

**Recommendation**

We recommend the department adhere to the purchasing procedures and conduct supervisory reviews of all invoices prior to submitting for payment to possibly mitigate and alleviate invoicing errors and improper payment for services.

**Finding 6 – Inadequate Safeguarding of Assets**

Best practices in the safeguarding of assets reflect that physical restrictions on access to assets and records, along with proper training on security of assets, may avert fraud, waste and abuse. We performed an onsite audit of inventory which consisted of 260 Cradlepoint Routers at a cost of \$365 each, totaling \$94,900. We noted that fifteen (15) or 6% of the routers could not be physically located. We were informed that the routers may have been sent to the wrong department for storage; however, as of the report date, the department has not located these items. Failure to maintain proper safeguarding of assets may lead to theft, unauthorized use of County property and inaccurate record keeping and reporting.

**Recommendation**

We recommend the Registration and Elections Department incorporate effective and efficient safeguarding procedures and controls over assets, to include, adequate inventory and control of equipment; identifying numbers tagged on equipment and placed into inventory records and periodic review of inventory counts to ensure equipment is properly safeguarded and accounted for.

**Finding 7 – Failure to Comply with Grant Requirements: Return of Unused Funds**

On September 1, 2020 Fulton County was awarded an \$85,000 grant from the Southern Poverty Law Center (SPLC) for the sole purpose of purchasing (25) absentee ballot drop boxes and accompanying video surveillance cameras. The grant specified that any unused funds were to be returned to the SPLC by December 31, 2020. During our review, we identified that (21) ballot drop boxes were purchased on September 10, 2020 for a total cost of \$40,614. We also noted that as of the date of our review, the remaining \$44,386 had not been returned to the SPLC and the funds remain in the Registration and Election Department’s budget. We were informed by management that they have been in contact with the County’s Grants Division regarding the return of these funds; however, as of the report date, the funds have not been returned. Failure to return grant funds by the agreed upon deadline may lead to misuse of funds, restriction of future funding, as well as inaccurate recordkeeping and financial reporting.

**Recommendation**

We recommend the Registration and Elections Department implement the necessary controls to ensure compliance with grant guidelines.

### **Finding 8 – Failure to Comply with Grant Requirements: Obligation Not Satisfied**

The SPLC grant also specifies as a grant requirement, that “the County provide a direct link to the Fulton County website, displaying the amount of absentee ballots that were returned to the Registration and Elections Board, for the 2020 general election, using the absentee ballot drop boxes. This link should also indicate how many ballots were accepted and counted.” We did not locate the information on the County’s website and the department did not provide documentation to support any public disclosure. We were informed by management that the request for this information to be placed on the County’s website was made verbally, but not in writing. Failure to adhere to agreed upon grant requirement could lead to revocation of grant funds or prohibition of future funds.

### **Recommendation**

We recommend the Registration and Elections Department implement the necessary controls to ensure compliance with grant guidelines.

### **Finding 9 – Inadequate Departmental Accountability and Oversight of Financial Transactions**

Departmental accountability and oversight for financial transactions should be maintained at all times. Our audit revealed that there were inadequate departmental accountability and oversight over the financial operations within the department during the scope of our audit. There were errors reflected in the departmental accounting records, invoices that preceded purchase orders, untimely payment of invoices, insufficient supporting documentation, overpayment for services, and delayed responses to our requests. Additionally, we were diverted to other departments to fulfill our request for copies of certain financial transactions. We were informed by management that many of these transactions were not handled under their purview. Lack of financial accountability and oversight leads to inadequate financial reporting that ultimately will not give a true and fair view of the departmental operations. This also increases the risk of financial mismanagement.

### **Recommendation**

We recommend that departmental managers provide oversight over all departmental activities, but particularly those involving financial transactions as management bears primary responsibility for maintaining financial accountability and control over departmental funds. In addition, management should be intimately involved and knowledgeable of financial matters within the department to exert meaningful oversight. Lastly, we encourage management to ensure employees are properly trained and informed of policies and procedures to effectively perform their job duties and responsibilities.