



Management's Response – Registration and Elections Department

INTEROFFICE MEMORANDUM



TO: Anthony Nicks, County Auditor
FROM: Nadine Williams, Interim Director, Registration and Elections
DATE: August 31, 2022
SUBJECT: Pay Card Audit Response

Finding 1 – Lack of Segregation of Duties

We have taken internal steps to ensure a clear separation of duties within the payroll process. To ensure internal controls, we have separated functions between staff that are responsible for inputting the data, and staff that are responsible for reviewing and verifying the data. The Standard Operating Procedure will require and call for the Regional Coordinator to enter Payee information into the system. Then a separate team will audit the data for accuracy and verification that all data has been entered appropriately. As a finalizing control, the Supervisor will also conduct an audit before proceeding to the next step in the process.

Finding 2 – Inadequate Pay Card Procedures

The Department has rebuilt its team for recruitment and Poll Worker payroll functions, and in the transition from the old to new staff, all previous procedures, and training collateral was lost. With the inception of the new team, the department has been working on obtaining training for new staff, constructing new processes and best practices, and drafting new SOP's. The pay card process is one that requires the collaboration and cooperation of two other departments of IT & Finance. Therefore, we are working in conjunction with those departments to write new SOP's that incorporate all stakeholders within the process. We are currently walking through the entire process as a test project and will result in a collective SOP to cover all parties' roles and responsibilities once completed.

Finding 3 – Inadequate Verification Process for Fee Schedules

Please refer to Response for Finding 1. We have implemented several controls, that call for a separation of duties, and two additional levels of verification through a separate team of staff, as well as the Supervisor over the entire area.

Finding 4 – Lack of Supervisory Reviews for the Deactivation of Poll Workers

Please review the Response for Finding 1. Beginning with the initial payroll for the 2022 election cycle, we have implemented Supervisory verification within the process and SOP, as well as a finalization of the process before submittal to Finance for payment.

Concern 1 – Improper Storage of Pay Card Applications

At the time of the audit, we discovered that the file cabinet for storing this data, did not have keys and could not be utilized. We have since retrieved the keys, as well as purchased a second (lock & key) file cabinet for protected storage. We are also fixing internal issues, that will allow for electronic scanning and storing documents on a secured drive.

Concern 2 – Distribution of Poll Workers' Pay Cards

We have followed the recommendation to eliminate the last step of a verification and dissemination of pay cards. The process moving forward will be revised so that once Finance submits the bank file, pay cards are disseminated by Bank of America.



Management's Response – Finance Department

INTEROFFICE MEMORANDUM



TO: Anthony Nicks, County Auditor
FROM: Hakeem Oshikoya, Finance Director *HKO*
DATE: August 18, 2022
SUBJECT: Response to Paycard Audit

Thanks to you and staff for taking the time to review payroll paycard process. The Finance Department has reviewed the findings and recommendations and our responses are provided below:

Concern 2 – Distribution of Poll Workers’ Pay Cards

Best practices reflect that workflow processes should be streamlined and efficient. We discovered that the current workflow process (*reflected below*), in reference to the distribution of poll workers’ pay cards, could be more streamlined.

The Registration and Elections Department informed us that they are currently responsible for mailing the pay cards because the poll workers fall under their purview. However, a complex workflow process could increase the potential for fraud, errors, and prolongs the time to actually complete the task.

Recommendation

We recommend the Finance Department and the Registration and Elections Department review the current process for the distribution of poll workers’ pay cards to ensure the process is streamlined, efficient and effective

Finance Response

We are in agreement with your observation and wish to inform you that Finance Department had a zoom call with Elections on 6/8/22 and discussed changing the Poll Worker paycard mailing process with Bank of America to direct-mail to their individual address instead of by bulk-mail to the County. This process change was accepted by Elections and is scheduled to take effect with the next Election in November.

Concern 3 – Manual Processes

Business processes should be reviewed to increase operational efficiencies. During our review, we noted the Department of Finance relies on the manual input of employees’ data into the Bank of America system in order to process pay cards for payment; this is due to the limited number of active employees electing pay cards. However, this may create increased opportunities for errors or data manipulation as human error is always a factor in manual processes.

Recommendation

We recommend the Department of Finance review their manual processes, and perform business process reviews to determine ways to automate systems in order to reduce errors and streamline operational efficiency.

Finance Response

We are in agreement with your observation and wish to inform you that Finance Department will work with Bank of America, the paycard administrator and the Department of Information Technology to implement the electronic file upload process to create active employees pay cards, similar to what is in place currently for poll workers.

cc: Sharon Whitmore, CFO