



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#138068

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DATE: 05/10/2022

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE ELECTIONS OFFICE, CONTRACT FOR TEMPORARY PAYROLL SERVICES**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court receive and file the Auditor's Report of the Elections Office, Contract for Temporary Payroll Services.

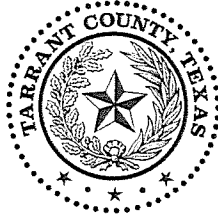
BACKGROUND

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 the Elections Office had complied with the County's contract with Smith Temporaries, Inc., d/b/a Cornerstone Staffing, for temporary elections personnel.

FISCAL IMPACT

There is no fiscal impact associated with this item.

SUBMITTED BY:	Auditor Office	PREPARED BY: APPROVED BY:	Kim Trussell S. Renee Tidwell
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April 19, 2022

Mr. Heider Garcia, Elections Administrator
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Elections Office, Contract for Payroll Services for Temporary Labor

SUMMARY

In accordance with Chapter 115 of the Texas Local Government Code, the Auditor's Office conducted an audit of the Tarrant County Election's Office. The objective of the audit was to determine whether the Elections Office had complied with the County's contract with Smith Temporaries, Inc., d/b/a Cornerstone Staffing, for temporary personnel working elections. Our scope included the May 1 and the November 2, 2021, elections. As a result, we observed instances of non-compliance with the contract. We also observed that procedures were not adequate to ensure the accuracy of the amounts paid to the vendor. We discussed these issues with management, along with some less significant matters. The Elections Administrator stated that he will look into implementing the recommendations made by the Auditor's Office.

Specifically, we observed the following:

- 1. The contract did not specify a fixed hourly rate for training and the amount of the cell phone allowance to be paid to election workers. Specifically:*
 - The contract does not specify a fixed hourly rate for training. The County reimbursed temporary employees \$10 per hour, totaling almost \$35,000, for training expenses during 2021.
 - The contract does not specify the amount of cell phone allowances. The County paid cell phones allowances totaling over \$8,000, including payment of the agency fee. The amount paid was \$10 per day per person for those working polling locations and \$25 per person for the duration of the early voting. Like mileage reimbursements, we believe that cell phone allowances should be a pass-through payment with no agency fee.

Recommendation: The contract is eligible for renewal next year. The amount to be reimbursed to election employees for training and cell phones should be specified in the contract. Furthermore, the contract should specify that an agency fee should not be applied to cell phone allowances.

2. *The Elections Office did not always comply with the terms of the contract.* Specifically:

- The agency fee was applied to mileage reimbursements. Although the County *overpaid* Cornerstone by an immaterial amount, the contract specifically states that the mileage reimbursements are a pass-through payment with no agency fee.
- The agency fee for two temporary employees did not comply with the pricing chart specified by contract. The County *underpaid* Cornerstone, but we did not quantify the total amount since it would require reviewing every timesheet prepared by both employees during 2021.

Recommendation: Management should ensure compliance with the terms of the contract approved by Commissioners Court.

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.

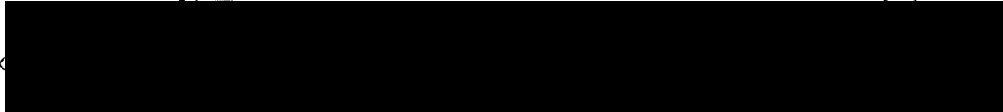
The Commissioners Court approved an annual contract, effective September 1, 2020, with Smith Temporaries, Inc., d/b/a Cornerstone Staffing, for temporary election personnel. The availability of workforce was severely affected due to the COVID-19 pandemic. Therefore, the Elections Office requested that the Commissioners Court increase the maximum hourly labor rates with a higher vendor mark-up to secure sufficient temporary support personnel for the election on November 2, 2021. The Commissioners court retroactively approved the request on December 14, 2021.

During the calendar year January 1 through December 31, 2021, the County paid Cornerstone Staffing over \$2.7 million.

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

Distribution: Troy Havard, Assistant Elections Administrator

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