

PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

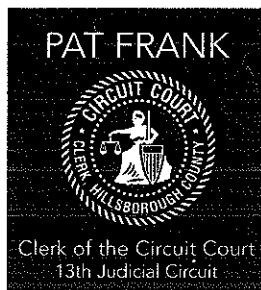
COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

**BOCC REQUESTED SUPERVISOR OF ELECTIONS'
BUDGET AMENDMENT AUDIT**

REPORT # 176

JANUARY 5, 2009



January 5, 2009

The Honorable Ken Hagan, Chairman
The Honorable Kevin Beckner
The Honorable Rose V. Ferlita
The Honorable Al Higginbotham
The Honorable Jim Norman
The Honorable Mark Sharpe
The Honorable Kevin White

Dear Chairman Hagan and Commissioners:

We have performed a limited audit procedures review (audit) of the Supervisor of Elections Budget Amendment Resolution of \$2,338,000, Agenda Item # E-1, dated December 17, 2008.

BACKGROUND:

At the regular BOCC meeting on December 17, 2008, the BOCC requested the Clerk of Circuit Court's Office review (in coordination with the County's Budget Department) the above mentioned budget amendment request and report back to the BOCC by January 7, 2009.

RESULTS:

Various Supervisor of Elections' documents, emails and contracts were reviewed to determine what information was used to develop the \$2,338,000 budget request. The supporting backup documents indicate the \$2,338,000 budget amendment request was based on funds that had already been spent in FY 2008 (\$1,376,000) and FY 2009 funds that had been spent, and were projected to be spent (a total of \$962,000).

The FY 2009 expenditures included approximately \$336,000 that had already been spent for overtime related costs (the FY 2009 budget only has \$32,120 budgeted for overtime). The FY 2009 projected costs included estimates of an additional \$208,000 in temporary salaries for the rest of the year and \$300,000 transition costs for the new Supervisor of Elections. Also, building rental of \$100,000 and \$17,000 of "ballot box" costs were included. The Supervisor's budget has \$100,000 in Capital (Building/Facility Improvements) and \$67,205 of Other Rentals & Leases. It could not be determined if the December 17, 2008, budget amendment related \$100,000 of "building rental" is in addition to the Capital (Building/Facility Improvements) and Other Rentals & Leases amounts. It was not determined if the \$17,000 "ballot box" costs had been spent or are to be spent.

No mention was made in the Supervisor's budget amendment request that there were Help America Vote Act (HAVA) grant funds available. Approximately \$425,000 of voter equipment HAVA funds and approximately \$268,600 of election worker HAVA funds are available.

According to the County's current budget (page 299), the Supervisor of Elections' FY 2008 budget included \$5,373,632 of County funds that were to "...fund the acquisition, maintenance, and storage of new voting machines mandated by the State of Florida...". On February 20, 2008, the BOCC approved the Supervisor of Elections' contract with Premier Election Solutions for \$5,756,191.71 for "... the SOE to purchase the Equipment, Software, and Services comprising the Voting System." The contract's "Milestone Payment Terms" stipulated the Supervisor's Office would pay Premier the last 30% of the contract amount (\$1,726,859) for "General and Primary Election Support", implying the "30%" payment would be in the November time frame.

The Supervisor of Elections Office spent the FY 2008 funds of \$5,372,632 in FY 2008, including the "30%" Premier contract amount of \$1,726,859 due for "General and Primary Election Support" in FY 2009. The Supervisor of Elections Office did not include in their FY 2009 budget, funds for Premier's "30%" payment of \$1,726,859. The "30%" Premier invoice for \$1,726,859 was dated November 13, 2008. The proposed budget amendment may have been used to pay Premier.

To complicate the matter, it cannot be determined at this time if the entire \$1,726,859 is actually due to Premier. The Supervisor's Chief of Staff was emailed, on Friday, December 19, 2008, at 3:51 p.m., from Premier, an invoice for \$450,000. The "Description" on the invoice read "Balance Pending Contract Amendment." The comment on the Premier email read "How does the attached invoice look?" There was no indication if the invoice was to replace in entirety the \$1,726,859, was a partial pay toward the \$1,726,859 or was in addition to the \$1,726,859.

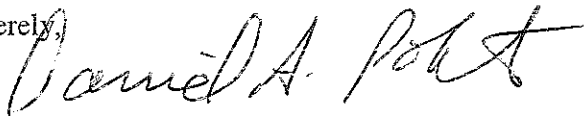
CONCLUSION:

The supervisor's Office has already spent, in FY 2009, approximately \$336,000 in overtime related costs above the budgeted amount of \$32,120. The recommendation would be to increase, at this time, the FY 2009 Supervisor of Election's budget by \$336,000.

Due to the unclear status of the amount due Premier caused by the December 19, 2008, invoice for \$450,000, the recommendation would be to have the new Supervisor of Elections meet with Premier to determine the status of the contract terms (i.e., Premier's invoice description of "Balance Pending Contract Amendment").

No other Supervisor of Elections budget amendments would be recommended at this time.

Sincerely,



Daniel A. Pohto, CPA, CIA
Director, County Audit

cc: Pat Frank, Clerk of the Circuit Court
Pat Bean, County Administrator

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