



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

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PERFORMANCE MEASURE VALIDATION
OF
REGISTRAR OF VOTERS

AUDIT NUMBER: 2593

REPORT DATE: September 7, 2006

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Deputy Director:	Eli Littner, CPA, CIA
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**PERFORMANCE MEASURE VALIDATION
OF
REGISTRAR OF VOTERS**

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Transmittal Letter

Audit No. 2593

September 7, 2006

TO: Neal Kelley, Registrar of Voters

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: Performance Measure Validation

We have completed our Performance Measure Validation (PMV) of the Fiscal Year 2004-2005 Results included in the Fiscal Year 2006-2007 Business Plan. The final report is attached along with your responses to our recommendations.

In developing our PMV audit process we benchmarked with Maricopa County, Arizona Internal Audit Department's Performance Measure Certification program. Maricopa County has been conducting their certification program for over five years and has received several awards and has been referred to as the "gold standard" of performance measurement auditing by the Government Accounting Standards Board (GASB). Our approach closely mirrors the award winning approach developed by the Maricopa County Internal Audit Department.

Please note, beginning in January 2005, we implemented a more structured and rigorous Follow-Up Audit process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). As a matter of policy, our first Follow-Up Audit will now begin no later than six months upon the official release of the report. The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our second Follow-Up Audit will now begin at 12 months from the release of the original report, by which time all audit recommendations are expected to be addressed and implemented. However, we will not perform our follow-up until the next Business Plan cycle.

At the request of the AOC, we are to bring to their attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. The AOC requests that such open issues appear on the agenda at their next scheduled meeting for discussion.

We will provide a Follow-Up Audit Report Form to you; this template should be completed as our audit recommendations are implemented. When we perform our Follow-Up Audit by the next Business Plan cycle, we will need to obtain the completed document to facilitate our review.

As the Director of Internal Audit, I now submit a monthly audit status report to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

As always, the Internal Audit Department is available to partner with the Registrar of Voters management and staff so they can successfully implement or mitigate difficult audit recommendations. The Registrar of Voters is free to call me should he wish to discuss any aspect of our audit report or recommendations.

Additionally, we will be forwarding to the Registrar of Voters a Customer Survey of Audit Services for completion. The Registrar of Voters will receive the survey shortly after the distribution of this report. We appreciate the courtesy and cooperation of the Registrar of Voters staff during our review.

Attachment

Other recipients of this report:

Members, Board of Supervisors

Members, Audit Oversight Committee

Thomas G. Mauk, County Executive Officer

David L. Rudat, Interim Deputy CEO, Infrastructure and Environment

Foreperson, Grand Jury

Darlene J. Bloom, Clerk of the Board of Supervisors



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INTERNAL AUDITOR'S REPORT

Audit No. 2593

September 7, 2006

TO: Neal Kelley, Registrar of Voters

SUBJECT: Performance Measure Validation

We have completed our Performance Measure Validation (PMV) of the Fiscal Year 2004-2005 Results included in the Fiscal Year 2006-2007 Business Plan. Our audit included obtaining an understanding of the methodology in place for collecting and reporting Outcome Indicator Results by interviewing key personnel, observations, and reviewing source documentation. Our audit scope did not include an assessment of the appropriateness of your Outcome Indicators based on your mission, goals and objectives.

We have initiated our PMV audits at the request of the Audit Oversight Committee. Our approach is to review performance measure results, assign validation ratings, report conclusions, and make recommendations. Our validation program is designed to provide assurance to the Board of Supervisors, the County Executive Officer, and you and other stakeholders that reported Outcome Indicators are reliable and can be utilized in decision making covering Government resources with confidence.

In developing our PMV audit process we benchmarked with Maricopa County, Arizona Internal Audit Department's Performance Measure Certification program. Maricopa County has been conducting their certification program for over five years and has received several awards and has been referred to as the "gold standard" of performance measurement auditing by the Government Accounting Standards Board (GASB). Our approach closely mirrors the award winning approach developed by the Maricopa County Internal Audit Department.

We conducted our audit in accordance with the Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

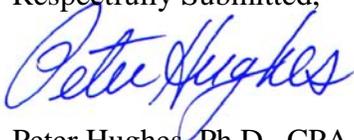
For each Outcome Indicator tested, we reported the results using one of the three Rating Definitions shown below.

Rating Definitions		
5 Star	★★★★★	We found adequate supporting documentation.
4 Star	★★★★	We found adequate supporting documentation with some recommendations for improvement.
3 Star	★★★	We noted opportunities for improvement.

Based on our audit of the Fiscal Year 2004-2005 Results reported in your Fiscal Year 2006-2007 Business Plan, we rated 50 percent of your reported Outcome Indicator Results as 5 Star. We tested six (6) Outcome Indicator Results and rated three (3) as 5 Star, two (2) as 4 Star, and one (1) as 3 Star. On page 3 we have provided a table (Summary Table – Validation Results) that lists for each Outcome Indicator, the reported results, and our rating of the accuracy of the Registrar of Voters results. For the Outcome Indicator Results that were rated a 4 Star and 3 Star, we have provided detail of these, along with recommendations for enhancements over the gathering and reporting of the Outcome Indicator Results in the Findings, Recommendations and Management Responses section of this report.

We appreciate the courtesy and cooperation extended to us during the audit by the personnel of the Registrar of Voters. If we can be of further assistance, please contact me or Eli Littner, Deputy Director at (714) 834-5899 or Alan Marcum, Audit Manager, at (714) 834-4119.

Respectfully Submitted,



Peter Hughes, Ph.D., CPA
Director, Internal Audit

Attachment A – Registrar of Voters Responses

- Distribution Pursuant to Audit Oversight Committee Procedure No. 1:
- Members, Board of Supervisors
 - Members, Audit Oversight Committee
 - Thomas G. Mauk, County Executive Officer
 - David L. Rudat, Interim Deputy CEO, Infrastructure and Environment
 - Foreperson, Grand Jury
 - Darlene J. Bloom, Clerk of the Board of Supervisors

SUMMARY TABLE – VALIDATION RESULTS

Registrar of Voters Fiscal Year 2004-2005 Stated		Internal Audit Validation		
Outcome Indicators	Results	(Highest Rating Possible)	4 Star	3 Star
		5 Star ★★★★★	★★★★★	★★★
1. Ensure accessibility to all eligible citizens in the elections process through pro-active community outreach. (Goal #1, Outcome Indicator A.)	2004 survey results showed a high degree of confidence in the accuracy and integrity of the elections process.		✓ Finding #1 (See page 4)	
2. The number of people viewing the exhibit will show the number of times ROV has interacted directly with the public. (Goal #1, Performance Measure 1.)	Planning and preparation of exhibit executed.		✓ Finding #2 (See page 5)	
3. Accuracy of the initial electronic vote count against the 1% manual recount. (Goal #2, Outcome Indicator A.)	100% accuracy.	✓		
4. Develop viable funding structure for AVVPAT. (Goal #2, Outcome Indicator B.)	The need to develop funding structures for AVVPAT identified.	✓		
5. Execute a multi-pronged outreach approach that includes community and the media. (Goal #2, Outcome Indicator C.)	Media/Community Outreach Plan developed.	✓		
6. Number of poll workers trained to properly use and manage the AVVPAT. (Goal #2, Performance Measure 3.)	AVVPAT Program Task Force formed.			✓ Finding #3 (See page 5)



DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

Finding No. 1 (4 Star)

Registrar of Voters Outcome Indicator: Ensure accessibility to all eligible citizens in the elections process through pro-active community outreach. (Goal #1, Outcome Indicator A.)

Registrar of Voters Stated Results: 2004 survey results showed a high degree of confidence in the accuracy and integrity of the elections process.

The Board of Supervisors Internal Audit Department validation found that:

- A. The FY 04-05 Outcome Indicator Results do not support the Outcome Indicator. The Outcome Indicator states “Ensure accessibility to all eligible citizens in the elections process through pro-active community outreach.” However, the FY 04-05 Results state “2004 survey results showed a high degree of confidence in the accuracy and integrity of the elections process.”
- B. The reported FY 04-05 Outcome Indicator Results are not supported. The Registrar of Voters used the “Strongly Agree” and “Agree” responses to questions 7, 9, and 15 of the survey questionnaire to determine the “high degree of confidence in the accuracy and integrity of the elections process.” However, based on our review of the survey questions (stated below), the Outcome Indicator Results cannot be supported by answering the following survey questions.
 - 7. I chose to vote at the polls because I am used to the process.
 - 9. I do not vote absentee because I prefer to vote in person.
 - 15. Overall, I am satisfied with the election process.

Recommendation No. 1A

For future Business Plans revise the Outcome Indicator or results being reported to complement each other.

Registrar of Voters Response

We partially concur with the finding. Ensuring accessibility through community outreach is a major component with respect to voters having a high degree of confidence in elections and the voting system. It is difficult to have confidence in something if you do not know how to use them, understand them and appreciate their functionality. However, we believe that we can add more specific questions to the survey to further clarify voter’s confidence with the system.

Recommendation No. 1B

For future Business Plans ensure that reported results are supported and properly stated.

Registrar of Voters Response

We partially concur. The voting system used in the polling place is the direct record electronic voting system. If a voter states that they “agree” or “strongly agree” that they are satisfied with the elections process, which includes voting electronically, then we believe they are showing confidence in the voting system. Although we feel it is not appropriate to ask the specific question “Do you have confidence in the voting system?” to have an effective survey, we believe that we can add more specific questions to the survey to gauge confidence in the system.



Finding No. 2 (4 Star)

Registrar of Voters Outcome Indicator: The number of people viewing the exhibit will show the number of times ROV has interacted directly with the public. (Goal #1, Performance Measure 1.)

Registrar of Voters Stated Results: Planning and preparation of exhibit executed.

The Board of Supervisors Internal Audit Department validation found that the FY 04-05 Performance Measure Results do not support the Performance Measure. The Performance Measure states “The number of people viewing the exhibit will show the number of times ROV has interacted directly with the public.” However, the FY 04-05 Results states “Planning and preparation of exhibit executed.”

Recommendation No. 2

For future Business Plans revise the Performance Measure or the Results being reported to complement each other.

Registrar of Voters Response

We agree with the review. The amended statement: “Planning and preparation of the exhibit begins” is reflected on the revised business plan found on the County website and has been completed.

Finding No. 3 (3 Star)

Registrar of Voters Outcome Indicator: Number of poll workers trained to properly use and manage the AVVPAT. (Goal #2, Performance Measure 3.)

Registrar of Voters Stated Results: AVVPAT Program Task Force formed.

The Board of Supervisors Internal Audit Department validation found that:

- A. The FY 04-05 Performance Measure Results do not support the Performance Measure. The Performance Measure states “Number of poll workers trained to properly use and manage the AVVPAT.” However, the FY 04-05 Results state “AVVPAT Program Task Force formed.”
- B. The reported FY 04-05 Performance Measure Results are not supported. The AVVPAT Task Force was formed in December 2005, which is in the following fiscal year, ending June 30, 2006.

Recommendation No. 3A

For future Business Plans revise the Performance Measure or results being reported to complement each other.

Registrar of Voters Response

We agree with the review. However, we had to shift the timeframes due to delays in the VVPAT certification at the State level. At the time of the writing the statement would have been true. The amended statement “Need for AVVPAT Task Force identified” is reflected on the revised business plan found on the County website and is completed.



Recommendation No. 3B

For future Business Plans ensure that reported results are supported and properly stated.

Registrar of Voters Response

See response to Recommendation No. 3A.





County of Orange

MEMO

September 5, 2006

To: Dr. Peter Hughes, Director, Internal Audit

From: Neal Kelley, Registrar of Voters

CC: Eli Littner, Deputy Director, Internal Audit
Alan Marcum, Manager, Internal Audit

Re: Response to Draft Business Plan Internal Audit Report No. 2593

Finding No. 1 (4 Star)

Recommendation No. 1A

Registrar of Voters Response:

We partially concur with the finding. Ensuring accessibility through community outreach is a major component with respect to voters having a high degree of confidence in elections and the voting system. It is difficult to have confidence in something if you do not know how to use them, understand them and appreciate their functionality. However, we believe that we can add more specific questions to the survey to further clarify voter's confidence with the system.

Recommendation No. 1B

Registrar of Voters Response:

We partially concur. The voting system used in the polling place is the direct record electronic voting system. If a voter states that they "agree" or "strongly agree" that they are satisfied with the elections process, which includes voting electronically, then we believe they are showing confidence in the voting system. Although we feel it is not appropriate to ask the specific question "Do you have confidence in the voting system?" to have an effective survey, we believe that we can add more specific questions to the survey to gauge confidence in the system.

Finding No. 2 (4 Star)

Recommendation No. 2

Registrar of Voters Response

We agree with the review. The amended statement: "Planning and preparation of the exhibit begins" is reflected on the revised business plan found on the County website and has been completed.

Finding No. 3 (3 Star)

Recommendation No. 3A

Registrar of Voters Response



ATTACHMENT A: Registrar of Voters Responses (continued)

We agree with the review. However, we had to shift the timeframes due to delays in the VVPAT certification at the State level. At the time of the writing the statement would have been true. The amended statement "Need for AVVPAT Task Force identified" is reflected on the revised business plan found on the County website and is completed.

Recommendation No. 3B
See response to Recommendation No. 3A.

