



Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

Internal Audit Department

Audit Report

Manatee County Supervisor of Elections
Financial Controls Audit

As of December 31, 2014

January 21, 2016

Audit No. 21510300

MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DEPARTMENT

SUPERVISOR OF ELECTIONS OFFICE
AUDIT OF FINANCIAL CONTROLS

A U D I T R E P O R T

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A U D I T R E P O R T

The Internal Audit Department conducted an audit of financial controls of the Supervisor of Elections Office for the audit period January 1, 2014 through December 31, 2014. The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS), established by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

BACKGROUND:

The Supervisor of Elections is a constitutional office created and provided for under the Florida Constitution and the Laws of Florida. As an elected official, the Supervisor of Elections administers all countywide elections in Manatee County, and other municipal and special district elections by contract. The Supervisor of Elections conducts voter registration and issues voter identification cards, updates voter registration lists, and provides for absentee registration and absentee voting. The Supervisor of Elections is responsible for qualifying candidates, and receiving candidate campaign finance reports and financial disclosure reports.

The Supervisor of Elections receives qualifying fees and revenues for election services performed, petition verifications, and other miscellaneous services. The Supervisor of Elections' expenditures include but are not limited to maintaining election equipment, hiring and training poll workers, renting and equipping polling locations, and general office expenditures for day-to-day operations.

PURPOSE/OBJECTIVE:

The audit objectives included determining whether financial controls are effective to ensure proper recording of revenues and expenditures, and evaluating the efficiency and effectiveness of financial operations. The audit also verified whether an adequate system of internal controls exists to ensure the proper segregation of duties and compliance with policies and procedures over revenues and expenditures.

SCOPE:

The scope of the audit included examining the controls over revenues and expenditures of the Supervisor of Elections Office for the period January 1, 2014 through December 31, 2014. This included a review of account activity and financial transactions. In addition, internal controls were reviewed to ensure efficiency and effectiveness over financial operations. The audit did not include examining any controls over the election process.

METHODOLOGY:

Internal control evaluations were accomplished by flowcharting key financial processes, discussions with management and staff, observations, and analytical and substantive testing of individual internal controls.

IRREGULARITIES, ABUSE, OR ILLEGAL ACTS:

No indications of irregularities, abuse, or illegal acts were discovered during the audit that could affect the financial accountability of the Supervisor of Elections for the audit period ending December 31, 2014.

TEST OF COMPLIANCE:

Tests of compliance were limited to the Supervisor of Elections policies and procedures over revenues and expenditures, including purchasing procedures. The results of these tests disclosed one instance of noncompliance which is included in Audit Finding #1.

STATEMENT ON INTERNAL CONTROL STRUCTURE:

In planning and performing the audit of financial controls of the Supervisor of Elections for the period ending December 31, 2014, the internal control structure was considered in order to determine the auditing procedures for the purpose of this report. Internal control weaknesses involve matters relating to deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report on data consistent with management's intentions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions. In addition, because of the inherent limitations in any internal control structure, deficiencies in the design or operation of the internal control structure may exist and not be detected. In this report, we did not note any matters involving significant internal control weaknesses.

MANAGEMENT TEAM AND MANAGEMENT ACTION PLAN:

A Management Action Plan has been provided for each Area for Improvement identified. Management Action Plans are corrective actions with implementation dates developed in cooperation with the Supervisor of Elections, the Assistant Supervisor of Elections, and the Internal Audit Department.

MANAGEMENT SUMMARY:

Since 2001, the Supervisor of Elections has periodically requested the Internal Audit Department perform audits of internal controls over the Office's financial operations. The prior audit was performed for the eleven-month period ending November 30, 2012. The current audit covered the year ending December 31, 2014, and finds that the Supervisor of Elections Office continues to properly account for revenue and expenditures efficiently and effectively. The Supervisor of Elections Office is properly charging for election services, petition verifications and other miscellaneous services. Expenditures are also properly approved and accounted for.

The audit did identify one area where the Supervisor of Elections Office could improve compliance with its own published policies and procedures. A similar condition was noted in our prior audit report, and although reportable, this area is considered relatively minor in relation to the overall operations of the Supervisor of Elections Office.

- Controls can be strengthened to ensure that documentation of competitive pricing for purchases is obtained and retained in accordance with the Supervisor of Elections Office's Purchasing Procedures. The Management Team, through the Management Action Plan, will ensure that competitive pricing is properly documented by implementing the use of a purchase requisition form to record vendor pricing comparisons.

(See Area for Improvement on page 5.)

We would like to thank the Supervisor of Elections Office personnel for the cooperation and courtesy afforded to our auditors throughout the audit. We support management's commitment to the continuous improvement and accountability of operations.

AUDIT REPORT AUTHORIZATION:

This audit report has been reviewed and authorized by:



Lori Stephens, CPA, CFE
Director of Internal Audit



Angelina "Angel" Colonnese
Clerk of the Circuit Court & Comptroller

AREA FOR IMPROVEMENT - Compliance with Supervisor of Elections Purchasing Procedures - Documentation of Competitive Pricing

According to the Supervisor of Elections Purchasing Procedures, documentation of vendor pricing comparisons is required for all purchases greater than \$500, with limited exceptions. A statistical sample of 117 purchases out of the 897 expenditures made during the audit period ending December 31, 2014 was selected and reviewed for compliance with purchasing procedures. Of the 117 purchases sampled, 24 required competitive vendor pricing. Testing found that 5 of these 24 purchases (20.8%) were not supported with documentation of the required vendor pricing comparison, or an explanation to support why competitive quotes were not obtained.

Management Action Plan:

Management will update the Purchasing Procedures to include requirements for utilizing a purchase requisition form to document competitive pricing on purchases and ensure compliance with the purchasing policies and procedures. The requisition form will also be used to document when competition is not required, including instances where the vendor is a sole source provider, on a State contract, or on a County blanket purchase order. Implementation is anticipated by March 31, 2106.