



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER CO#120648

PAGE 1 OF 4

DATE: 08/11/2015

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE TARRANT COUNTY ELECTIONS OFFICE**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court receive and file the Auditor's Report of the Tarrant County Elections Office.

**BACKGROUND:**

In accordance with Chapter 115 of the Texas Local Government Code, the Auditor's Office conducted an audit of the Tarrant County Elections Office. The objective of the audit was to determine whether controls were adequate to reasonably ensure that joint election costs for the November 2014 election were accurately billed, collected, and recorded in SAP. The Auditor's Office also determined whether Chapter 19 reimbursements requested from the Secretary of State complied with the Texas Administrative Code.

**FISCAL IMPACT:**

There is no fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell  
APPROVED BY:



**TARRANT COUNTY**  
TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506  
100 E. WEATHERFORD  
FORT WORTH, TEXAS 76196-0103  
817/884-1205  
Fax 817/884-1104

S. RENEE TIDWELL, CPA  
COUNTY AUDITOR  
rtidwell@tarrantcounty.com

CRAIG MAXWELL  
FIRST ASSISTANT COUNTY AUDITOR  
cmaxwell@tarrantcounty.com

July 24, 2015

Mr. Frank Phillips, Elections Administrator  
The Honorable District Judges  
The Honorable Commissioners Court  
Tarrant County, Texas

Re: Auditor's Report – Tarrant County Elections Office

**SUMMARY**

In accordance with Chapter 115 of the Texas Local Government Code, the Auditor's Office conducted an audit of the Tarrant County Elections Office. The objective of the audit was to determine whether controls were adequate to reasonably ensure that joint election costs for the November 2014 election were accurately billed, collected, and recorded in SAP. We also determined whether Chapter 19 reimbursements requested from the Secretary of State complied with the Texas Administrative Code. As a result of the audit, we found that expenses incurred during the November 2014 election were billed, collected, and recorded into SAP accurately. We also found no exceptions with requests made for Chapter 19 reimbursements.

However, we found the following observation that requires management's attention:

*Certain participants did not remit deposits for the November 2014 election as required by contract.*

Attached is management's response.

**BACKGROUND**

The Election Code provides guidance for general, special, and primary elections held in the State of Texas. In accordance with the Election Code, the County Election Commission appointed an Elections Administrator. The Elections Administrator is responsible for conducting all federal, state, and county elections, including certain elections for municipalities, independent school districts and other political subdivisions that contract with Tarrant County for elections services.

## **OBSERVATION AND RECOMMENDATION**

*Certain participants did not remit deposits for the November 2014 election as required by contract.*

### **Background**

Section XVI, Cost Estimate and Deposit of Funds, of the Joint Election Agreement and Contract for Election Services (Contract) for the November 4, 2014 election states, "Each participating authority agrees to pay the Tarrant County Elections Administrator a deposit of approximately 75% of the estimated obligation no later than 15 days after execution of this agreement." The Contract also states that the exact amount of each participating authority's cost will be calculated after the November 4, 2014 election. If the amount of the authority's obligation exceeds the amount deposited, the authority will pay the Elections Administrator the balance due within 30 days after receipt of the final invoice. If the amount of the authority's obligation is less than the amount deposited, the Elections Administrator will refund the excess amount paid within 30 days after the final costs are calculated.

There were 13 participating authorities other than Tarrant County that were named in the Contract. The Contract stated that the estimated cost of the election totaled \$1,854,897 and the deposit due to the Elections Administrator totaled \$546,000.

### **Observation**

Of the 13 participants named in the Contract, 6 participants did not remit deposits totaling \$83,600 to the Elections Administrator for the November 2014 election. The final amount of the participants' share of the election costs were billed on March 31, 2015. Each participant paid the balance due in full.


### **Recommendation**

The Elections Administrator should ensure that the participants comply with the terms of the agreement.

## **CLOSING REMARKS**

We appreciate the assistance and cooperation of the Election's Office staff during our review. Please call me if you have any questions regarding the contents of this report.

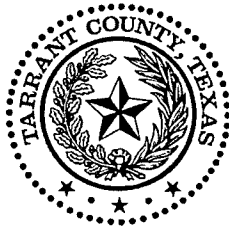
Sincerely,

  
S. Renee Tidwell, CPA  
County Auditor

*Attachment:* Management's response

*Distribution:* Stephen Vickers, Assistant Elections Administrator

*Audit Team:* Kim Trussell, Audit Manager  
Maki Ogata, Senior Internal Auditor



**TARRANT COUNTY  
ELECTIONS ADMINISTRATION**

FRANK PHILLIPS, CERA  
Elections Administrator

STEPHEN VICKERS  
Deputy Elections Administrator

July 31, 2015

To: Renee Tidwell, Auditor

From: Frank Phillips, Elections Administrator

Ref: Management response to Auditor's Report

Tarrant County Elections Administration is in receipt of the recent audit findings for the November 2014 election and Chapter 19 reimbursements.

We are in agreement with the findings as reported in the Auditor's Report. As stated in the report, some participants in the election did not remit deposits. This is not uncommon and we continuously communicate with those jurisdictions. However, we would like to point out that we are limited by statute which provides no method of enforcement. As noted in the report, all participants paid their final invoices in full.

We appreciate the professional work of your staff during this audit and stand prepared to assist in the future.

Sincerely,



Frank Phillips  
Tarrant County Elections Administrator