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Internal Audit Report

Pinal County
Elections Readiness Review

November 2016

Executive Summary

Background

On January 9, 2013, the Board of Supervisors voted to designate the County Recorder in charge of elections, and realigned the Elections Department under the reporting authority and management of the Pinal County Recorder; essentially merging all election functions into one office. The alignment of the Elections Department under the County Recorder expires at the end of 2016.

The Pinal County Elections Department is responsible for providing election services to Pinal County residents to allow them to exercise their right to vote. The Elections process is highly regulated by Arizona Revised Statutes (A.R.S) 16 – Elections and Electors. In accordance to the A.R.S., the Pinal County Elections Department has various responsibilities, including, but not limited to:

- Organizing and conducting in a correct, uniform and impartial manner all Federal, State and County Elections;
- Assisting all other jurisdictions in Pinal County in conducting their elections; and
- Ensuring that the electoral process and voting procedures are in compliance with Section 5 of the Federal Voting Rights Act.

Election readiness incorporates procedures designed to facilitate upcoming elections. A.R.S. 16-405 directs, “The board of supervisors or other authority in charge of elections shall provide voting or marking devices, voting booths, ballots, early ballots as prescribed by section 16-545, ballot boxes, ballot labels, ballot cards, write-in ballots and other supplies as required. Where ballot cards are used each ballot card may have a serially numbered stub which shall be removed before the ballot card is deposited in the ballot box. The precinct number and, in primary elections, the party designation shall be printed on each ballot card”. In addition, the 2005 Voluntary Voting System Guidelines (VMSG) require significant increase in security protocols for polling equipment and guidelines for appropriate warehousing for polling equipment.

The number of registered voters in Pinal County has increased from 34,000 in 1982 to 178,500 in 2016. In the 2012 General Election, there was a 72% voter turnout, of which 43% were Early ballots. During the August 30, 2016 Primary Election, there was a 27% turnout, of which 20% were Early ballots.

Overall, the review of the Pinal County’s Elections process has affirmed that:

- Elections personnel are well versed in the Federal and State requirements;
- Revisions to the Elections training has been a significant improvement; and
- There appears to be adequate controls in place to track ballot chain of custody.

Scope, Objective and Approach

The scope of the review included:

- Understanding current processes and internal controls related to election readiness;
- Reviewing applicable policies and procedures; and
- Following up on prior Recorders Transition Audit Report recommendations, including:
 - Existence of written policies and standard operating procedures for all internal functions,
 - On-going employee training, and
 - Appropriate protection and tracking of election assets.

The objectives of this audit were to review Pinal County’s Elections process and procedures for:

- Compliance with A.R.S. 16;

- Improvement opportunities related to the efficiency and effectiveness of election readiness procedures and monitoring controls; and
- Proper internal controls designed to ensure the orderly and efficient conduct of business.

A summary of procedures performed during this internal audit included:

- Understanding the key procedures and internal controls for the election process;
- Interviewing key personnel;
- Observing election equipment storage facilities;
- Reviewing voter registration process; and
- Observing election process at a sample of precincts⁽¹⁾.

Summary of Results - Improvement Opportunities

Through detailed discussions with key personnel, performance of walkthroughs and observations, five (5) key improvement opportunities and three (3) general observations were identified. Control and process improvement opportunities identified by Internal Audit are discussed more thoroughly in the Improvement Opportunities and Action Plan section that follows.

Refer to Appendix A for Risk Ranking of each improvement opportunities.

No.	Improvement Opportunities	Risk Ranking
Elections Department		
1.	Monitoring completion of poll workers training requires additional improvements.	Medium
2.	Security enhancements may be needed for the Elections warehouse.	Medium
3.	Tracking and monitoring of Elections equipment should be enhanced.	Medium
4.	The Election's Department policies, procedures and Poll Workers Instruction Manual require some updating.	Low
County Recorder		
5.	Opportunities exist to improve voter registration review procedures.	Medium
General Observation – No Management Response required		
6.	Management should periodically observe precincts to validate they are clean and welcoming for poll workers and voters and they meet all Federal, State and Local requirements.	
7.	Interior (ballot boxes) and exterior signage should be evaluated to ensure they are easily identifiable.	
8.	Each election, Management should evaluate what is on the ballot to determine if there may be a higher turnout, which may require an increase in the number of poll workers needed at each precinct.	

(1) Refer to Appendix B for detailed listing of election precincts observed.

Improvement Opportunities and Action Plans

No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
1.	<p>Monitoring completion of poll workers training requires additional improvements.</p> <p>Training records for poll workers are tracked by an excel spreadsheet for compensation purposes. Poll workers are compensated for their time spent on election related trainings. Internal Audit noted training records are not accumulated and retained to track historical training of poll workers.</p>	Medium	<p>Internal Audit recommends the Elections Department utilize a system or develop a formal document that tracks and monitors on-going trainings of each poll worker.</p> <p>Additionally, the frequency of required training should be evaluated. Training individuals multiple times per year may not be efficient and may drive excessive compensation costs. Online training and/or an update memo on relevant changes with a required confirmation of understanding may be more efficient.</p>	<p>Responsible Party: Michele Forney</p> <p>Expected Completion Date: September 2017</p> <p>Management Action Plan: The Elections Department is tracking the poll workers attendance and compensation through PowerProfile voter registration software, which is currently undergoing review by the State for renewal or replacement under the state procurement policy. If this software is replaced, the Elections Department will have to ensure that the new software fills this need or find another way to track the training. The Elections Department will also be investigating ways to create opportunities for online training. Currently, Arizona statutes require poll workers to be trained before every election, but does allow for a premium poll worker status, which may be a possibility.</p>

* Risk Ranking: Includes High, Medium, and Low. See Risk Ranking Definitions in Appendix A for further detail.

No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
2.	<p>Security enhancements may be needed for the Elections warehouse.</p> <p>The Election's building warehouse can be accessed from two steel roll-up doors on the exterior of the building. The doors are currently secured with a padlock. Internal Audit noted the following that may be a potential threat to the protection and safeguarding of assets:</p> <ul style="list-style-type: none"> • No security cameras located in warehouse • No security motion sensors in warehouse • No alarm sensors attached to the steel roll up door, these doors must be locked from the inside to prevent unauthorized access 	Medium	Internal Audit recommends the Elections Department consider installing automated locks, security cameras, motion sensors and/or door sensors to the two steel roll-up doors located in the warehouse.	<p>Responsible Party: Michele Forney</p> <p>Expected Completion Date: September 2017</p> <p>Management Action Plan: The Elections Department will consult with Risk Management to determine the feasibility and cost of such security measures.</p>
3.	<p>Tracking and monitoring of Elections equipment should be enhanced.</p> <p>Elections equipment is currently tracked on a spreadsheet; however, it is not consistently updated.</p>	Medium	<p>Internal Audit recommends the Elections Department consider developing policies and procedures for election equipment tracking and inventory to provide consistent guidance for management of assets.</p> <p>Implement WASP inventory management software and provide training on its functionalities.</p>	<p>Responsible Party: Michele Forney</p> <p>Expected Completion Date: July 2017</p> <p>Management Action Plan: The Elections Department is already working on this with the IT Department. Labels with barcodes have been ordered. The Elections Department is awaiting assistance from the IT Department to install the necessary software and to provide training.</p>

* Risk Ranking: Includes High, Medium, and Low. See Risk Ranking Definitions in Appendix A for further detail.

No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
4.	<p>The Elections' Department policies, procedures and Poll Workers Instruction Manual require some updating.</p> <p>The Elections Department has developed written policies and standard operating procedures for internal functions and a Poll Workers Instruction Manual; however, they may require updating and additional enhancements to include, but not limited to:</p> <ul style="list-style-type: none"> • Training requirements (i.e. frequency); • Handling of Early and Provisional ballots; • Indication of Federal/State requirements; and • Centralized checklist that contains all elections readiness tasks as well as the persons responsible for completion. 	Low	<p>Internal Audit recommends the Elections Department update and enhance the existing Elections Department policies, procedures and Poll Workers Instruction Manual to make them more encompassing.</p> <p>The Elections Department should develop a centralize checklist for all elections related Federal and State requirements to enable monitor of deadlines and persons accountable.</p> <p>Additionally, the flow of the Poll Workers Instruction Manual should follow the typical process the voter goes through while casting their ballot.</p>	<p>Responsible Party: Michele Forney</p> <p>Expected Completion Date: Ongoing, but September 2017 for the internal checklists</p> <p>Management Action Plan: The Elections Department updates the Poll Workers Instruction Manual as needed before each election with necessary updates. The Elections Department is also in the process of updating the internal procedures for its staff and creating more comprehensive checklists for the various tasks.</p>

* Risk Ranking: Includes High, Medium, and Low. See Risk Ranking Definitions in Appendix A for further detail.

No.	Improvement Opportunities	Risk Ranking*	Recommendations	Management Action Plan
5.	<p>Opportunities exist to improve voter registration review procedures.</p> <p>For one of forty (40) voter registrations reviewed, Internal Audit noted the voter's political party affiliation was not accurately recorded in the registration system.</p>	Medium	Internal Audit recommends a person that is independent of the original voter registration process verify the system input to the voter registration form then sign off on the form as evidence of their verification.	<p>Responsible Party: Virginia Ross</p> <p>Expected Completion Date: Complete</p> <p>Management Action Plan: The Elections Department is not responsible for voter registration. This is a function of the Recorder's Office.</p> <p>Recorder's Response: The office has a verification process for voter registration validation. The auditors reviewed areas at a time when the verification process had not yet been completed. We will review our procedures during heavy periods such as this year's Presidential election when we had unprecedented levels of voter registration activity. We understand that two people should be involved in reviewing the work to ensure accuracy.</p>

* Risk Ranking: Includes High, Medium, and Low. See Risk Ranking Definitions in Appendix A for further detail.

Appendix A: Pinal County Risk Ranking Definitions

High	Medium	Low
Material impact on financial statements of the organization	Less than a material impact on financial statements	No impact on financial statements
Significant impact on the operating effectiveness	Moderate impact on operating effectiveness	Minor impact on operating effectiveness
Significant impact on the safeguarding of critical assets throughout the organization	Moderate impact on the safeguarding of critical assets	No significant risk to the organization
Significant impact on the accomplishment of the operational objectives for the organization	Moderate impact on the accomplishment of the operational objectives	Management relied upon for minor modifications to manage the issue
Significant impact on management's decision making for the organization	Moderate impact on management's decision making	Materiality is low
Significant risk for non-compliance with regulations, laws and policies	Potential for non-compliance with regulations, laws and policies	Minimal risk for non-compliance with regulations, laws and policies
Significant risk for litigation for the organization	Potential risk for litigation	Low risk for litigation
Numerous occurrences of the noted issue	Random occurrences of the noted issue	Minimal occurrences of the noted issue
No controls or mitigation plans exist	Controls/ mitigation plans need to be updated and improved	Controls/ mitigation plans are in place and consistently applied
Significant impact/loss of staff, critical widespread impact on morale	Some impact on a few staff or negative impact on morale	Minimal impact on staff

Appendix B: Detailed Listing of Election Precincts Observed

Precinct	Location Name	Address	City
18 Coolidge NW	Coolidge L.D.S. Meetinghouse	580 N 9th Street	Coolidge
26 Johnson Ranch	Walker Butte Elementary School	29697 N Desert Willow Blvd	Queen Creek
27 Poston Butte	Anthem Parkside Community Center	3200 N Anthem Way	Florence
34 Casa Grande S Central	Trinity Southern Baptist Church	1100 E Trinity Place	Casa Grande
46 Apache Junction East	Desert Vista Elementary School	3701 E Broadway Ave	Apache Junction
48 Gold Canyon	Gold Canyon United Methodist Church	6640 S Kings Ranch Rd	Gold Canyon
54 Thunderbird Farms	Community Building Thunderbird Fire Dept	12356 N Ralston Rd	Maricopa
57 Apache Junction N. Central	Elks Lodge #2349	2455 N Hwy 88 & Lost Dutchman Rd	Apache Junction
64 Superstition Mountain	Montesa Hall	7373 E Us Hwy 60	Gold Canyon
66 Mountainbrook Village	Mountainbrook Village	5782 S Mountain Brook Dr	Gold Canyon
79 Maricopa Fiesta	Villages at Rancho El Dorado	20991 N Butterfield Pkwy	Maricopa
83 Coyote Ranch	North Trekell Southern Baptist Church	2492 N Trekell Rd	Casa Grande
88 Ironwood Crossing	Ranch Elementary School	43521n Kenworthy Rd	Queen Creek

Appendix C: Statement of Limitations

This report (e.g. report of findings/recommendations, table, chart, summary) provides Pinal County management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel will significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.