



AUDIT REPORT – SECRETARY OF STATE’S OFFICE

Audit Report Released. The Auditor’s Office recently released a report regarding the Secretary of State’s Office for the year ended June 30, 2013.

Agreement. In June 2012, the Secretary of State’s Office entered into a two-year agreement with the Department of Public Safety (DPS) to investigate complaints and potential criminal activity related to voter or election misconduct. The agreement was for an annual amount not to exceed \$140,000. As of June 30, 2013, the Secretary of State’s Office had expended \$100,481 of Help American Vote Act (HAVA) funding under the agreement. On April 19, 2013, the Inspector General of the U.S. Election Assistance Commission asked the U.S. Election Assistance Commission if the services provided by the DPS to the Iowa Secretary of State were allowable charges to HAVA funds.

- **Recommendation.** The Auditor’s Office reported that because the U.S. Election Assistance Commission has not yet responded to the Inspector General’s question, the Office of the Secretary of State should develop a plan to repay HAVA funds if requested to do so by the Commission.
- **Response.** The Iowa Secretary of State’s Office will comply with any directives from the U.S. Election Assistance Commission.
- **Conclusion.** The Auditor’s Office acknowledged the Secretary of State’s response.

Employee Timesheets. The Auditor’s Office reviewed payroll and employee timesheets and noted that not all employees were required to submit timesheets. In addition, vacation requests were not required to be submitted for supervisor approval or were not recorded.

- **Recommendation.** The Auditor’s Office reported that all employees should submit a bi-weekly timesheet for supervisor review and approval. In addition, the payroll department should ensure that all vacation hours are recorded in the payroll system.
- **Response.** Under the Culver and Mauro administrations, deputies were not required to keep timesheets and this practice was continued under Secretary Schultz through May 2013. The Secretary of State’s Office was notified in October 2014 of the State Auditor’s recommendation to include leave slips in the special audit schedule of findings. The information was provided to Secretary Pate for his consideration.
- **Conclusion.** The Auditor’s Office acknowledged the Secretary of State’s response.

Notice of Termination. The Auditor’s Office conducted a review of the terminations in the Secretary of State’s Office. The American Federation of State, County, and Municipal Employees (AFSCME) contract requires employees be provided a 20-working-day notice of a layoff or termination. Three covered employees were given 22-day notices and were not required to report to work during those 22 days. At-will employees are not covered by the AFSCME contract and are not required to receive notification of termination or layoff. An employee resigned from an at-will position and gave a 30-day written notice of resignation. Another at-will employee resigned in 2012 and gave a 60-day written notice. Both employees were told they were not required to report to the Office for work but rather could be available by

phone to answer questions. A third employee was given notice on May 24, 2012, that their position was being eliminated effective December 31, 2012. Little evidence exists of work performed from May 24, 2012, through December 31, 2012.

- **Recommendation.** The Auditor's Office reported that the Secretary of State's Office should ensure the public benefit of retaining employees for a longer period than required under the AFSCME contract, merit employment rules, and normal practice for at-will employees is documented and work performed is necessary and reasonable to the operations of the Office.
- **Response.** There is currently no definition in the Iowa Code of a public benefit but rather has historically been determined by the elected official. Prior to January 2013, the Office sought guidance from the Department of Administrative Services Human Resource Enterprise when dealing with terminations and severances. This ultimately resulted in over \$250,000 being returned to the State General Fund. The information was provided to Secretary Pate for his consideration. *(In FY 2014, the Secretary of State's Office reverted \$251,400 to the State General Fund.)*
- **Conclusion.** The Auditor's Office acknowledged the Secretary of State's response.

STAFF CONTACT: Jennifer Acton (515-281-7846) jennifer.acton@legis.iowa.gov