

Follow-Up Audit of the Supervisor of Elections

**Report by the
Office of County Comptroller**

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February 28, 2002

The Honorable Bill Cowles, Supervisor of Elections

We have conducted a follow-up audit of the Supervisor of Elections. Our original review included the period of October 1, 1995 to March 31, 1997. Testing of the status of the previous Recommendations for Improvement was performed for the period March 1, 2000 through April 30, 2000. Our audit was conducted in accordance with generally accepted government auditing standards and included such tests, as we considered necessary in the circumstances.

The accompanying Status of Previous Recommendations for Improvement presents a summary of the previous conditions and the previous recommendations. Following the recommendations is a summary of the status as determined in this review. In addition, we found another concern during our follow-up that is presented in the Recommendations for Improvement section at the conclusion of this report.

We appreciate the cooperation of the Supervisor of Elections and his staff during the course of the audit.

Martha O. Haynie, CPA
County Comptroller

c: Orange County Board of County Commissioners

**IMPLEMENTATION STATUS OF
PREVIOUS RECOMMENDATIONS
FOR IMPROVEMENT**

**FOLLOW-UP AUDIT OF SUPERVISOR OF ELECTIONS
STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1.	The Supervisor of Elections Office performs the following:				
A)	Separate the duties of maintaining accounting records and the deposit of collections.		X		
B)	Restrictively endorse checks promptly when received.	X			
C)	Store collections in a floor safe or a locked file cabinet.		X		
D)	Require cash register collections to be simultaneously counted out by a cashier and a supervisor at the conclusion of each day's business.	X			
E)	Require cash register tapes used to record voided transactions be signed by both the cashier and supervisor when the void occurs.	X			
F)	Deposit monies weekly or daily when receipts exceed \$200.			X	
G)	Receipt all revenue transactions upon receiving (utilize the office's cash register).	X			
2.	The Supervisor of Elections solicits proposals for banking services or utilizes the County's banking services contract.			X	
3.	Supervisors conduct random checks of work performed by customer service representatives.	X			

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		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
4.	The Supervisor of Elections performs the following:				
A)	Ensure that a signed contract is on file for all customers renting election equipment/services from the Supervisor of Elections Office.	X			
B)	Utilize the Supervisor of Elections current fee schedule in preparing invoices mailed to customers and verify the invoices' computational accuracy.	X			
C)	Ensure that an approved cover letter is on file for each invoice sent to customers.				X
D)	Ensure that customers receiving election services are billed within 30 days following elections.	X			
E)	Maintain a record of all election equipment rented to customers.		X		
5.	The Supervisor of Elections ensures that elected officials' office accounts and reporting of same, comply with State law.	X			
6.	The Supervisor of Elections complies with its written policies and procedures and ensures that employee performance evaluations are prepared on a timely basis.	X			
7.	The Supervisor of Elections adheres to standard operating procedures by ensuring that probationary employee performance evaluations are completed on a timely basis.	X			

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		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
8.	The Supervisor of Elections develops and implements formal salary and wage guidelines. These guidelines should include, at a minimum, grades for positions, salary ranges with minimum and maximum salaries for grades, and guidelines to link evaluation points to salary increases.		X		
9.	The Supervisor of Elections works with appropriate legal counsel and request an opinion from the FRS to determine if FRS contributions are required, and if so, amounts of any retroactive contributions owed.	X			
10.	The Supervisor of Elections monitors temporary employment contracts to ensure that, where necessary, written extensions or new contracts are granted when contract terms expire.		X		
11.	The Supervisor of Elections performs the following:				
A)	Distributes signed payroll checks to employees without routing them through the Fiscal and/or Human Resource Officers.			X	
B)	Ensures that all employees comply with standard operating procedures to review and sign the payroll worksheets. If an employee is out of the office on the day the form is completed, he or she should sign the form upon returning to work.			X	
C)	Requires all salaried employees to complete time sheets.			X	
12.	The Supervisor of Elections prepares written policies and procedures to require job descriptions for each job position.	X			

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13.	The Supervisor of Elections follows standard operating procedures governing the hiring process. In particular, employee requisition forms, interview/selection worksheets, evidence of job history verification, and written evidence of the oath of office should be maintained.		X		
14.	The Supervisor of Elections maintains adequate documentation in each employee's file to support personnel and pay actions authorized and executed.		X		
15.	The Supervisor of Elections ensures the following:				
A)	All out-of-town travel expenses are justified.	X			
B)	All travel claims are properly supported by receipts and adequate documentation prior to authorizing reimbursements.	X			
16.	The Supervisor of Elections prepares comprehensive current purchasing policies and procedures to include the following:				
A)	A formal bid process addressing the use of competitive sealed bids and competitive sealed proposals.		X		
B)	Guidelines for the proper evaluation of requests for proposals; issuance of term contracts, release orders, and blanket purchase orders; and procedures for bid protests and disputes.		X		
C)	Public solicitation/advertising for purchases above a set dollar limit.		X		
D)	Written justification of sole source purchases.			X	

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17.	The Supervisor of Elections:				
A)	Reviews applicable purchasing procedures with appropriate staff to ensure that standard operating procedures are consistently followed and purchase requisitions are prepared where appropriate.			X	
B)	Ensures that purchases over a certain dollar limit are publicly advertised.			X	
C)	Ensures that purchases are made through competitive solicitation.			X	
D)	Complies with its own written procedures in ensuring that purchase orders are issued subsequent to approved purchase requisitions and prior to goods and services being ordered. Where exception to any of these written procedures is necessary, justification should be adequately documented.	X			
E)	Ensures that supporting documents are properly reviewed before signing checks for payment of invoices.	X			
F)	Ensures that all invoices are accompanied by adequate supporting documentation, including receiving reports, before authorizing payments.		X		
18.	The Supervisor of Elections implements procedures to cancel invoices and all supporting documents immediately after payments are made.	X			

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19.	The Supervisor of Elections:				
A)	Considers segregating the duties of present staff in such a manner as to separate the receiving and custodial functions.		X		
B)	Considers segregating the duties of the check custodian and the purchasing functions.	X			
C)	Ensures that checks are not returned to the person responsible for their preparation.			X	
D)	Establishes a logbook to account for unused checks.		X		
E)	Restricts access to blank checks to only authorized individuals.		X		
19. F)	Files all void checks with paid checks when reconciling the bank statements and accounts for all checks by sequential numbering.			X	
G)	Utilizes pre-numbered purchase orders for all purchases.			X	
H)	Considers paying invoices once each week with the aid of the automatic check writing capacity of the MUNIS System.				X
20.	The Supervisor of Elections ensures the following:				
A)	Periodic reconciliation of the petty cash fund by a person independent of the petty cash operation.		X		
B)	Proper completion of petty cash vouchers.			X	
C)	All payments are made based upon properly approved petty cash vouchers.			X	

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20. D)	Vouchers and supporting documents are voided immediately upon payment.	X			
21.	The Supervisor of Elections establishes written policies and procedures to provide guidelines for payments from the petty cash fund, who may receive free meals, how much it should cost, and when it may be provided.	X			

INTRODUCTION

**Scope and
Methodology**

The scope of this audit is a follow up review of the three previous audits of the Orange County Supervisor of Elections dated July 1998 which included the areas of Financial Controls and Legal Compliance, Personnel and Payroll Procedures, and Purchasing Policies and Procedures. Testing of the status of previous recommendations was performed for the period of March 1, 2000 through April 30, 2000. Except for one new recommendation, the Recommendations for Improvement in this report relate to the following original reports:

REPORT TITLE	RECOMMENDATIONS FOR IMPROVEMENT CURRENT REPORT'S REFERENCE NUMBER
Financial Controls and Legal Compliance	1 through 5
Personnel and Payroll Policies and Procedures	6 through 14
Purchasing Policies and Procedures	15 through 21

We did not evaluate the Supervisor of Elections policies and procedures for conducting an election. We did not review voter registration, voting or ballot counting procedures.

The objective of the audit was to determine whether the recommendations from the previous audits have been implemented.

To determine the status of financial controls and legal compliance recommendations, we interviewed appropriate personnel involved with the collection and deposit of receipts and revenues. We traced a sample of recorded receipt/revenue transactions to validated bank deposit receipts and reviewed bank reconciliations. In addition, we sampled petition forms submitted for qualifying certain referendum initiatives and candidates for elected positions.



To determine the status of recommendations to strengthen personnel and payroll policies and procedures, we interviewed appropriate personnel, and reviewed a sample of personnel files and payroll transactions executed in the audit period.

To determine the status of recommendations to strengthen purchasing policies and procedures, we reviewed the written purchasing policy and procedures manual, interviewed appropriate personnel and reviewed a sample of disbursements made in the audit period.

In addition, during our follow-up, we found another concern that is presented in the report after the Status of the Previous Recommendations for Improvement.

Unless specifically noted, no additional audit procedures were performed other than the follow-up on the previous Recommendations for Improvement. Had we performed additional procedures in addition to those relating to the follow-up, other matters may have been included in this report.

**FOLLOW-UP TO PREVIOUS
RECOMMENDATIONS FOR
IMPROVEMENT**



**1. The Supervisor of Elections' Financial Controls
Should Be Strengthened**

In the prior audit, we found that:

- A) The person responsible for processing and depositing revenue is also responsible for maintaining supporting records. Without adequate segregation of duties, the risk that missing monies could go undetected greatly increases.
- B) Checks received through the mail were not restrictively endorsed immediately upon receipt. Prompt endorsement of checks decreases the potential of a misappropriation occurring.
- C) Revenue collections were stored in the fiscal officer's unlocked desk drawer.
- D) The fiscal officer counted cash register collections at his office without the presence of the cashiers. Counting collections with all responsible parties present serves as a means of establishing agreement as to the amount of revenue collected at the point of sale.
- E) Voided transactions were not rung through the cash register. The voided transactions were not approved by a supervisor.
- F) Revenues were not deposited in the bank on a timely basis. The potential that collections could be lost or misappropriated was increased.
- G) Collections of over \$3,000 were not receipted. The processing of all revenue through the cash register (or other means of receipting) establishes a definitive record of collections (cash or check) made.

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We Recommend the Supervisor of Elections performs the following:

- A) Separate the duties of maintaining accounting records and the deposit of collections.
- B) Restrictively endorse checks promptly when received.
- C) Store collections in a floor safe or a locked file cabinet.
- D) Require cash register collections to be simultaneously counted out by a cashier and a supervisor at the conclusion of each day's business.
- E) Require cash register tapes used to record voided transactions be signed by both the cashier and supervisor when the void occurs.
- F) Deposit monies weekly or daily when receipts exceed \$200.
- G) Receipt all revenue transactions upon receiving (utilizing the office's cash register).

Status:

- A) Partially Implemented. The Supervisor of Elections reassigned the task of physical delivery of the deposits to the bank, and the task of receipting all collections through the cash register, to two clerks not under the Fiscal Officer's supervision. Although the cashier is responsible for closing out the cash register, the tapes and collections are subsequently turned over to the custody of the Fiscal Officer who normally prepares the bank deposit form before it is picked up by the other clerk courier for transport to the bank. This procedure allows the Fiscal Officer to continue to have access to both the accounting records and cash funds.



We Again Recommend the Supervisor of Elections separates the duties of maintaining accounting records and custody of the collections and all other cash assets.

- B) Implemented. The cashier restrictively endorses all checks promptly upon receipt.
- C) Partially Implemented. A floor safe was installed in the Fiscal Officer's office. However, we observed on more than one occasion when the safe was left unsecured, in his unoccupied office, and was accessible to other unauthorized individuals.

We Again Recommend that the Supervisor of Elections stores collections and other cash assets in a secured floor safe or locked file cabinet at all times.

- D) Implemented. The cashier runs the cash register daily tape totals and counts the cash receipts and change fund. The cashier then transports the cash and tapes to the Fiscal Officer. The Fiscal Officer recounts the money in front of the cashier, then removes the change fund and places the receipts and change fund into separate bags in the floor safe.
- E) Implemented. Voided transaction receipts were retained and approval for the void evidenced by initials/signatures of both the cashier and supervisor. However, voided transactions continue not to be recorded through the cash register.
- F) Not Implemented. Deposits continue to be made in an untimely manner. During the audit period, cash receipts were held, on average, over five business days before deposit. In several instances, collections exceeding several hundred dollars were held for over one week. Although collections are typically not large, deposits should be made whenever collections exceed a set dollar limit or on a weekly basis.



We Again Recommend monies be deposited on a weekly basis, or daily when receipts exceed a set dollar limit (\$200).

- G) Implemented. All collections are receipted through the cash register.

2. The Supervisor of Elections Should Solicit Proposals for Banking Services or Utilize the County's Banking Services Contract

A formal contract for banking services including the money market and operations account services does not exist and has not for several years since a contract negotiated by the former supervisor was allowed to lapse. These services have been with the same bank in the interim and have not been subject to competition with other institutions.

We Recommend the Supervisor of Elections solicits proposals for banking services or utilizes the County's banking services contract.

Status:

Not Implemented. The Supervisor of Elections has not obtained a formal written banking service contract from the qualified public depository that it uses. Any solicitation of proposals for banking services was not documented.

We Again Recommend the Supervisor of Elections solicits proposals for banking services or utilizes the County's banking services contract.

3. Greater Care Should Be Taken in Performing Petition Signature Verifications

Organizations desiring to have an issue placed before the electorate, qualify for access to the ballot through petition. After completing an application process with the Division of

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Elections within the Florida Department of State, the organizations submit batches of petitions to their respective county's supervisor of elections. Also, in accordance with Section 99.095, Florida Statutes, candidates seeking to qualify for nomination to any office may qualify to have their name placed on the ballot by means of the petitioning process. The supervisors verify that the individual signing the petition is a registered voter in their county and that the signature, address, birth date and/or voter registration number matches that on the voter's record.

In the prior audit, we noted five percent (three of 60) of a sample of petitions chosen from two organizations submitting petitions had been processed in error.

We Recommend supervisors conduct random checks of work performed by customer service representatives.

Status:

Implemented. Subsequent to the last audit period, the Supervisor of Elections installed a software application that provides the customer service representatives with an image of the actual petition and conducts the search of the voter registration database to find a verifying match of the petitioner's name. Validity of the petitioner's address to the initiative or candidate's electorate is programmatically determined by the software if the petitioner is found to be on the voter registry. Each customer service representatives' work is "batched" and reviewed by a supervisor. The software does not document the supervisors' review of the individual items within a batch of petitions unless a change is made. Supervisors stated that the amount of review provided varied based on the customer service clerk's experience. No set schedule of review was established (as in the supervisor reviewing every "X" number of petitions processed).

During our review, petition validity was not correctly verified in three percent (two of 60) of petitions tested. The two exceptions were instances in which the petition was deemed



invalid, but in actuality was a valid petition from a registered voter. It should be noted that the petition's certification to the State Division of Elections was amended when the errors were brought to the attention of the Supervisor of Elections staff.

4. Controls Should Be Strengthened Over the Collection of Voting Equipment/Services Revenue

The Supervisor of Elections contracts with municipalities and private organizations for the rental of voting equipment and other election services. In the prior audit, we noted the following concerns:

- A) Twenty-one percent (eight of 39) of the transactions did not have a completed contract on file.
- B) Fees charged for the rental of election equipment/services were not always correct. Forty-seven percent (17 of 36) of the invoices mailed to customers were incorrect. Additionally, two invoices did not contain information sufficient to re-compute the charges and one file did not contain an invoice. If the correct fees had been charged the Supervisor of Elections would have collected an additional \$1,276.13 of revenue.
- C) A cover letter was prepared to support each invoice mailed to customers. The cover letter and the invoice are reviewed and signed by the Supervisor of Elections as approval to send the customer the bill. Sixty-two percent (24 of 39) of the transactions reviewed did not comply with this procedure. As a result, we could not be assured that customer billings were reviewed and approved prior to being sent.
- D) Thirty-six percent (14 of 39) of the customers billed during the review period were not billed within 30 days following elections.

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- E) Election coordination personnel handle the duties of issuing and receiving voting equipment and notating such in customer files. However, the notation of equipment returned was not made in all customer files reviewed.

We Recommend the Supervisor of Elections perform the following:

- A) Ensure that a signed contract is on file for all customers renting election equipment/services from the Supervisor of Elections.
- B) Utilize the Supervisor of Elections' current fee schedule in preparing invoices mailed to customers and verify the invoices' computational accuracy.
- C) Ensure that an approved cover letter is on file for each invoice sent to customers.
- D) Ensure that customers receiving election services are billed within 30 days following elections.
- E) Maintain a record of all election equipment rented to customers.

Status:

- A) Implemented. A signed contract was on file for all sampled customers renting election equipment and/or services from the Supervisor of Elections.
- B) Implemented. The current fee schedule was utilized in preparing invoices and no computational errors were noted in the billing invoices tested.
- C) Not Applicable. The procedures for processing billings for election equipment/services were changed, and the Supervisor of Elections no longer signs and submits a cover letter with the billing invoice.

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- D) Implemented. Although we noted one instance where election equipment/service fee events were invoiced more than 30 days after the election (event), the instance appeared to have been a result of holding the invoice to resolve phone charges.
- E) Partially Implemented. The Election Coordinators continue to handle the duties of issuing and receiving election equipment rented to third parties, unless the Facilities Manager is asked to handle it. The Supervisor of Elections' warehouse facility does not keep separate records of equipment used in rental agreements to detail those machines and items issued and/or returned to the warehouse. Therefore, we found that although receipts are executed when the equipment is delivered to the renter, no subsequent receipt is issued upon its return by an individual independent of billing, nor does the warehouse keep a separate perpetual physical inventory of election equipment on hand.

We Again Recommend the Supervisor of Elections maintains a record of all election equipment rented to customers, which details the receipt and return of all machines.

5. The Supervisor of Elections Should Ensure All Candidate Office Accounts Comply With State Election Laws

In the prior audit we noted a candidate elected during 1996, transferred over \$7,000 to her office account at the end of the election. In addition, the candidate's Office Account Report for the period November 27, 1996 through December 31, 1996 and due on January 10, 1997, was not submitted to the Supervisor of Elections until April 9, 1997, some 62 days in arrears. The candidate did not comply with the State's Election Laws and, in the case of the overpayment to the office account, risked a possible fine under Section 775.082, Florida Statutes.



We Recommend the Supervisor of Elections ensures that elected officials' office accounts and reporting of same, comply with State law.

Status:

Implemented. The Supervisor of Elections ensured that the elected officials' office accounts and reporting of such accounts complied with State law.

6. Employee Annual Performance Evaluations Should Be Completed on a Timely Basis

In the prior audit, our review of a sample of 30 employees with at least one year of service found that 51 percent (44 of 86) of the employee performance evaluations were not prepared. Of these instances, four employees did not receive written evaluations for two or three consecutive years. Further, in 67 percent (28 of 42) of the instances when performance evaluations were on file, the evaluations were completed more than 30 days after the due dates. Timely performance evaluations provide employees a foundation for performance improvements.

We Recommend the Supervisor of Elections complies with its written policies and procedures and ensures that employee performance evaluations are prepared on a timely basis.

Status:

Implemented. Our review of personnel files indicated that during the audit period timely employee performance evaluations were prepared and retained. The performance evaluations evidenced management's review of the individual employee.



**7. Employee Probationary Performance Evaluations
Should Be Completed on a Timely Basis**

In the prior audit, three of seven newly hired employees reviewed did not have a performance evaluation completed at the end of the employees' probationary period.

We Recommend the Supervisor of Elections adheres to standard operating procedures by ensuring that probationary employee performance evaluations are completed on a timely basis.

Status:

Implemented. Our review of newly hired employees' probationary performance evaluations indicated that the evaluations were prepared in a timely manner.

**8. The Supervisor of Elections Should Develop and
Implement Formal Salary and Wage Guidelines**

At the time of our prior audit, the Supervisor of Elections did not have a formal salary and wage plan to show classification of employees, grades for positions, salary ranges with minimum and maximum salaries for grades, and guidelines to link evaluation points to salary increases. Relating to this, we noted the following concerns during our review:

- A) Salary increases were given without performance evaluations being prepared in all instances.
- B) Percentage increases given to employees did not always correlate to performance evaluation scores.
- C) Employees completing probation appeared to receive the same salary increase regardless of their performance above the category "Meets Acceptable Requirements".

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- D) Promotions were not always supported by an evaluation or documentation to explain the salary increase provided.

A formal salary and wage plan helps to promote objectivity in salary administration.

We Recommend the Supervisor of Elections develops and implements formal salary and wage guidelines. These guidelines should include, at a minimum, grades for positions, salary ranges with minimum and maximum salaries for grades, and guidelines to link evaluation points to salary increases.

Status:

Partially Implemented. The Supervisor of Elections adopted, with minor changes, the County's broadband pay plan for the fiscal year 2000. The adopted pay plan fulfills all the requirements of our recommendation for improvement, except formally linking performance evaluation scores with salary increases. When the compensation received by 15 full-time employees was compared to the adopted broadband plan, we found no exceptions. However, we noted in a review of eight individuals that had received performance evaluations with scores of 90% or more, only two received salary increases associated with the performance review. For example, three individuals received the same performance evaluation score of 100% but only one received a "merit" salary increase. The Supervisor of Elections, as a constitutional officer, exercised his discretionary authority to grant certain employees pay increases within the respective broadband range.

The objectivity in salary administration may be questioned without formal guidelines linking performance evaluation scores to salary increases.

We Again Recommend the Supervisor of Elections modifies the current salary administration plan to link performance evaluation scores to salary increases.



9. Florida Retirement System (FRS) Liability for Temporary Employees Should Be Determined With Assistance From Appropriate Legal Counsel and the FRS

In the prior audit, we noted that certain temporary employees were terminated from employment before reaching six months of employment and in some cases rehired a short time later (a few days or a week) apparently to avoid payment of Florida Retirement System (FRS) contributions. Further, it appeared that several customer service positions existed for a period longer than six months although several employees occupied the positions.

In all instances, no Florida Retirement System contributions were paid for these temporary positions or employees.

We Recommend the Supervisor of Elections works with appropriate legal counsel and requests an opinion from the FRS to determine if FRS contributions are required, and if so, amounts of any retroactive contributions owed.

Status:

Implemented. The Supervisor of Elections sought and received an opinion from the Florida Retirement System regarding the nature of positions that must participate in the Retirement System. Based on the Supervisor of Elections' opinion request and his subsequent interpretation of the opinion received, no retroactive contributions were made for temporary employees identified in the prior audit. Our review of the 88 temporary positions filled during the audit period indicated that the positions were appropriately classified and designated as either positions required to be covered by the Florida Retirement System and those not eligible to participate in the Florida Retirement System.



10. Temporary Employment Contracts Should Be Monitored for Expiration and Renewed When Employment Exceeds the Contract Period

In the prior audit period, a review of 45 temporary employment contracts revealed that employment continued beyond the contract period without any written extension in 33 percent (14 of 42) of the applicable instances. Employees who are retained beyond the contract period without a renewal or amendment of the contract terms could consider themselves as regular employees eligible for benefits.

We Recommend the Supervisor of Elections monitors temporary employment contracts to ensure that, where necessary, written extensions or new contracts are granted when contract terms expire.

Status:

Partially Implemented. In one of nine temporary employment contracts reviewed, the employee worked over 30 days beyond the contract period. We also noted in the review of these nine contracts, that in all instances the temporary employees were paid for work performed before the date of the Supervisor of Elections' signature, which was to evidence his approval of the individuals' employment. In two of the nine tested contracts, the contract was signed 10 business days after the individual began work.

Section 98.015(8), Florida Statutes, allows the Supervisor of Elections to delegate hiring authority to designated Deputy Supervisors. However, we found no formal delegation of such authority, and the contract forms were not designed to indicate execution of the contract by anyone other than the Supervisor of Elections.

The temporary employment contract form was amended since the prior audit period. The contract form describes the contract period as having an "expected project completion date at or around (fill in the date)". Each contract evidenced



the employee's acknowledgement that the contract "end date may change due to workload of the office."

We Again Recommend the Supervisor of Elections monitors temporary employment contracts to ensure that, where necessary, written extensions or new contracts are granted when contract terms expire.

11. The System of Internal Controls for Payroll Should Be Strengthened

In the prior audit, we noted the following:

- A) Signed payroll checks are returned by the Supervisor of Elections directly to either the Fiscal/Payroll Officer or the Human Resource/Personnel Officer for distribution via the Departmental Managers to employees. In order to properly safeguard assets, payroll checks should not be returned to the preparer or anyone who has authority to prepare documents for adding or deleting employees from the payroll.
- B) Seventeen percent (11 of 65) of the employees reviewed did not initial or sign the payroll worksheet attesting to the accuracy of the Supervisor's Timesheet biweekly transmittal report of the employees' reported number of hours for the pay period.
- C) Salaried employees did not complete daily time sheets.

We Recommend that the Supervisor of Elections performs the following:

- A) Distributes signed payroll checks to employees without routing them through the Fiscal and/or Human Resource Officers.

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- B) Ensures that all employees comply with standard operating procedures to review and sign the payroll worksheets. If an employee is out of the office on the day the form is completed, he or she should sign the form upon returning to work.
 - C) Requires all salaried employees to complete time sheets.

Status:

- A) Not Implemented. Signed payroll checks were returned to the Human Resource Officer and/or Fiscal Officer for distribution to Department Managers and employees.

We Again Recommend that the Supervisor of Election distributes signed payroll checks to employees without routing them through the Fiscal and/or Human Resource Officers.

- B) Not Implemented. Seventy percent (166 of 237) of the employee signature blocks on the Biweekly Supervisors Timesheet Transmittals reviewed were not signed by the employees to acknowledge time worked as required by department policy. The Supervisor's Biweekly Timesheet Transmittal report is the summarized total number of hours for the pay period and is used to attest to the accuracy of the reported hours. Hourly employees (both full-time and temporary) are required to submit daily timesheets that are completed and signed by the employee. The Supervisor's Biweekly Timesheet Transmittal is prepared by the Department Managers by transcribing information from the employee's timesheet regarding total hours worked and leave taken, if applicable. Salaried employees do not prepare daily timesheets, but procedures require they sign the Supervisor's Biweekly Timesheet Transmittal. As discussed below we noted several instances in



which salaried employees' signatures were not obtained (see status C below).

We Again Recommend that the Supervisor of Elections ensures that all employees review and sign the Biweekly Supervisors Timesheet Transmittal. As an alternative, signed timesheets could be prepared and used during the preparation process.

- C) Not Implemented. As previously noted the Supervisor of Elections' salaried staff members do not complete daily timesheets. Although each salaried employee generally signs the Biweekly Supervisors Timesheet to acknowledge total hours worked during the pay period, we noted that in 12 of 83 instances reviewed, salaried employees records did not have signatures verifying hours/leave reported for pay purposes. The risk that employees may be paid the incorrect number of hours worked is increased when the employee does not document the daily number of hours worked and verify hours worked and leave taken.

We Again Recommend that the Supervisor of Elections requires all salaried employees to complete time sheets.

12. Job Descriptions Should Be Prepared for All Positions and Given to All Employees

During the prior audit, we noted employees did not have written job descriptions to describe current positions, job requirements, and duties. Job descriptions help to clearly define and communicate duties and requirements of each position.

We Recommend the Supervisor of Elections prepares written policies and procedures to require job descriptions for each job position.



Status:

Implemented. The Supervisor of Elections has prepared written job descriptions for all budgeted positions and certain temporary positions.

13. The Supervisor of Elections Should Follow Standard Operating Procedures Governing the Hiring Process

In the prior audit period, the auditors reviewed documentation related to the hiring of nine employees. The auditors were unable to locate documentation of employee requisitions, completed interview/selection worksheets, or evidence of job history verification for the nine individuals. In addition, evidence that the required oath of office was taken could not be found for one employee.

We Recommend the Supervisor of Elections follows standard operating procedures governing the hiring process. In particular, employee requisition forms, interview/selection worksheets, evidence of job history verification, and written evidence of the oath of office should be maintained.

Status:

Partially Implemented. A review of documentation for two of three permanent employees hired during the audit period revealed that employee requisitions, evidence of job history verification, and/or completed interview/selection worksheets could not be located. Oaths of office were evidenced and on file in the employees' personnel files. The auditors note that the Human Resource Officer's position was vacant for a portion of the audit period, which may have been the cause for the missing documentation. However, designating interim responsibility for maintaining appropriate records during the Human Resource Officer position vacancy and reviewing existing filing methodology may have prevented the loss of records or ensured their completion.



We Again Recommend that the Supervisor of Elections follows standard operating procedures governing the hiring process. In particular, employee requisition forms, interview/selection worksheets and evidence of job history verification should be documented and retained in accordance with the appropriate records retention schedule.

14. Personnel Files Should Include Adequate Documentation of All Personnel Actions

In the prior audit, we noted that personnel actions and matters were not always adequately documented in the employees' personnel files.

We Recommend the Supervisor of Elections maintains adequate documentation in each employee's file to support personnel and pay actions authorized and executed.

Status:

Partially Implemented. Our review of documentation for permanent employees indicates that personnel transactions such as changes in position, changes in salary, and changes in benefits were appropriately documented. However, our review of documentation for transaction related to part-time poll-worker positions found instances of personnel actions that lacked adequate documentation. Examples of these instances lacking documentation are as follows:

- A) We were unable to verify that two precinct clerks, each having received a \$50 bonus for exceptional service on Election Day, were entitled to the award because a list of eligible individuals was not retained. Additionally, the Supervisor of Elections' pay plan did not include information pertaining to Election Day wages for poll worker positions and criteria for precinct clerks to receive bonuses.
- B) We sampled pay disbursements to Election Day workers and found five percent (one of 18) did not

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have a properly completed application or authorization to work.

- C) We were unable to verify or validate any training for five percent (one of 19) of the workers sampled.
- D) During the March 2000 presidential primary, precinct clerks at nineteen percent (44 of 229) of the precincts did not certify poll worker attendance. One precinct did not use the payroll form provided, but instead submitted a scrap of paper with worker signatures and positions noted.
- E) Twenty percent (46 of 229) of the precincts had not either executed or properly evidenced the employee oaths required by law.
- F) We noted one \$250 payment to an individual poll worker that could not be explained, and was acknowledged by the Elections Service Director as an erroneous, unearned wage.

Without appropriate documentation of personnel transactions, payments may be made to fictitious employees, individuals could be paid without providing services and bonuses may be improperly granted to individuals.

We Again Recommend that the Supervisor of Elections maintains adequate documentation in all employees' files to support personnel and pay actions authorized and executed.

15. Out-of-Town Travel Expenses Should Be Justified and Properly Supported by Adequate Documentation

The prior audit noted travel expenses of the former Supervisor of Elections for which detailed receipts and other supporting documentation were unavailable. Without the receipts and adequate supporting documents, we were



unable to determine justification and the legitimacy of some expenses.

We Recommend the Supervisor of Elections ensures the following:

- A) All out-of-town travel expenses are justified.
- B) All travel claims are properly supported by receipts and adequate documentation prior to authorizing reimbursements.

Status:

- A) Implemented. Only two disbursements for travel expenses were made in the audit period. We found adequate documentation to justify the expense.
- B) Implemented. We found appropriate documentation to support the cost and public purpose served for the two travel expense disbursements noted above. Travel authorizations were received before actual travel or expense was incurred.

16. The Supervisor of Elections Should Improve Purchasing Policies and Procedures

Previously, we noted that the Supervisor of Elections did not have current written comprehensive purchasing policies and procedures. The policies and procedures were maintained in two sets of documents with some policies dating back to 1984. The following were areas not addressed in the written policies and procedures for the prior audit period:

- A) There were no provisions for the use of a formal solicitation process regarding procedures to implement competitive sealed bids and proposals.

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- B) There were no guidelines for:
- Evaluation and selection of bids and proposals received;
 - Use of term contracts and release orders;
 - Use of blanket purchase orders; and
 - Bid protests and disputes.
- C) There is no provision for public solicitation and/or advertising for requests for goods or services.
- D) There is no requirement for written justification of sole source purchases.

We Recommend the Supervisor of Elections prepares comprehensive current purchasing policies and procedures to include the following:

- A) A formal bid process addressing the use of competitive sealed bids and competitive sealed proposals;
- B) Guidelines for the proper evaluation of requests for proposals; issuance of term contracts, release orders, and blanket purchase orders; and procedures for bid protests and disputes;
- C) Public solicitation/advertising for purchases above a set dollar limit; and
- D) Written justification of sole source purchases.

Status:

The Supervisor of Elections provided the auditors with an updated purchasing procedures document dated July 20, 2000. Our review indicates that this document, while improved, is still not adequately comprehensive. We noted the revised procedures did not contain all of the specified elements identified above.

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- A) Partially Implemented. The level required for obtaining sealed competitive bids is higher than normally found in organizations of a comparable size.
 - B) Partially Implemented. The procedure to address bid protests and disputes is not provided.
 - C) Partially Implemented. The advertising periods are not defined in the updated procedures.
 - D) Not Implemented. The new policy did not contain a requirement to evidence the reason for declaring a "sole source" or "emergency" purchase.

We Again Recommend that the Supervisor of Elections prepares and implements comprehensive current purchasing policies and procedures to include the following:

- A) A formal bid process addressing the use of competitive sealed bids and competitive sealed proposals;
- B) Guidelines for the proper evaluation of request for proposals; issuance of term contracts, release orders, and blanket purchase orders; and procedures for bid protests and disputes;
- C) Public solicitation/advertising for purchases above a set dollar limit; and
- D) Written justification of sole source purchases.

17. The Supervisor of Elections Should Comply with Established Purchasing Policies and Procedures and Follow Good Purchasing Practices

In the prior audit, we found that the Supervisor of Elections did not comply with self-established purchasing policies and procedures. The results of testing purchase transactions in the previous audit period are as follows:

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- A) Purchase requisitions could not be located for twenty percent (five of 25) of tested purchases.
 - B) Public solicitation/advertising was not obtained in accordance with applicable procedures in effect during the audit period for eight of nine applicable purchases.
 - C) Competitive solicitation was not utilized in 12, or adequately utilized in one, of 20 applicable transactions reviewed. In addition, it was noted that no written justification or explanations were provided for the use of the vendors as a sole source.
 - D) One instance was noted where the purchase requisition and related purchase orders were issued and dated subsequent to the receipt of the goods and services.
 - E) In one instance noted, the purchase order was not properly approved prior to receipt of the goods and services.
 - F) Seventy-one percent of (15 of 21) of tested purchases were not supported by receiving reports.

We Recommend the Supervisor of Elections:

- A) Reviews applicable purchasing procedures with appropriate staff to ensure that standard operating procedures are consistently followed and purchase requisitions are prepared where appropriate;
- B) Ensures that purchases over a certain dollar limit are publicly advertised;
- C) Ensures that purchases are made through competitive solicitation;
- D) Complies with its own written procedures in ensuring that purchase orders are issued subsequent to

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approved purchase requisitions and prior to goods and services being ordered. Where exception to any of these written procedures is necessary, justification should be adequately documented;

- E) Ensures that supporting documents are properly reviewed before signing checks for payment of invoices; and
- F) Ensures that all invoices are accompanied by adequate supporting documentation, including receiving reports, before authorizing payments.

Status:

- A) Not Implemented. During our review, we found purchase requisitions were not prepared where appropriate in 27 percent (seven of 26) of purchases reviewed.

We Again Recommend that the Supervisor of Elections reviews applicable purchasing procedures with appropriate staff to ensure that standard operating procedures are consistently followed and purchase requisitions are prepared where appropriate.

- B) Not Implemented. We noted in three purchase transactions of over \$10,000, procedures to obtain competitive pricing through the solicitation/advertising of invitations for bids or requests for proposals/quotes were not followed as required by the written purchasing procedures existing for the audit period. While reviewing the \$47,785 disbursement for sample ballot copying and mailing, we found no documentation of soliciting competitive bids or evidence to support the vendor as a sole source. The revised purchasing procedures effective July 20, 2000, only require formal sealed bids for expenditures of \$50,001 or more.



We Again Recommend that the Supervisor of Elections ensures that purchases over a certain dollar limit are publicly advertised.

- C) Not Implemented. Only one of the applicable nine purchases reviewed was made with documented formal competitive solicitation. We were unable to determine if bids or quotes were solicited for the other eight purchases as no documented evidence of quotes was found.

We Again Recommend that the Supervisor of Elections ensures that purchases are made through competitive solicitation.

- D) Implemented. However, in one instance, we were unable to determine if the purchase orders were issued prior to the placement of the orders with the vendors.
- E) Implemented. The Supervisor of Elections signature of authorization and approval was found on all appropriate documents. The Supervisor of Elections manually signed all checks other than an occasional disbursement when the Senior Deputy Supervisor of Elections for Administration signed in his place.
- F) Partially Implemented. Since the prior audit, the Supervisor of Elections attempted to implement new goods receiving procedures by assigning a new individual responsibility for receipt of goods and preparation of receiving reports. We found receiving reports were not prepared for four of the six applicable purchases reviewed in our follow-up period.

We Again Recommend that the Supervisor of Elections ensures that all invoices are accompanied by adequate supporting documentation, including receiving reports, before authorizing payments.



18. Invoices and Supporting Documents Should Be Marked Paid, Voided, or Canceled to Prevent Reuse After Payment Is Made

In the previous audit, a review of supporting documentation for 51 payments revealed supporting invoices and other related documents were not marked as paid, voided or otherwise canceled after the invoices were paid.

We Recommend the Supervisor of Elections implements procedures to cancel invoices and all supporting documents immediately after payments are made.

Status:

Implemented. All appropriate supporting documentation for the 26 payments reviewed, was marked as paid, voided and adequately evidenced cancellation.

19. The System of Internal Controls for Purchasing Should Be Strengthened

The prior audit reported the following conditions:

- A) The purchasing, receiving, and custodial functions were not adequately segregated.
- B) The Purchasing Officer maintained custody of the inventory of unused checks.
- C) There was inadequate segregation of duties between the check preparation process and the distribution process.
- D) A log book/inventory of unused checks was not maintained to account for blank stock.
- E) The stock of blank checks was kept in an open box under the Finance Officer's desk.

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- F) Two checks reported as void were not located. Void checks were not physically filed in with paid checks in order to account for sequential numbering in reconciling bank statements.
 - G) Purchase order forms are not pre-numbered. The MUNIS financial software purchasing application numbers the forms, however the Purchasing Officer resets the numbering system at the beginning of each month. Purchasing controls are impaired when the purchase order accountability is lost without sequential numbering to verify that all forms are accounted for as issued, open, closed or voided.
 - H) The MUNIS financial software system was not fully utilized.

We Recommend the Supervisor of Elections:

- A) Considers segregating the duties of present staff in such a manner as to separate the receiving and custodial functions;
- B) Considers segregating the duties of the check custodian and the purchasing functions;
- C) Ensures that checks are not returned to the person responsible for their preparation;
- D) Establishes a logbook to account for unused checks;
- E) Restricts access to blank checks to only authorized individuals;
- F) Files all void checks with paid checks when reconciling the bank statements and accounts for all checks by sequential numbering;
- G) Utilizes pre-numbered purchase orders for all purchases; and

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- H) Considers paying invoices once each week with the aid of the automatic check writing capability of the MUNIS system.

Status:

- A) Partially Implemented. Although the Supervisor of Elections established written procedures on this matter, we noted in our review that documentation and/or evidence of receipt of goods by an individual independent of the purchasing functions was not available for four of six applicable disbursements reviewed. The receiving report/open purchase order binder was not maintained during the audit period. Office supplies stock was still in the custody of the Purchasing Officer. Independent physical inventories of the office supplies were not routinely scheduled, taken, or signed and dated. The inventories that were taken were not compared to the supplies re-order spreadsheet maintained by the Purchasing Officer, or retained and reviewed by anyone other than the Purchasing Officer. Without independent verification of the receipt of goods and services, payment may be made for purchases not received by the agency. Goods will be at greater risk of misappropriation without proper receiving reports and inventory verification procedures.

We Again Recommend that the Supervisor of Elections considers segregating the duties of present staff in such a manner as to separate goods receiving and custodial functions.

- B) Implemented. The Senior Deputy Supervisor of Elections for Election Services has assumed the custodial function for the majority of the unused check stock.
- C) Not Implemented. During our review, signed checks are returned to the Fiscal Officer for distribution to the check payees and vendors. Without appropriate

distribution controls, signed checks could be altered or misappropriated by the individual who prepares the check for signature.

We Again Recommend that the Supervisor of Elections ensures signed checks are not returned to the person responsible for their preparation.

- D) Partially Implemented. The Senior Deputy Supervisor of Elections for Election Services did create a logbook/spreadsheet to record unused check stock stored in the ballot vault. However, the logbook neither accounted for the dates of receipt of the stock nor the issue dates and names of individuals removing the stock. We found that a significant number of checks are left in suspense when the blank stock is issued by box of 1,100 or 1,300 check lots to the Fiscal Officer. The hard copies of the logbook/spreadsheet had not been signed or dated by anyone.

We Again Recommend that the Supervisor of Elections establishes a detailed logbook to account for all unused checks.

- E) Partially Implemented. The majority of unused check stock is appropriately secured in the ballot vault. However, check stock issued to the custody of the Fiscal Officer is not adequately secured at all times. As noted in the status of Recommendation for Improvement No. 1 (C), the auditor observed instances when the Fiscal Office was left unattended and unsecured. The Purchasing Officer is granted authorized access to the Fiscal Officer's office. The Fiscal Officer does not keep a log of unused check stock in his custody, only the manual check register of checks issued. Appropriate internal controls require the proper accounting and secured physical custody of unused checks.



We Again Recommend that the Supervisor of Elections restricts access to blank checks to only authorized individuals.

- F) Not Implemented. Void checks are not filed with canceled paid checks to account for sequential numbering in reconciling bank statements. We observed one voided check document that was listed as voided on the manual check register, but not correctly entered as void on the MUNIS financial software general ledger system and thus listed as outstanding on the bank reconciliation for both months of our audit period. The correction to the general ledger was made after the condition was brought to the attention of the Fiscal Officer and Sr. Deputy Supervisor of Elections for Election Services.

We also observed that the Supervisor of Elections has not destroyed 4,200 unused general account checks, which are considered obsolete due to the white color of the stock that makes it difficult to distinguish between the original document and copies. A decision was made in 1997 to discontinue use of the white checks. Patterned check stock was obtained and is in current use. However, the patterned check stock was ordered with duplicate check numbers identical to those on the original white check stock. The obsolete checks should be destroyed to reduce the risk of misappropriation using such documents.

We Again Recommend that the Supervisor of Elections files all void checks with paid checks when reconciling the bank statements and accounts for all checks by sequential numbering. In addition, obsolete checks should be destroyed.

- G) Not Implemented. The Supervisor of Elections did not purchase pre-numbered purchase order forms, but continued to rely upon the MUNIS financial software purchasing application that assigns numbers to the



blank purchase order forms. As noted in the prior audit, the Purchasing Officer continued, on a monthly basis, to reset the computer generated purchase order number.

We Again Recommend that the Supervisor of Elections utilizes pre-numbered purchase orders for all purchases.

- H) Not Applicable. Subsequent to the audit period, the Supervisor of Elections purchased a new financial software system to replace the MUNIS financial software system. Implementation of the new software is in process as of the date of this report.

20. Controls Over the Operation of Petty Cash Should Be Improved

Our review of petty cash procedures in the prior audit noted the following:

- A) Inadequate segregation of duties in the handling of petty cash. The individual responsible for approving the petty cash vouchers also had duties of custody and disbursing the funds, obtaining reimbursements, recording the transactions and reconciling the funds. The fund should be periodically reconciled by a person independent of the petty cash custodian.
- B) Petty cash vouchers were not properly prepared.
- C) A reimbursement was made without supporting receipt of item(s) or other vendor documentation.
- D) None of the 63 petty cash vouchers and supporting documentation reviewed were voided or canceled after reimbursement was received to prevent reuse.



We Recommend the Supervisor of Elections ensures the following:

- A) Periodic reconciliation of the petty cash fund by a person independent of the petty cash operation.
- B) Proper completion of petty cash vouchers.
- C) All payments are made based upon properly approved petty cash vouchers.
- D) Vouchers and supporting documents are voided immediately upon payment.

Status:

- A) Partially Implemented. The Fiscal Officer continues to be the custodian of the petty cash fund. He completes a reconciliation of the petty cash fund and submits it to the Supervisor of Elections together with the request for funds reimbursement. We noted no signatures or initials to evidence the Supervisor of Elections' review and acceptance of the reconciliation. Controls related to proper segregation of reconciling and custodial functions for assets, together with physical cash counts of the petty cash fund, reduce the risk of errors, omissions, or misappropriations occurring without timely detection in the course of normal procedures.

We Again Recommend that the Supervisor of Elections ensures the petty cash fund is reconciled periodically by a person independent of the petty cash operation.

- B) Not Implemented. Our test of 41 petty cash vouchers disclosed that none of the petty cash vouchers had the amounts requested to be reimbursed written out in words. Five of the 41 vouchers were not dated, and one voucher did not evidence the receipt of funds. Petty cash vouchers are used as a control to provide



information regarding the recipient of the funds, the items purchased and the purpose of the expense. When amounts are not spelled out, the receipt amount may be easily altered.

We Again Recommend that the Supervisor of Elections ensures the proper completion of petty cash voucher before disbursing the funds.

- C) Not Implemented. The Fiscal Officer is assigned both the custodial duties of the petty cash fund and the authority to approve and disburse the fund. None of the 41 petty cash vouchers reviewed evidenced an "Approved By" signature.

We Again Recommend that the Supervisor of Elections ensures that all payments of petty cash are made based upon properly approved petty cash vouchers.

- D) Implemented. We observed that petty cash vouchers and supporting receipts were appropriately voided or canceled immediately upon payment.

21. Written Guidelines Should Be Established for Meals and Other Miscellaneous Purchases

In the prior audit, we reported that there was no written policy to provide guidelines as to what items may be purchased from petty cash, who qualified to receive free meals, what the limits on the cost of such free meals should be, and when such meals should be provided. Without such guidelines, public funds may be expended for questionable purposes or the propriety of such expenditures may be questioned.

We Recommend that the Supervisor of Elections establishes written policies and procedures to provide guidelines for payments from the petty cash fund, who may

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receive free meals, how much it should cost and when it may be provided.

Status:

Implemented. The Supervisor of Elections prepared a written policy regarding the provision of meals to employees. The review of 41 petty cash disbursements found that petty cash disbursements were in accordance with the policy.

ADDITIONAL RECOMMENDATION
FOR
IMPROVEMENT

**FOLLOW-UP AUDIT OF THE SUPERVISOR OF ELECTIONS
ACTION PLAN**

NO.	MANAGEMENT RESPONSE			IMPLEMENTATION STATUS		RECOMMENDATIONS
	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	UNDERWAY	PLANNED	
1.	X			X		The Supervisor of Elections should establish and implement procedures to contact payees of stale dated checks and should comply with Section 717.117, Florida Statutes, for the proper reporting of abandoned property.

1. Establish and Implement Procedures to Contact Payees and Resolve Checks Outstanding for Extended Periods

The bank reconciliation for April 30, 2000 reported 32 stale dated checks outstanding for more than seven months. The checks were all issued between September 1998 and October 1, 1999 ranging in amounts from approximately \$5 to \$400 and totaling \$2,482.40. Many of these checks were issued to poll workers for previous years' election services wages.

The Fiscal Officer did not perform follow-up activities to attempt to contact the check payee and determine why the checks had not been cashed. Good business practices require, after a set period (established by policy or standard practice), efforts to contact the payee should be made to complete payment.

Chapter 717, Florida Statutes, establishes procedures for the determination of abandoned property and the reporting and transfer of such abandoned property to the Florida Department of Banking and Finance. Unclaimed wages (payroll checks outstanding) are considered by Section 717.115, Florida Statutes, to be abandoned property if outstanding for more than one year from the day the wages were payable.

We Recommend that the Supervisor of Elections establishes and implements procedures to contact payees of stale dated checks and to comply with Section 717.117, Florida Statutes, for the proper reporting of abandoned property.