Mid-America Intergovernmental Audit Forum

High Impact Audits

JOHNSON COUNTY
KANSAS

Audit Services
December 1, 2016

Election Office Transition Audit

Topics

- Uniqueness
- Audit results
- Media coverage
- Fast forward - today

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Transition Audit

What is a transition audit?

- Travel expense management
- Purchase Card management
- Inventory management
- Procurement management
- Grant management
- Business continuity planning
- Review management of accounts receivable (if applicable)
- Review lease management (if applicable)
- Test mitigating controls identified in risk assessment

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Election Office

2015 Kansas Statutes

19-3419. Counties over 130,000; appointment, term, removal; vacancies; qualifications, oath. In counties of this state having a population exceeding 130,000, there shall be an office of commissioner of elections, which shall be administered by an election commissioner.

"The Election Commissioner shall be appointed by the secretary of state and shall hold office for a term of four years…."

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Election Office

2015 Kansas Statutes

19-3424. Powers, authority and duties; ward and precinct boundaries; notices of elections; printing ballots; election contests; budget. The election commissioner, as a part of his or her official duties shall have and exercise the following powers and authority:

"The election commissioner shall certify to the board…an itemized statement showing the amount necessary to pay….(salaries) and other expenses…"

"…and the county commissioners shall cause the same to be included in the county budget for such ensuing budget year."

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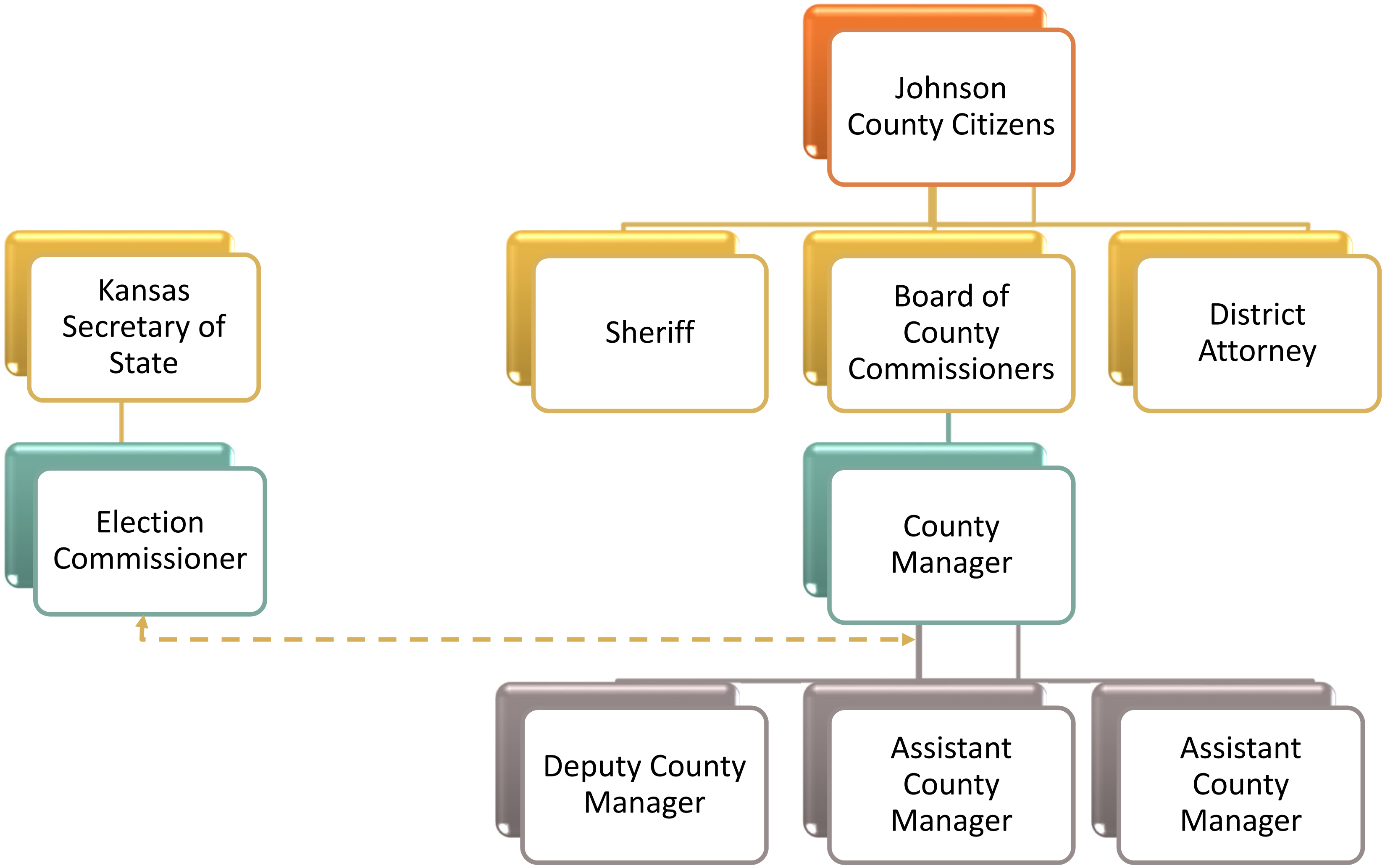
Johnson County Government Structure



Election Office

Interesting audit tidbits

- District Attorney’s white collar crime investigator participated in Entrance Conference

- Shortly after audit began – Election Commissioner took a federal position with EAC

- Remainder of audit – coordinated exclusively with Kansas Secretary of State representative

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Audit Results

Audit Results

Audit found…

- Improper payments were made to or on behalf of the previous Election Commissioner totaling $5,478

- Previous leadership disregarded Purchasing Card (P-Card) guidelines

- $39,601 in questioned costs

Audit Results

Questioned Cost

- $ 2,976 – Equipment items
- $ 8,925 – Books, subscriptions and periodicals
- $ 5,784 – Chevrolet Traverse
- $ 3,500 – Management consulting services
- $ 18,415 – Midwest Election Officials Conference

Total = $39,601

Election Commissioner’s Office

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“Center of Excellence”

JOHNSON COUNTY
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Audit Results

Audit found…

- Inventory records not accurate and current
- Procedures used to bill jurisdictions for Special Election's 'direct costs' resulted in inaccurate billings
- Weak control activities in cash collection & deposit activity
- Procurement activity not consistent with County values and policies and procedures
- Business Continuity Plan is outdated and incomplete

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Audit Results

In summary…

- An overall weakness in the Election Office's system of internal control

- Significant internal control weaknesses exist in many areas reviewed

- Previous Election Commissioner
  - ✓ Found the findings of the transition audit to be "inaccurate, incomplete and misleading"

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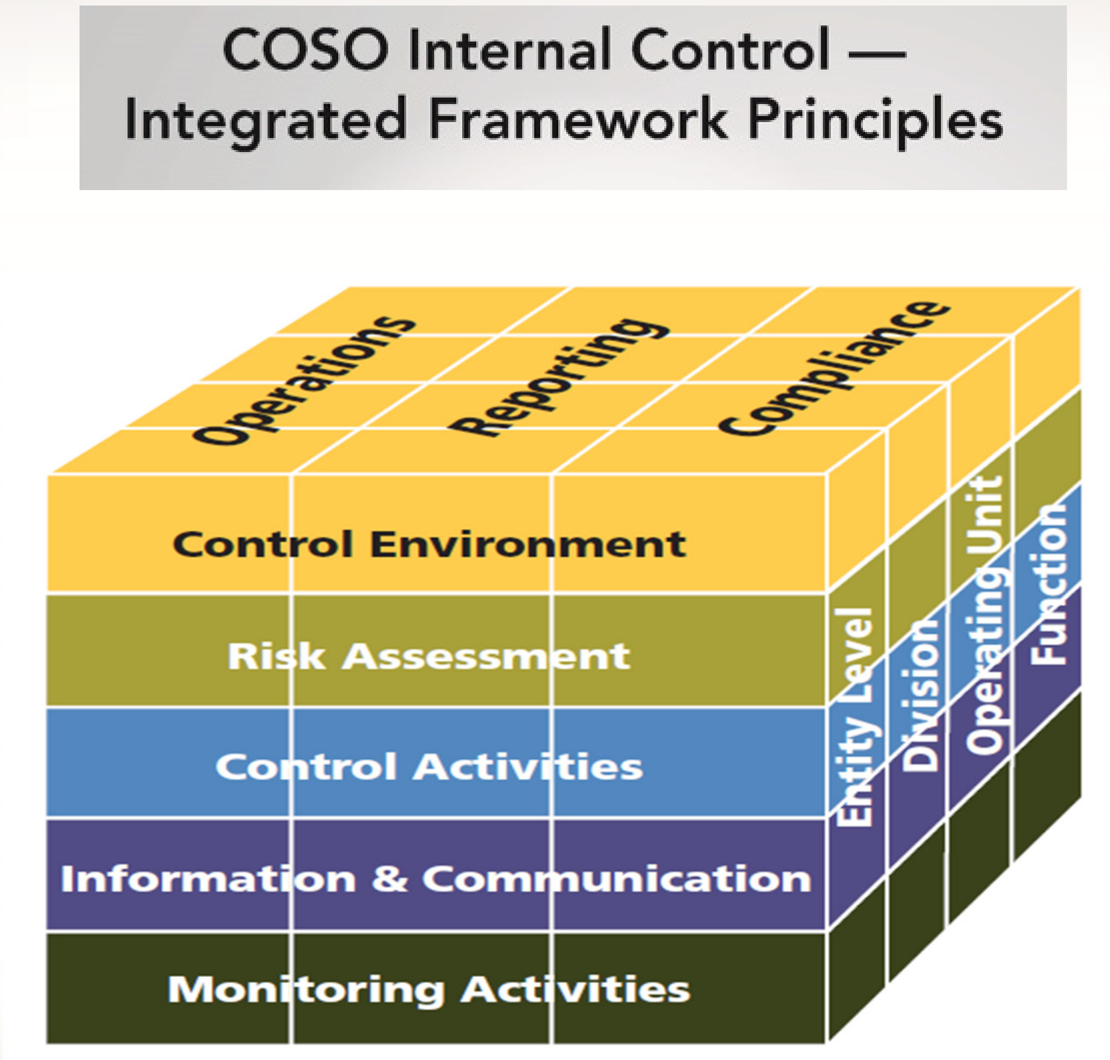
Summary Audit Recommendation



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Additional Audit Comments

Voting Equipment (voting machines & iPads)

- Used in the election process was accounted for and secured

Additional Audit Comments

Voter Registration List

- Performed limited testing of 377,522 voter registration records
- 15 questionable records – successfully resolved when brought to management's attention

KC Star

JOCO 913 MARCH 19, 2016 11:16 PM

Audit faults Joco election commissioner's spending

HIGHLIGHTS

- Audit questions about $36,000 in spending by former Election Commissioner Brian Newby
- County commission will ask Newby to return $5,478 in travel expenses
- Newby defended his spending and oversight, saying nothing was improper

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Associated Press

Audit slams management at former job of US election official

By ROXANA HEGEMAN Associated Press | MARCH 17, 2016 — 8:00PM

WICHITA, Kan. — A top U.S. election official improperly claimed mileage and travel expenses, intentionally skirted oversight of government credit card expenses and wasted taxpayer funds while at his former job as an elections commissioner in Kansas, according to an audit released Thursday.

KSHB 41
(NBC)

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KC Star

GOVERNMENT & POLITICS JUNE 2, 2016 6:46 PM

Former Johnson County election chief Brian Newby rises, then falls into national controversy

HIGHLIGHTS

- Brian D. Newby spent many years acclaimed as Johnson County's election commissioner
- But controversy has tracked him since his move to a federal election board
- Newby has been accused of ruling on a voter registration issue to please Kris Kobach, but he denies it

Today

Current Election Commissioner completely supportive of the audit and the recommendations

Previous Election Commissioner – Executive Director of the Election Assistance Commission

Did the audit results make government better?

Yes!

Roadmap for improving operations

Transparency in government

Closing

Transparency

Accountability

Doing the right thing

Objective information

Culture of continuous improvement

Objective assurance and advisory services

Advance open and accountable government

"Leave every place a little better than you found it."

by Lawrence Sawyer
The Internal Auditor, August 1995

Questions?

Thank You!

Johnson County Audit Services

www.jocogov.org/audit