



Findings in the audit of the Lewis County Clerk

Improper Payroll

The Lewis County Clerk improperly paid herself and her staff for election services work using her Election Authority Account (EAA). The County Clerk improperly paid additional compensation, totaling \$5,874, to herself and other county employees. The payments were all from election services money deposited into the EAA and most of the payments did not go through the normal county payroll process. The County Clerk paid herself \$950 to provide absentee voting service even though she is not entitled to receive additional compensation for any election related work performed. The County Clerk improperly paid the Deputy Election Authority Clerk an additional \$4,842 during the audit period. The County Clerk overpaid the Voter Registration Clerk by \$82 due to a calculation error of her pay for additional election work. The County Clerk did not process most of the compensation paid with election services money during the audit period through the normal county payroll system. The amount not properly processed totaled \$6,269. Because the County Clerk did not process the additional compensation through the normal county payroll system, the payments were not reported on the employee's W-2 forms, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes was not paid.

Election Services Money Controls and Procedures

The County Clerk maintained election services money in the EAA outside of the county treasury and did not effectively budget these funds. State law requires election services money to be deposited into a special account but this did not preclude the County Clerk from maintaining this account with the County Treasurer or budgeting the funds. The County Commission created the Election Authority Fund in 2021 in an attempt to track and budget the funds in the EAA, but the County Clerk did not provide details to the County Commission to allow it to effectively estimate revenues and disbursements or monitor the budget. The County Clerk approved expense reimbursements without sufficient documentation. The County Clerk did not segregate accounting duties and did not perform an adequate documented supervisory review of election services accounting and bank records.

In the areas audited, the overall performance of this entity was **Fair.***

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



Recommendations in the audit of the Lewis County Clerk

Improper Payroll

The County Clerk:

- 1.1 Establish adequate procedures to ensure all payments for election work are accurate, paid in accordance with statute, and approved by the County Commission. In addition, the County Clerk should work with the County Commission to repay the additional compensation she received.
- 1.2 Establish procedures to ensure all compensation is processed through the county payroll system, properly reported, and payroll taxes are withheld and remitted to the appropriate taxing entity. In addition, the County Clerk should amend the W-2 forms for all employees whose income was not properly reported.

Election Services Money Controls and Procedures

The County Clerk:

- 2.1 Ensure any bank accounts held outside the county treasury are closed and ensure all money is disbursed to the County Treasurer timely.
- 2.2 Ensure adequate documentation is submitted and reviewed prior to expense reimbursement approval and such documentation is retained.
- 2.3 Segregate duties to the extent possible and perform a supervisory review over the receipting, depositing, and reconciling of election services money when segregation of duties is not possible.