



**FULTON
COUNTY**

FULTON COUNTY, GEORGIA

OFFICE OF THE COUNTY AUDITOR

**Follow-Up Review: Registration and Elections Financial
Review**

April 26, 2023

TABLE OF CONTENTS

INTRODUCTION 1
BACKGROUND 1
OBJECTIVE 1
SCOPE 1
METHODOLOGY 1
STATUS OF CORRECTIVE ACTION PLAN..... 2
CONCLUSION..... 8

INTRODUCTION

In accordance with the 2023 approved Audit Plan, the Office of the County Auditor conducted a follow-up financial review of the Registration and Elections Department. The review determined if adequate measures were taken to resolve the findings and the recommendations addressed in our prior audit report dated August 2, 2021.

BACKGROUND

The Registration and Elections Department is responsible for overseeing the allocation of voting machines, managing polling locations, ensuring the accessibility, integrity and efficiency of the polling process, as well as many other tasks to ensure elections run smoothly. The Registration and Elections Department works diligently with federal, state and other local election authorities to ensure the safety and security of the voting systems. County election officials strive to administer elections in a way that is accurate, safe, secure and accessible for all voters.

Additionally, the Registration and Elections Department is responsible for registering voters who reside within Fulton County. The Fulton County Board of Registration and Elections has jurisdiction over the Department of Registration and Elections.

OBJECTIVE

The objectives of the review were to assess the adequacy of the measures taken to resolve prior findings and to evaluate the corrective action plan and any supporting documentation to validate the progress of implementation, as it relates to the Registration and Elections Department.

SCOPE

The scope of the initial audit was from January, 2020 – April, 2021. The information reviewed for the follow-up was from January, 2022 – December, 2022.

METHODOLOGY

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

To achieve our audit objectives, we conducted the following:

- Reviewed management’s responses and corrective action plan;
- Obtained supporting documentation to determine the status of implementation of management’s corrective action plan;

- Reviewed Registration and Elections Standard Operating Procedures
- Interviewed key staff, regarding procedures and internal controls
- Conducted a review of departmental funding sources for calendar year 2022
- Conducted a review of the 2022 proposed budget and adopted budget
- Performed invoice testing to ensure compliance with Senate Bill 202 (SB 202)
- Performed an onsite inventory audit of assets used during the 2022 calendar year; and
- Performed testing to verify whether funds allocated by the Board of Commissioners were used as intended.

STATUS OF CORRECTIVE ACTION PLAN

In response to the August 2, 2021 Registration and Elections Financial Review, the department addressed the nine (9) findings and one (1) concern reflected in the report. Based on our review, four (4) recommendations were implemented, five (5) recommendations were partially implemented, and one (1) recommendation was in progress. Table 1 summarizes the implementation status of each finding.

We classified the status of implementation as follows:

- **Implemented** – The Division has fully implemented the recommendation.
- **Partially Implemented** – The Division has partially implemented the recommendation.
- **In Progress** – The Division intends to fully implement the recommendation.
- **Not Implemented** – The Division has not implemented the recommendation.

Table 1

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
1	Lack of Departmental Standard Operating Procedures	Management needs to develop departmental SOPs to reflect changes in the operating environment and standards of practice to ensure the consistent execution of day-to-day operations and business processes. Additionally, management should ensure that everyone is informed about the departmental SOPs and understands their significance in maintaining the overall integrity of the department. Management	A vendor has been engaged who will provide for the development, restructuring, revamping, and rewriting of the entire department’s SOPs to ensure that they are written simply, concise and with purpose. They will include updated procedures, scope, responsibilities, and accountability measures.	Management’s Response: Our department has created and rewritten multiple Standard Operating Procedures for every role or function within the department. We have made it a practice to update SOPs whenever we identify an outdated process or a new law is passed. We are currently updating all Registration and Election related procedures due to the implementation of the new voter registration

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
		should also ensure SOPs are complete, clearly written, and based on input from the employees who do the job.		<p>system GARVIS, which was launched on February 6th, 2023.</p> <p>Auditor’s Response: The Department provided SOPs related to Absentee Voting, Advance Voting, Administration and Finance, Registration, Information Systems and Recruitment and Training. (In Progress)</p>
2	Inconsistent Procurement Procedures	We recommend the department adheres to consistent procurement practices to mitigate/alleviate disputes and misinterpretation.	<p>The department has created SOPs to follow in the future. State of emergency processes and procedures have been discontinued. This will require the department to follow regular County procedures. No longer will invoices precede purchase orders. Once the post-election assessment plan is completed, all roles and responsibilities will again be handed back to departmental personnel. The department is adding a Financial Systems Manager to the staff as well. This will help them with significantly larger budgets and demands upon department personnel. It will also help them follow all established guidelines and procedures.</p>	<p>Management’s Response: We have hired our Financial Systems Manager (FSM) who provides oversight to all of our budget and finance related functions. The Administrative Manager & FSM are both responsible for our procurement work for AML & other vendor purchases. We also closely work with, and have regular touch points with the Purchasing team to ensure adherence to County procurement policy.</p> <p>Auditor’s Response: Of the one hundred-fifty four (154) invoices sampled, ten (10) Purchase Orders were generated after the receipt of the invoice from the vendor, totaling \$384,520.18 of the \$2,268,583.68 sample selected or 17%. (Partially Implemented)</p>

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
3	Untimely Payment of Invoices	We recommend all invoices are submitted timely to comply with purchasing standards. Furthermore, the department should implement procedures that outlines the timely receipt of goods and submission of invoices for payment.	Moving forward, the department will add the Financial Systems Manager, which will allow them to maintain additional controls while having someone focus on the day to day processes and procedures associated with maintaining the budget and financial transactions.	<p>Management’s Response: We have hired our Financial Systems Manager (FSM) who provides oversight to all of our budget and finance related functions. We also closely work with, and have regular touch points with the Finance & Purchasing departments. The Administrative Manager & FSM are both responsible for our procurement work for AML & other vendor invoice processing.</p> <p>Auditor’s Response: Of the one hundred-fifty four (154) invoices reviewed, sixty-seven (67) were not paid timely. These invoices totaled \$1,197,584.69 of the \$2,268,583.68 reviewed or 53%. (Partially Implemented)</p>
4	Lack of Supporting Documentation	We recommend the department implements a system to track hourly and/or daily attendance for use by contractors and sub-contractors to record their on-site presence. This would provide the department with a verifiable means of work hours that can be used to compare to invoices for payment. In addition, we recommend the department requests detailed timesheets from	Normal tracking protocols need to be applied to any vendor with whom the department contracts, even if it is in an emergency to track, monitor and approve time for all supplemental staff from vendors.	<p>Management’s Response: Prior to each contract execution with any temp agency, we meet with the vendor to ensure that they use an electronic time-keeping system, that can regularly be monitored. We verify the amount of hours worked, by each manager/supervisor. The FSM also reviews the invoice billings and compares it to the timesheets. Managers/supervisors</p>

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
		the vendor to ensure all billed expenses were valid.		<p>approve the timesheets of hours worked.</p> <p>Auditor’s Response: Of the one hundred-fifty four (154) invoices reviewed (\$2,268,583.68), nineteen (19) invoices (\$402,542.28), or 18%, either had no supporting documentation or inadequate supporting documentation to include: incomplete timesheets, lack of supervisory signatures, differentiating invoice hours and timesheet hours, missing timesheets, and illegible timesheets.</p> <p>(Partially Implemented)</p>
5	Improper Payment of Services	We recommend the department adhere to the purchasing procedures and conduct supervisory reviews of all invoices prior to submitting for payment to possibly mitigate and alleviate invoicing errors and improper payment for services.	Atlanta Public Schools provided a list of their contracted vendors, and the vendors were provided to Fulton County vendor registration.	<p>Management’s Response: We have worked with Atlanta Public Schools (APS) in regards to the vendors used for Covid 19 disinfecting cleaning. APS requires Fulton County to pay the vendor directly for disinfecting cleaning at APS polling sites. We review the vendors’ disinfecting invoices and obtain APS agreement of the costs charged.</p> <p>Auditor’s Response: The Department provided the agreement between Fulton County and Atlanta Public Schools; however, of the the one hundred-fifty four (154) invoices reviewed, one (1) invoice</p>

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
				(Beltman Group) was overpaid by \$111.75. (Partially Implemented)
6	Inadequate Safeguarding of Assets	We recommend the Registration and Elections Department incorporate effective and efficient safeguarding procedures and controls over assets, to include, adequate inventory and control of equipment; identifying numbers tagged on equipment and placed into inventory records and periodic review of inventory counts to ensure equipment is properly safeguarded and accounted for.	The department purchased a new inventory tracking system with grant funds. It is a highly functional inventory system that will allow every asset to be tracked, logged, and accounted. It will improve chain of custody and allow the department to move into the 21st century in how they track inventory.	Management's Response: We have acquired our inventory system WDS, which we use to tag and log each asset within the department. Auditor's Response: Of the one thousand nine hundred ninety-seven (1,997) assets tested, 100% of the assets, totaling \$1,525,200, were present or accounted for. (Implemented)
7	Failure to Comply with Grant Requirements: Return of Unused Funds	We recommend the Registration and Elections Department implement the necessary controls to ensure compliance with grant guidelines.	The department discovered that the grantor had to be listed as a vendor before issuing a refund. Within that time, Southern Poverty Law Center has registered as a vendor, and the department created a payment voucher and submitted to Accounts Payable.	Management's Response: Since the passing of Senate Bill 202 (SB 202) in 2021, we are prohibited from receiving any grant funds. Therefore we no longer accept or handle grant funds as a department. Auditor's Response: Pursuant to Senate Bill 202 (SB202), no grant funds were received during the scope of the audit. (Implemented)
8	Failure to Comply with Grant Requirements: Obligation Not Satisfied	We recommend the Registration and Elections Department implement the necessary controls to ensure compliance with grant guidelines.	The department will have the County Attorney review all grants in the future to alert us of any requirements. All future requirements to post information on the departmental website will	Management's Response: Since the passing of Senate Bill 202 (SB 202) in 2021, we are prohibited from receiving any grant funds. Therefore we no longer accept or handle

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
			be submitted in writing to all appropriate parties.	<p>grant funds as a department.</p> <p>Auditor’s Response: Pursuant to Senate Bill 202 (SB202), no grant funds were received during the scope of the audit. (Implemented)</p>
9	Inadequate Departmental Accountability and Oversight of Financial Transactions	We recommend that departmental managers provide oversight over all departmental activities, particularly those involving financial transactions, as management bears primary responsibility for maintaining financial accountability and control over departmental funds. In addition, management should be intimately involved and knowledgeable of financial matters within the department to exert meaningful oversight. Lastly, we encourage management to ensure employees are properly trained and informed of policies and procedures to effectively perform their job duties and responsibilities.	The Business Process Review will address every finding and concern, and develop and rewrite SOPs to prevent future oversight, establish and reaffirm personnel’s responsibilities, which will in turn increase accountability throughout the department.	<p>Management’s Response: We have hired both the FSM and Administrative Manager, and segmented duties in order to provide a manageable workload that will allow both managers to provide the proper oversight to SOPs. We also have frequent and regular touch point meetings to update progress on key financial items to ensure compliance to the County’s financial and procurement policy.</p> <p>Auditor’s Response: There were errors/oversights found within the financial operations of the department. We noted untimely payment of invoices, insufficient supporting documentation, invoices preceding the purchase orders, overpayment for services and outstanding invoices that have not been paid, as of the audit date. (Partially Implemented)</p>

	Concern	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
1	Misclassification of Expenditures	We recommend the department implement procedures to ensure expenditures are classified properly when initiating payment vouchers and purchase orders. Additionally, supervisory reviews should be conducted to verify that invoice descriptions match the appropriate category prior to processing for payment.	The Business Process Review will address every finding and concern, and develop and rewrite SOPs to prevent future oversight, establish and reaffirm personnel’s responsibilities, which will in turn increase accountability throughout the department.	<p>Management’s Response: We have updated SOPs. We have the FSM & Administrative Manager to review vendor invoices to properly classify expenses incurred on vendor invoices.</p> <p>Auditor’s Response: During our review of the sampled invoices, we found no misclassification of expenditures. (Implemented)</p>

CONCLUSION

Based on the follow-up review performed, we identified the following: four (4) recommendations were implemented, five (5) recommendations were partially implemented, and one (1) recommendation was in progress. We recommend that management continue to ensure that appropriate corrective actions are taken to strengthen the internal controls and improve the operations of the Registration and Elections Department.

Please provide a written response to this audit within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted to Shauna Herbert, Audit Manager, in the Office of the County Auditor at shauna.herbert@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.