



OFFICE OF THE AUDITOR

**DENVER ELECTION COMMISSION
PERFORMANCE AUDIT
OCTOBER 2006**

Dennis J. Gallagher
Auditor



City and County of Denver

201 West Colfax Ave., Dept. 705 • Denver, Colorado 80202 • 720-913-5000, FAX 720-913-5247
www.denvergov.org/auditor

Dennis J. Gallagher
Auditor

October 27, 2006

John Gaydeski, Executive Director
Denver Election Commission
City and County of Denver

Dear: Mr. Gaydeski

Attached is the Auditor's Office Internal Audit Division's performance audit report of the Denver Election Commission. The purpose of the audit was to determine whether the Election Commission's operational plan for vote centers for the primary/general elections of 2006 was adequate and effective under the circumstances. We also reviewed whether the plan was adequate for Election Commission personnel to prepare and conduct an efficient and effective election and whether internal controls in place were adequate under the circumstances.

As described in this report, the Internal Audit Division found several reportable conditions with the Election Commission's lack of a detailed operational plan, no written procedures in all areas, various warehouse safety and security issues, staffing and training, and documented duties and responsibilities.

If you have any questions about this report, please contact Mike Clark, Director of Internal Audit, at 720-913-5029.

Sincerely,

Dennis J. Gallagher
Auditor

DJG/kh

cc: Honorable John Hickenlooper, Mayor
Honorable Members of City Council
Honorable Sandy Adams, Election Commissioner
Honorable Susan Rogers, Election Commissioner
Wayne Vaden, Clerk and Recorder
Members of Audit Committee
Cole Finnegan, City Attorney and Acting Chief of Staff
Lauri Dannemiller, City Council Staff Director

The prudent stewardship of Denver's finances, resources and financial records! We are also committed to improving accountability, efficiency, effectiveness and performance in city government. We will scrupulously protect the taxpayer's interests and work collaboratively with all concerned to improve our city and its government

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INTERNAL AUDITOR'S REPORT

We have completed a performance audit of the Denver Election Commission (Election Commission). The purpose of the audit was to determine if the Election Commission's operational plan was adequate and effective for the use of vote centers in the 2006 Primary and General Elections. This audit was included in the Auditor's Office Internal Audit Division's 2005 Annual Audit Plan and is authorized pursuant to the City and County of Denver Charter, Article V, Part 2, Section 1, *General Powers and Duties of Auditor*.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance concerning the audit objectives. An audit includes examining, on a test basis, evidence supporting whether the operational plan for vote centers for the 2006 primary/general elections was adequate and effective. We also reviewed whether the plan was adequate for Election Commission personnel to prepare and conduct an efficient and effective election.

We noted several areas of operation for which the Election Commission should be commended. The current administration appears to be addressing issues brought to their attention in a timely manner. Various issues noted during this audit have been addressed or are in the process of being addressed. The Election Commission has recently updated its website to be more informative and user friendly. Also, the Election Commission has an agreement with another local county to act as a back-up for election processing if the need were to arise.

However, several reportable conditions were noted in regards to the Election Commission's operational plan, lack of written procedures, safety and security issues at the warehouse where the voting machines are stored, staffing and training, and documented duties and responsibilities. Each of these areas is covered in detail later in this report

We extend our appreciation to the personnel who assisted and cooperated with us during the audit.

Internal Audit Division

Handwritten signature of Michael Clark in black ink.

Michael Clark, CPA

Director of Internal Audit

Date: October 27, 2006

Staff: Dick Wibbens, CPA, Audit Manager
John Finamore, CPA, Audit Supervisor

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**DENVER ELECTION COMMISSION
EXECUTIVE SUMMARY
FOR THE PERIOD AUGUST 1, 2005 TO SEPTEMBER 30, 2006**

This summary highlights the findings of the performance audit of the Denver Election Commission which are more fully described in the Findings, Recommendations, and Responses section beginning on page 7. The Findings, Recommendations, and Responses section includes the responses of the Election Commission.

1. Operational Plan

The Election Commission does not maintain a detailed operational plan for any given election. The Election Commission did generate a calendar style operational plan after audit inquires, but the plan was only generated for the 2006 primary election. After the primary election and additional audit inquiry, an operational plan for the 2006 general election was generated.

2. Written Procedures

The Election Commission does not maintain a complete written policy and procedures manual for all divisions. Various sections maintain some good procedures while other sections have minimal or no procedures.

3. Warehouse

We noted a number of safety and security issues with the Election Commission's warehouse facility that currently maintains approximately \$7.5 million of City assets. These issues include:

- Lack of proper temperature control
- Wet sprinkler system, which may not be a zoned system
- Brick and wood structure with an open floor plan
- Access from an underground tunnel not properly secured
- Security system is not visually monitored from an outside location
- Lack of proper electrical connections
- Warehouse exterior lighting not functioning
- Warehouse not in compliance with ADA requirements

4. Staffing and Training

During inquires we noted the following areas of concern regarding staffing and related training:

- Many staff personnel do not have job descriptions for their positions
- No cross training of staff between sections
- Use of on-call personnel for extended periods of time
- Lack of using available City resources

5. Duties and Responsibilities

The Election Commission does not have clear written descriptions of duties and responsibilities for commissioners and administrative staff. We also noted the appearance of a dominant role by the City's Clerk and Recorder over the other commissioners.

**DENVER ELECTION COMMISSION
BACKGROUND, SCOPE, OBJECTIVE, AND METHODOLOGY
FOR THE PERIOD AUGUST 1, 2005 TO SEPTEMBER 30, 2006**

Background

The Denver Election Commission is responsible for conducting accurate, secure, and efficient elections for the City and County of Denver so that all Denver voters have fair and full access to the voting process. The Election Commission is also responsible to adhere to statutory deadlines; maintain voter registration records and election equipment; oversee candidate certification and ballot access procedures; build and certify election ballots; and promote public participation in the election process.

The Election Commission is comprised of the following operating divisions:

Administration provides management, finance, human resources, and outreach support for the agency. Administration monitors and ensures statutory compliance with applicable laws, including the National Voter Registration Act, The Help America Vote Act, and Colorado Motor Voter Law, as well as, federal bi-lingual requirements.

Records maintains voter files and records; generates voter confirmation notices; prepares standard and customized voter file reports; processes and certifies candidates and initiative petitions; and complies and distributes data from state and federal voter registration statistical reports. Records initiates purchase requests for Administration approval and coordinates vendor services. Records also recruits, trains, and supervises from 2 to 20 on-call employees to accommodate peak data entry and production periods.

Election Operations provides operational and logistical support for the agency, including election judge recruitment, appointment and training, election supplies distribution, polling place standards, acquisition, and staffing. This division is responsible for early voting, processing absentee ballot applications and ballots, coordinating ballot printing and distribution, and tabulating and canvassing results.

Scope

The scope of the audit was to review the operational plan for the 2006 primary/general elections, review Election Commission's divisions and/or election process written procedures, study prior elections for problems noted and how addressed, and evaluate the organizational structure of the Election Commission.

Objective

The objectives of the audit were to determine whether the Election Commission's operational plan for vote centers for the 2006 primary/general elections was adequate and effective under the circumstances for Election Commission personnel to be able to prepare and conduct efficient and effective elections.

We selected three elections held prior to 2006 to determine what problems and complaints associated with each election were noted and how they were addressed. We also evaluated the structure of the Election Commission compared to other cities.

Methodology

To fully understand the essential functions of the Election Commission operational plan for conducting an election and determine if the Election Commission is prepared to hold elections, audit steps included, but were not limited to:

- Interviews with personnel and commissioners
- Review of written procedures
- Review known problems and/or complaints
- Review management controls
- Observe primary voting
- Comparison of procedures and structure to other cities

**DENVER ELECTION COMMISSION
FINDINGS, RECOMMENDATIONS, AND RESPONSES
FOR THE PERIOD AUGUST 1, 2005 TO SEPTEMBER 30, 2006**

1. Operational Plan

The Denver Election Commission does not maintain a detailed operational plan for tasks that should be performed prior to or immediately after any given election. The Election Commission did produce a timeline report for the 2006 primary election after inquires related to this audit had been made. The operation director of the Election Commission had each section director produce individual section tasks to be completed and combined these tasks into the timeline report. The timeline report included department, date, and project only; no additional detail was provided. Also, only tasks for the 2006 primary election were included on this timeline report. After further inquires as to an update of the timeline report, the Election Commission produced a calendar style task list for the 2006 primary election covering the months July and August. After the 2006 primary election, we inquired about the plan timeline, or calendar, for the 2006 general election. The Election Commission once again requested each section to submit their planned tasks and then a calendar style plan was produced for the general election.

Larimer County, Colorado, maintains an operational plan based on a four year election cycle. Their current operational plan is maintained in an Access database with the goal of converting it into project management software in the near future. Their operational plan includes such information as date, election, assigned to, description, reference (statute, rule, etc.), and status. Larimer County assigns one staff member to maintain this database with individual operating sections being responsible to provide their required tasks to complete for an election to be held. The database designates the month in which each task is to be performed. During monthly staff meetings, the status of each task is discussed.

The City and County of Broomfield maintains their operational plan on an Outlook calendar that is accessible by the staff. Even though this county is relatively small, they detail their tasks so that staff are aware of the tasks to complete and to not over look important details.

Benefits of having a detailed operational plan established and functioning include:

- Keeping staff informed of assigned tasks
- Can be used as a status reporting tool to commissioners, City Council, and the general public
- Provides more useful information for management to make decisions
- Informational tool for City Council and general public as to the type of future elections (vote centers, mail-in, etc.) planned
- Communication tool between Election Commission divisions
- Helps prevent the missing of deadlines
- Helps eliminate duplication of tasks
- Helps to eliminate missing the smaller detailed tasks that can cause disruptions

Recommendation

We recommend that the Election Commission continue development of an operational plan. The operational plan should, at a minimum, detail all tasks for expected elections occurring within a one year time frame. The operational plan should include information on such tasks as due date, division, person assigned, task description, and status. The operational plan should be as detailed as possible to help avoid the missing of small details, i.e. verifying vote center personnel will have doors open by a certain time or when supply boxes are to be packed. Small matters such as these can cause disruptions on election day if they are over looked.

Consideration should be given to expanding the operational plan to include a four year election cycle. This part of the operational plan may not need to be as detailed as the one year plan until specific election dates become less than a year out. However, the plan should include details regarding the type of election to be held (vote center, mail-in, or combination). This would benefit future decision making and limit confusion as to the type of election.

Auditee Response

“The Denver Election Commission did, in fact, have a plan and time in place prior to the start of the audit. We are also aware of the need for more thorough and detailed written plans. We also visited Larimer County, and are very impressed with their methods and techniques for operational planning. We are developing our plans to include some of those same elements, particularly a more long-term approach, involving continuing input from our various functional areas.”

2. Written Procedures

The Election Commission does not maintain a complete written policies and procedures manual for all of its activities. A few sections (Absentee, Technology, and Warehouse) within the Election Commission maintain good written procedures for their areas while others have minimum procedures or none at all. The Election Commission has experienced turnover recently in a number of division directors. Without written policies and procedures, the knowledge of departing individuals may be lost thus adding to the training time for the employees hired to replace them.

Sound business practices and principals of good internal controls support the establishing of policies and procedures to assist Election Commission personnel to properly comply with the ever changing and complex election rules and regulation. Written policies and procedure are always important but they become critical when personnel resources are limited due to employee turnover or when using temporary employees. Also, when staff must perform various non-recurring tasks, they should have written procedures to follow in order to be as effective and efficient as possible.

Recommendation

We recommend that the Election Commission require each division to prepare detailed written procedures covering the activities for which they are responsible. The written procedures should include all the necessary steps required to perform the various functions. Considering the high turnover rate the Election Commission has experienced over the past two years and the number of temporary workers used throughout the elections process, detailed procedures should help to reduce training time, provide a reference tool for both permanent and on-call employees, and provide for consistency in how tasks are performed.

We also recommend that the Election Commission executive director, or his designee, maintain a complete policy and procedure manual of all the operations and activities at the Election Commission.

Auditee Response

“Agree. The Election Commission needs to develop more comprehensive and organized written procedures to cover a wide range of functions including job descriptions, a policy and procedures manual and training materials for all jobs descriptions. We have already contacted several people from CSA to help us develop these tools.”

3. Warehouse

The Election Commission leases warehouse space to store the voting machine inventory and various election related documents. The Election Commission employs three full time personnel and up to ten on-call employees at the warehouse. The voting machine inventory and other City assets stored at the warehouse are worth approximately \$7.5 million. During our observation of the facility, we notice the following:

- Improper temperature control. The warehouse has no permanent cooling system and only one of four heaters works properly. Consequently, the temperature inside the warehouse fluctuates with the temperature outside resulting in the warehouse becoming extremely warm during the summer and cold during the winter. According to the manufacturer, extreme changes in temperature has the potential to cause various mechanical problems with the voting equipment by affecting battery life and the computer components. As a temporary solution during the summer, a temporary cooling system was set up at the warehouse (Figures 1 and 2). In order to attach this temporary cooling system to the warehouse it necessitated the loss of one dock door. The hoses from the cooling system pose a possible safety hazard since they lay across a walkway on the exterior of the building. The City tried to work with the landlord to obtain a more permanent cooling system for the warehouse however the City Engineer determined that the roof of the warehouse would not support a 4,000 pound cooling system. This also raises concern about whether the roof will support a heavy snow fall.



Figure 1



Figure 2

- The warehouse fire sprinkler system is a wet system and it is unknown if it is a zoned system. The voting machines are not covered to prevent possible water damage if the sprinkler system should go off; in which case they could be damaged or totally destroyed.
- The structure of the warehouse is constructed of brick and wood. The outside walls are cinder block and the ceiling is wood supported by wood columns. The warehouse is approximately 50,000 square feet in area and completely open (Figure 3) except for some office space. Given the amount of wood in the structure and the age of the building, if a fire were to occur there is nothing, other than the sprinkler system, that would contain the fire and limit the loss of inventory. Also, the west wall of the building has an outside exposure and from the inside of the warehouse daylight can be seen through this wall. This raises concern of the structural strength of the wall.



Figure 3

- The warehouse is not a stand alone structure being it is one of a string of connected warehouses. There is an underground tunnel traveling underneath the connected structure with access at various points. One of these access points is within the Election Commission warehouse. The access door in the warehouse was not properly secured during our observation (Figure 4). We are told that the City has since added security to this access door, however we did not verify that fact. Also, the warehouse next to the

space leased by the Election Commission had burned down at some point and was never rebuilt. On this open space are two access entry points to the tunnel (Figure 5) that are secured with padlocks.



Figure 4



Figure 5

- The warehouse security system is not visually monitored from an offsite location. The security system in place includes motion detection and cameras located both inside and outside the warehouse. Any motion detected will sound an alarm to the security at the Webb Building and the police department. According to the head of security at the Webb Building, the visual feed from the security system currently can not be transmitted to them due to the lack of a T1 line from the warehouse to the Webb Building.
- Lack of proper electrical connections. The staff at the warehouse are required to test each voting machine on a monthly basis. This requires each machine to be connected to electrical outlets during testing as well as when charging batteries. The staff must use a number of extension cords to connect various machines to the electrical outlets. These extension cords are strung along the floor creating a safety hazard and can increase the threat of fire.
- The exterior lighting on the warehouse is not functioning thereby impacting the overall security of the building.
- The warehouse is not in compliance with ADA requirements and it is being used as one of the locations for election judge training. This in conjunction with the exterior lighting not functioning may create liability issues for the City.

All of these deficiencies noted at the warehouse collectively, or individually in some cases, may increase the risk of loss to the City capital asset inventory, reduce security over the voting machines, and/or jeopardize the safety of City employees.

Recommendation

We recommend that the Election Commission work with the necessary City agencies and the warehouse landlord to correct the deficiencies noted. If it is ultimately decided that the current warehouse is not adequate to safeguard City assets or meet the needs of the Election Commission and the City, action should be taken to terminate the lease and move to a more suitable location.

Auditee Response

“Agree. The Election Commission warehouse has been recognized as a sub-standard facility, not suitable for its assigned purpose. We have been working with City agencies to remedy a number of the deficiencies cited in your findings. We are also looking at alternative long-term solutions ranging from major upgrades at the existing facility to termination of lease and relocation to a new location.”

4. Staffing and Training

During inquires with the various Election Commission personnel, we noted the following related to staffing and training:

- Many of the staff did not have job descriptions for the work they do. Because the Election Commission is an independent City agency, they are not required to follow Career Service rules; never the less they have adopted and follow many of the Career Service rules. The lack of a job description can lead to employees not fully understanding their role in the organization or what specific job duties they are required to perform, communication issues, and standards for evaluation purposes are not clearly known.
- Cross training staff between sections. The Election Commission currently has five sections under the Operations Director and three sections reporting directly to the Executive Director. Each section has one person in charge with permanent support staff of up to three full-time people. There is no cross training of staff between sections. The Election Commission has also experienced high employee turnover the last two years. Cross training provides for better utilization of staff during peak times, it provides staff insight into how decisions may affect other sections, it reduces the need for on-call employees, it may help to reduce the turnover rate, and it will likely reduce training time during promotional probationary periods.
- Use of on-call employees. The Election Commission uses a number of on-call employees for extended periods of time. We noted that ten on-call employees worked over 800 hours in the first 9 months of 2006. The Election Commission has expended approximately \$250,000 in both 2005 and 2006 on on-call employees.
- Using available City resources. The Election Commission currently does not utilize any non-Election Commission City employee resources during elections. The Charter, Section 8.1.6 states, “The council shall appropriate sufficient funds to the Election Commission to enable the Commission to conduct elections and to obtain suitable offices, supplies, and employees to perform its duties. The Commission may, at its discretion, utilize the services of City and County departments in making such acquisition.” The use of City employees during elections could reduce the need for on-call employees thus saving the City money, increase the judges’ technical skills, and judges should be better prepared to handle problems.

Recommendation

We recommend that the Election Commission evaluate their staffing needs. With the ever changing requirements the Election Commission is required to follow and the new requirements to be implemented in the future, this would be a good time to anticipate what the staffing requirements will be in order to implement and comply with changes and new regulations.

We also recommend as part of this staffing evaluation the following be considered:

- Job descriptions should be prepared for all positions; both current and any newly created. The Career Service Authority can be asked to assist in the preparation of job descriptions. Creating job descriptions will provide guidance for staff, help to open lines of communication with management, clearly define job responsibilities, and help improve moral.
- Cross training staff to understand more than one part of or the whole election process allows the staff to broaden their skills, fill in during peak times, cover positions when others are on leave, increases promotional opportunities, reduces the need for on-call employees, and increases communication and moral.
- Hire additional full time personnel to be cross trained in all sections of the Election Commission. These employees could float between sections during peak periods.
- Inquire about using City employee resources outside of the Election Commission during the election process. With increases in election requirements and the advancement of technology surrounding the elections, many jurisdictions around the country are tapping their internal resources to run various aspects of elections. One jurisdiction we noted uses management and supervisor level personnel to run their vote centers and electronic poll book, while citizens fill in on other election related duties. We found another jurisdiction that closes their motor vehicle offices for the day and uses these employees as election judges. The reason noted was that these employees are more used to the modern technology, dealing with problems and customers, and can reduce the cost of the election.

Auditee Response

“Agree. Job descriptions are one of several administrative areas we need to improve. Cross training in some of our functional areas certainly warrants additional consideration, especially in light of the small size of our agency. We are actively pursuing several opportunities to engage City employees in our election day activities. Finally, I am very interested in taking advantage of existing City resources where we can achieve direct cost savings and efficiencies. Additional full time personnel would certainly be welcome, especially since this agency has not grown to keep pace with the complexity of running elections.”

5. Duties and Responsibilities

The Election Commission does not have in writing an explanation of duties and responsibilities describing the role of the commissioners and administrative staff. The City Charter and revised municipal code also do not detail the separation of duties between the commissioners and the administrative staff.

We noted through interviews and observation the appearance that the City's Clerk and Recorder has a dominant role over the commissioners based on his availability for direct contact due to his position within the City. This was confirmed by the Election Governance Panel established by the Mayor and City Council. During a recent council committee meeting related to the Election Commission budget and election update, the City's Clerk and Recorder accompanied the administrative staff of the Election Commission to help address council concerns. While this action is certainly within the realm of the Clerk and Recorder's duties as one of the commissioners, it is an example of how the Clerk and Recorder is perceived to dominate the commission. The two elected commissioners, since they are part time, are not always available to attend these kinds of meetings, contributing further to this appearance issue on the part of the Clerk and Recorder.

Recommendation

Either in the form of a charter amendment or ordinance clear written duties and responsibilities for both the commissioners and the administrative staff of the Election Commission should be established. If such action is deemed not acceptable, at a minimum, the commissioners and the executive director of the Election Commission should determine said duties and responsibilities and make them a part of the Election Commission's detailed written policies and procedures manual.

The duties and responsibilities should include:

- Commissioners' responsibilities
- Executive director responsibilities
- Role of the City's Clerk and Recorder
- When commissioner meetings are held
- Who chairs the commissioner meetings
- Who should represent the Election Commission at City Council meetings

Defining these duties and responsibilities in writing will clarify roles and provide the staff of the Election Commission clearer guidance as to the proper chain of command. This may also reduce the appearance of the Clerk and Recorder having a dominant relationship over the elected Commissioners.

Auditee Response

"I agree that that the general duties and responsibilities of Election Commissioners and staff should be clearly delineated. However, I feel that very strongly that this should be done as a policy matter by the Commission, and put in writing. This could certainly be made a part of the DEC policies and procedures manual."