

FINANCE DEPARTMENT

**Paul L. Fulton, Jr., CPA**  
CHIEF FINANCIAL OFFICER

**Maribeth W. Weinman, CPFO**  
DEPUTY CHIEF FINANCIAL OFFICER



**Terri L. Goodman, CPA**  
TREASURER

**Teresa G. Everhart, CISR**  
RISK MANAGER

**Judy F. Kirk, CIA**  
INTERNAL AUDIT MANAGER

June 30, 2010

Mr. J. Dudley Watts, County Manager:

A review of operations for Forsyth County Board of Elections Department has been completed. The areas reviewed were limited to procurements, cash receipts, timekeeping, and fixed assets. Except for identified opportunities for improvement, controls appear satisfactory.

I appreciate the helpful assistance the staff provided to Internal Audit during the review.

Sincerely,

Judy F. Kirk, CIA  
Internal Audit Manager

Enclosure

A summary of this report has been provided to:

**Board of Commissioners**

Mr. David Plyler, Chairman  
Ms. Debra Conrad, Vice-Chairman  
Mr. Beaufort O. Bailey  
Mr. Ted Kaplan  
Mr. Richard V. Linville  
Mr. Walter Marshall  
Ms. Gloria Whisenhunt

A copy of this report has been provided to:

**County Manager's Office**

Mr. Ed Jones, Deputy County Manager  
Ms. Carla Holt, Clerk to the Board of County Commissioners

**Board of Elections Department**

Mr. Robert Coffman, Director

**Finance Department**

Mr. Paul L. Fulton Jr., Chief Financial Officer  
Ms. Maribeth W. Weinman, Deputy Chief Financial Officer

**Cherry, Bekaert, & Holland, LLP**

Lonnie Keough, Senior Manager



**FORSYTH COUNTY  
INTERNAL AUDIT REPORT**

**REVIEW OF OPERATIONS  
FOR  
BOARD OF ELECTIONS**

**90-10-08**

**June 30, 2010**

**FORSYTH COUNTY FINANCE DEPARTMENT  
INTERNAL AUDIT DIVISION  
201 N. Chestnut Street  
WINSTON-SALEM, NC 27101**

*Forsyth County  
Board of Elections  
Review of Operations  
June 30, 2010*

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Internal Audit recently completed a review of procurements, cash receipts, timekeeping, and fixed assets for the Board of Elections Department.

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*METHODOLOGY and SCOPE*

The review was limited to documentation and analyses of transactions, processes, procedures, and audit tests that were considered appropriate for meeting the audit objectives for the fiscal year ended June 30, 2009.

*OBJECTIVES*

- To determine if procurement activities provide adequate approval of expenditures and timely and accurate reporting of materials/services received.
- To ascertain that any cash received is promptly deposited and adequately accounted for, and accurate and timely data is recorded.
- To determine if timekeeping procedures result in proper approval and accurate reporting of hours worked and leave taken.
- To ascertain that fixed assets are adequately accounted for and reasonably protected against misuse and loss.

*BACKGROUND*

Each of the 100 North Carolina counties' Board of Elections has a three-member board appointed by the State Board of Elections from names submitted by the state chairs of the Democratic and Republican parties. No more than two members may belong to the same party. The county board members serve a two-year term and they are compensated for their services.

The Forsyth County Board of Elections conducts all elections within the county. The board employs a director to manage the office, chooses other office employees, appoints precinct officials, hears challenges to voters' registration, determines precinct boundaries, establishes voting places in the precincts, orders voting equipment, advertises elections, accepts candidates' filing fees, determines the sufficiency of petitions, prepares and prints ballots, issues absentee ballots, supervises the counting of votes, declares election results, hears protests about election irregularities and complaints about election officials, and arranges for the many other activities that are part of registering voters and holding elections.

The director has day-to-day responsibility for supervising board employees, ordering supplies, estimating expenses, maintaining records, and other tasks associated with conducting elections. The board may delegate to the director as much of its work as it wishes other than its policymaking and court-like duties. The board also employs a deputy director and other office employees as needed.

Because all funds for the Board of Elections are appropriated by the county commissioners, they can control the number of employees, their pay, and other conditions of employment. Even though funding is established by the county commissioners, many expenses of the elections board are controlled by state law and regulations. In addition, county boards of elections are subject to the Local Government Budget and Fiscal Control Act.

### *OPPORTUNITIES FOR IMPROVEMENT*

#### **Procurements**

Procurement activities appear to be satisfactory.

#### **Cash Receipts**

The amount of FY09 cash receipts was insufficient to provide reasonable assurance that processing and internal controls were adequate; therefore, cash receipts for the fiscal years of 2008, 2009, and 2010 were reviewed.

It appears cash was not reconciled to issued receipts; deposits were not in compliance with North Carolina General Statute 159-32 requiring a deposit when funds on hand exceed \$250 and on the last business day of the month; approximately \$1,900 in FY08 and \$115 in FY10 could not be reconciled; and two receipt books were used concurrently.

#### **Management Action**

1. Department could use a cash register to record cash receipt transactions and issue receipts.
2. Board of Elections could complete a reconciliation sheet each time a deposit is prepared. The reconciliation sheet would provide guidance in reconciling cash received to receipts issued, record correct amounts of cash receipts to the correct accounts, and detect and record deposit overages and shortages. Instructions on the reconciliation sheet's usage were provided to the staff.
3. Deposits could be made timely to be compliant with North Carolina General Statute 159-32.

#### **Timekeeping**

It appears hours worked and leave taken were properly approved and accurately recorded and reported. However, there was not a proper segregation of duties since the same individual approved timesheets, recorded hours worked and leave taken to the payroll service report, and approved the payroll service report.

#### **Management Action**

The Board of Elections Director will approve payroll service reports each pay period.

#### **Fixed Assets**

The fixed asset list cataloging equipment costing \$5,000 or more was not current.

#### **Management Action**

Management promptly updated the fixed asset list. Fixed assets appear to be adequately accounted for and reasonably protected against misuse and loss.

#### *Other Identified Opportunity for Improvement*

##### **Timekeeping Policy for Forsyth County Employees Who Work the Voting Precincts**

Forsyth County employees other than Board of Elections Department employees who work at the voting precincts on Election Day are compensated at the same rate as non-employee poll workers. Board of Elections' policy requires County employees to use annual leave when they work at the precincts. Employees are informed of the policy at the mandatory training sessions.

Two of 11 County employees did not record annual leave for working the November 4, 2008 General Election and three of six employees did not record annual leave for working the May 6, 2008 Primary. Therefore, on November 4, 2008 and May 6, 2008 the employees received their County salary, poll worker compensation, and retained accrued annual leave.

#### **Management Action**

The Finance Department notified department heads that adjustment of employees' annual leave balances could be made by contacting the Finance Department.

Board of Elections management will implement the following improvements to ensure that employees adhere to the policy going forward.

1. Collaborate with Human Resources to make the Board of Elections policy of employees using annual leave when working at the voting precincts a formal County policy.
2. Vigorously emphasize the policy to employees at the Board of Elections training workshops.
3. Require non Board of Elections employees to sign the policy attesting they have read and understand the policy.
4. Notify department heads of their employees who worked at the voting precincts.

#### *CONCLUSION*

Except for the identified opportunities for improvement, Board of Elections Department's controls appear satisfactory for procurements, cash receipts, timekeeping, and fixed assets.

#### *DISCUSSION WITH MANAGEMENT*

The results of the audit were discussed with the Director of the Board of Elections and general agreement was reached on the report's content.

*End of report*