) 3,183 out of 3,406 (or 93%) payments made to workers who worked on Election Day were not properly authorized. The vast majority of these are related to precinct managers not signing at the bottom of the Election Day timesheet, acknowledging that the workers actually worked that day.
- 3) 78 out of 734 (or 11%) payments to election workers who worked during Early Voting were not properly authorized. Many of the team leaders working during Early Voting did not get approval of their time worked by another individual due to the fact there is no one else senior to them onsite who can authorize their time worked. However, someone not involved with the payroll process that has knowledge of the team leaders' schedules should approve this time.

During this testing we noticed a couple of other recurring issues. First, while we did note that some precinct managers marked which workers did not show up, some did not. That could lead to an election worker being paid for time they do not work. Second, precinct managers did not mark through the unused lines on the time sheets that are made available for late additions to polling locations. This means that individuals could be added later on after the elections without the precinct manager's approval.

Recommendation to Finding 1 – 2

We recommend that SOE increase training for the precinct managers, team leaders and other election workers on what is required to be completed on the time sheets. In general, the forms need to be completed in a consistent manner which enables the workers to be compensated accurately based on proper support. Specifically,

- It needs to be clear when a worker does and does not complete an entire shift on Election Day.
- Precinct managers should be indicating on the form which workers did not show up.
- Precinct managers should also either mark through the unused lines for people added to the precincts on Election Day or sign next to any added. Either way the process should be consistent for all precincts.

- There needs to be documented approval for every worker's time by someone not involved with the payroll process.

Auditee Response to Finding 1 – 2

Agree Disagree Partially Agree

- 1) *The reason only 4 poll workers were noted as being compensated for less than a full Election Day is because it is very rare a poll worker gets sick, injured or terminated during the Election Day. We do have a record of all poll workers who start the day because they must sign the zero tape from the voting tabulation machine before the polls open and must sign the voting tabulation machine result tape when the polls closed. This record was not audited; however this record would validate those who were present during this time.*
- 2) *The record of the worker working is validated by the signature of the worker on the payroll sheet, therefore our policy is: no signature, no pay. Their attendance can also be confirmed by the signature on the result tapes. We will add additional training to precinct managers for approval in the future.*
- 3) *Unlike Election Day because there is a fewer number of early voting sites, our permanent staff communicates with sites throughout the day and makes spot visits to all early voting sites. We will add training for team leaders to complete this process.*

Council Auditor Comment to Auditee Response to Finding 1 – 2

While the referenced tapes could provide support as to whether the individuals were present at the beginning and/or ending of the day, they do not address whether the individual was on site all day. It is important to note these were not provided with the pay records provided to us and we were never informed these tapes were utilized to verify that individuals worked. In fact, we were told the office contacted the precinct manager directly if there was any question whether a poll worker worked on Election Day, but there was no mention of verifying this through the referenced tape.

Opportunity for Improvement 1 – 1 *Verification of Election Workers' Identity*

Consistent with state law, the SOE requires that individuals requesting to be election workers be Duval County registered voters. However, the SOE does not request potential election workers to show any identification during the recruiting, training, and/or work assignment processes to verify their identity. A person that wants to be an election worker only has to provide a name (or voter registration number, if known), and then an SOE employee looks up that name or voter ID number in the Voter Registration System. While it is not a state requirement that the SOE obtain identification from hired poll workers, an individual could potentially provide the name and voter information of another person, which is public information, and be accepted as an election worker.

On county-wide Election Days in calendar year 2014, the SOE employed over 1,400 poll workers. These poll workers have little direct supervision from the full-time staff of the SOE; however, they represent the City and the SOE in a very public manner. If there were to be some

sort of an incident it is imperative that the SOE completely knows who it is employing and assigning to the various precincts throughout the county. These instances range from workers compensation claims to other types of accusations related to the election.

Recommendation to Opportunity for Improvement 1 – 1

We recommend that the SOE implement additional procedures to verify the identity of potential election workers during the recruitment and training process.

Auditee Response to Opportunity for Improvement 1 – 1

Agree Disagree Partially Agree

Although in 10 years we have never had a report of someone wanting to work as a poll worker but wanting to use someone else identify to do so, and because most poll workers are part of a team at that location whereby others know that person, and because even the process of registering to vote does not require a person to show identification, we have not required workers to show identification in the past. However, because the concern was raised we will start this procedure at the next election.

Opportunity for Improvement 1 – 2 *Automated Process for Calculating Hourly Pay for Early Voting Workers*

During our review, we noted that SOE’s staff utilizes a spreadsheet to calculate the pay of Early Voting workers based on hard copy time sheets. Many of the calculations in the spreadsheet are not fully automated which can increase the likelihood of error. For example, total hours worked and the pay rates for overtime have to be manually entered into these files to calculate the total compensation. The amount calculated for pay is then manually entered into the poll worker system.

We did find five payments to Early Voting workers that were incorrectly calculated which totaled an absolute error of \$462.

Recommendation to Opportunity for Improvement 1 – 2

We recommend that the SOE review the process of calculating the hourly pay of election workers working during Early Voting. The SOE should automate this process by allowing the spreadsheet to automatically calculate as much as possible.

Auditee Response to Opportunity for Improvement 1 – 2

Agree Disagree Partially Agree

Although, five payments totaling \$462 out of the \$991,956 total paid (.04657 of a percent) were incorrectly calculated we will work on fully automating the calculation process of the payroll.

Council Auditor Comment to Auditee Response to Opportunity for Improvement 1 – 2

The reason this was written up as an opportunity for improvement and not a finding is that we did not note many actual issues. Instead, this opportunity to utilize formulas rather than manual entry is merely included as a suggestion to increase efficiency and enable the employee processing these payments to make the most valuable use of time spent on this task.

AUDIT OBJECTIVE #2

To determine whether payments made to polling locations were accurate and properly supported.

Finding 2 – 1 *Missing and Incomplete Polling Location Agreements*

While reviewing payments and listings of actual polling sites, we found that 85 (or 43%) of the 199 different precincts used during the 2014 Elections did not have a current, complete, and fully executed rental agreement on file with the SOE. These agreements are utilized to ensure an understanding of responsibilities of each party regarding many issues which includes payment amount, insurance thresholds and availability of space. Specifically, we found that:

- 1) 22 out of 199 (or 11%) locations had no written rental agreement on file supporting the contractual obligations between the SOE and the polling location.
- 2) 32 out of 199 (or 16%) locations only had a part of the rental agreement on file. These rental agreements had multiple pages missing such as the page stating the rent amount and/or the page stating the elections to which the agreement applies. Three of these were also not signed by the Supervisor of Elections.
- 3) 7 out of 199 (or 4%) locations had an outdated rental agreement on file that relates to prior election years which were also not signed by the Supervisor of Elections.
- 4) 25 out of 199 (or 13%) polling locations had a complete written rental agreement on file except it was not signed by the Supervisor of Elections.

(Please note that items 2 and 3 are not mutually exclusive.)

During discussion of the draft report, we were provided with additional support for 15 of the 22 locations which did not originally have any support. The new information provided to us included 3 complete rental agreements and 12 partial rental agreements which had multiple pages missing similar to item 2 above.

Recommendation to Finding 2 – 1

The SOE should enter into and retain fully executed rental agreements for all polling locations. These contracts should be retained for a period of time consistent with the State General Records Schedule for State and Local Agencies (GS1-SL).

Auditee Response to Finding 2 – 1

Agree Disagree Partially Agree

No comments from the Supervisor of Elections Office.

Finding 2 – 2 *Issues with Payments to Polling Locations*

We noted several issues related to the accuracy of payments to polling locations. First, we found that 14 (or 5%) of the 264 payments issued to polling locations were inconsistent with the rental agreements on file. These discrepancies resulted in the SOE overpaying \$1,423 in rental expenses. We also found what appear to be 2 separate duplicate payments for polling locations which resulted in a total overpayment of \$250 in rental expenses.

Furthermore, we also found, 45 (or 17%) of the 264 payments issued to polling locations as of March 10, 2015, for the 2014 Elections, did not have a proper rental agreement on file. Therefore, we were unable to verify the accuracy and validity of these 45 payments (totaling \$6,968) since adequate support was not maintained by the SOE. During discussion of the draft report, additional support was provided for some agreements which originally had no support. This additional support reduces our number of instances of payments with no support by six and the unsupported payment amount by \$1,493.

Lastly, we also noted that 44 polling locations have not received their contractually owed payments from the SOE for the use of their facilities during the 2014 Elections. Per the rental agreements on file, the SOE still owes \$7,200 in rental expenses to these polling locations as of March 10, 2015. Per conversations with SOE staff, it appears that these polling locations have not been paid yet because the payments could not be processed by City Accounting until the SOE obtained the corresponding W-9 forms from the polling locations.

Recommendation to Finding 2 – 2

We recommend that the SOE obtain, in advance, all the appropriate documentation (e.g. fully executed agreements and completed form W-9) needed to process the rental payments to ensure it is able to process payments in a timely and accurate manner. In the end, the polling locations need to be timely paid the amounts agreed to in the fully executed agreements.

Auditee Response to Finding 2 – 2

Agree Disagree Partially Agree

No comments from the Supervisor of Elections Office.

We appreciate the assistance and cooperation we received from the Supervisor of Elections Office through the course of this audit.

Respectfully submitted,

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Council Auditor

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