



**Mecklenburg County
Department of Internal Audit**

Board of Elections Follow-Up
Audit Report 1366

November 5, 2012

Internal Audit's Mission

Through open communication, professionalism, expertise and trust, Internal Audit assists executive management and the Audit Review Committee in accomplishing the Board's objectives by bringing a systematic and disciplined approach to evaluate the effectiveness of the County's risk management, control and governance processes in the delivery of services.

Internal Audit Contacts

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Staff Acknowledgements

Gewreka Robertson, Auditor-In-Charge

**Obtaining Copies of
Internal Audit Reports**

This report can be found in electronic format at
<http://charmeck.org/mecklenburg/county/Audit/Pages/Reports.aspx>



MECKLENBURG COUNTY
Department of Internal Audit

To: Harry Jones, County Manager

From: Joanne Whitmore, Director, Department of Internal Audit

Date: November 5, 2012

Subject: Board of Elections Follow-Up Audit Report 1366

The Department of Internal Audit has completed follow-up procedures on reported issues from the Board of Elections Audit Report 0962 issued September 20, 2010. The objective of the follow-up review was to determine with reasonable but not absolute assurance whether management took effective and timely action on the issues presented in the audit report.

Internal Audit interviewed key personnel, observed operations, reviewed written policies and procedures and other documents and tested specific transaction activity where applicable. Internal Audit conducted this audit under the guidance of the International Standards for the Professional Practice of Internal Auditing.

RESULTS

There were six recommendations in the Elections Audit Report 0962. Internal Audit determined in the Board of Elections Follow-Up Audit Report 1264 that four recommendations were fully implemented and two recommendations were partially implemented. As noted in the following **Follow-Up Results** section, Internal Audit has determined the two partially implemented recommendations have been fully implemented.

The cooperation and assistance of the Board of Elections staff are recognized and appreciated.

c: Michelle Lancaster, General Manager
John McGillicuddy, General Manager
Bobbie Shields, General Manager
Leslie Johnson, Associate General Manager
Tyrone Wade, Deputy County Attorney
Robert Thomas, Senior Associate Attorney
Dena Diorio, Director, Financial Services Department
Michael Dickerson, Director, Board of Elections
Board of County Commissioners
Audit Review Committee

Follow-Up Results Elections 0962

- **Fully Implemented** – The audit issue has been adequately addressed by implementing the original or alternative corrective action (X).
- **Open/Partially Implemented** – The corrective action has been initiated but is not complete (P) or the audit issue has not been addressed but management fully intends to address the issue (O).
- **Not Implemented** – The audit issue has not been addressed and management has assumed the risk of not taking corrective action (NI).
- **Withdrawn** – The audit issue no longer exist because of changes in the auditee’s operation (W).

Issue	Risk Observation	Recommendation	Corrective Action Taken			
			Fully Implemented	Open/Partially Implemented	Not Implemented	Withdrawn
1	<p>Staff does not fully complete customer receipts when receiving money. Twelve of 40 or 30% of receipts sampled did not indicate the quantity of items sold, which would validate the amount of cash that staff should have collected. Fully completed receipts can be useful, however, in reconciling cash received and money deposited in the bank.</p> <p>In addition, staff does not document monies when received or when transferred to other staff for bank deposit. As a result, management may not have sufficient information to ensure staff has properly deposited and recorded all monies received. Management will also have no audit trail to provide accountability for monies transferred.</p> <p>Moreover, staff does not perform a monthly reconciliation of the bank deposits to the general ledger.</p>	Management should also ensure that staff conducts a monthly reconciliation of the bank deposits with the general ledger and supporting documents.	X			
3	60 of 94 petty cash receipts reviewed did not reflect the business purpose of the expenditure. Furthermore, management or a designee does not	Internal Audit recommends that management ensure the Department follows the county’s petty cash policy.	X			

**Follow-Up Results
Elections 0962**

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Issue	Risk Observation	Recommendation	Corrective Action Taken			
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	<p>initial the receipt to document their approval of the expenditure. County policy, however, dictates that petty cash receipts should reflect the business purpose and the director or his or her designee should initial the receipts.</p> <p>In addition, the Department did not always conduct periodic, surprise cash counts or monthly reconciliations of the petty cash fund. Yet, County policy states that the department director should assign an independent person other than the fund custodian to check bi-annually the cash on hand, receipts, advance requests and outstanding replenishment requests to ensure they equal the total amount of petty cash. In addition, the petty cash fund custodian should reconcile the petty cash fund on a monthly basis.</p> <p>Moreover, the department did not have internal procedures to assign staff accountability for the various tasks related to petty cash.</p>					