



Wisconsin Elections Commission

201 West Washington Avenue | Second Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8005 | elections@wi.gov | elections.wi.gov

DATE: May 23, 2022

TO: Mr. Michael J. Queensland, Senate Chief Clerk
B20 South East, State Capitol
Madison, WI 53702

Mr. Edward A. Blazel, Assembly Chief Clerk
17 West Main Street, Room 401
Madison, WI 53703

FROM: Meagan Wolfe, Administrator
Wisconsin Elections Commission

SUBJECT: Wisconsin Elections Commission Policies and Procedures

Annually, the Wisconsin Elections Commission (WEC) is required to adopt written policies and procedures to govern its internal operations, pursuant to Wis. Stat. s. 5.05 (16) (a). The report was reviewed by the six-member commission as part of their March 9, 2022, public meeting. Attached is WEC's 2022 Internal Control Plan, which describes the agency's internal operations.

1. Control Environment (Mission Statement, Code of Conduct, Strategic Plans and Organizational Chart, Personnel Policies and Procedures, Position Descriptions and other Functional Guidance Materials Provided to Employees);
2. Risk Assessment (funding sources, system and tools and transaction cycles);
3. Control Activities (performance reviews, physical and electronic controls, information processing);
4. Information & Communication and the Monitoring of the internal control structure.

Attachment (1)

Wisconsin Elections Commissioners

Ann S. Jacobs, chair | Marge Bostelmann | Julie M. Glancey | Dean Knudson | Robert Spindell | Mark L. Thomsen

Administrator
Meagan Wolfe

Wisconsin Elections Commission



Internal Control Plan

Revised: March 2022

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Introduction

The Wisconsin Elections Commission (WEC) has developed the following internal control plan to provide reasonable assurance that all federal and state assets are safeguarded, applicable laws and regulations are followed, and objectives of the Agency are being met.

Control Environment

Mission Statement

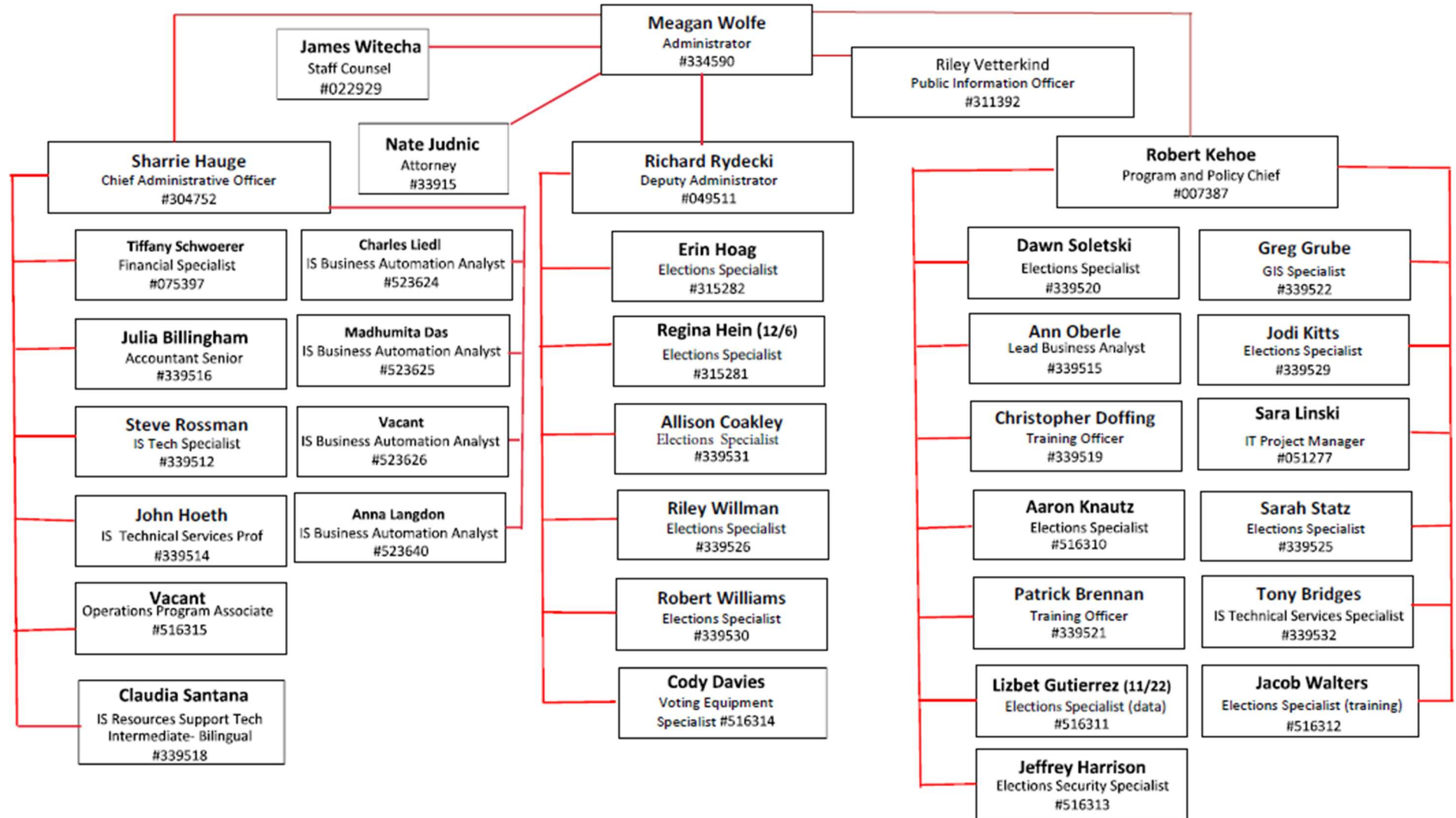
The mission of the Commission is to enhance representative democracy by ensuring the integrity of Wisconsin's electoral process through the administration of Wisconsin's elections laws and the dissemination of information, guidance and services to local election officials, candidates, policymakers, voters, and the public, utilizing both staff expertise and technology solutions.

Agency Description and Organization Chart

The Elections Commission is comprised of six members, who serve for 5-year terms. One member is appointed by the senate majority leader; one appointed by the senate minority leader; one appointed by the speaker of the assembly; one appointed by the assembly minority leader; and two are members who formerly served as county or municipal clerks and who are nominated by the governor with the advice and consent of a majority of the members of the senate. The legislative leadership of the two major political parties that received the largest number of votes for president shall prepare a list of three individuals such that each major political party has prepared one list. The governor shall choose one nominee from each list. A detailed description of the appointment of Commissioners is provided in WIS. STAT. §15.61. The Elections Commission and the Department of Administration established a rotational term schedule of the Commissioners. The Commission elects a chair and vice-chair from its members by a majority vote.

The Commission Administrator serves as the agency head and the chief election officer of the state. The Commission staff is required to be non-partisan. The agency has a staff of 25.75 GPR and 10.25 SEGF full-time employees.

WISCONSIN ELECTIONS COMMISSION



Personnel Policies and Procedures

All permanent and project WEC staff are required to attend a Department of Administration (DOA) orientation upon appointment. During orientation, staff are directed to the DOA Intranet site <https://dpm-hr-region1.wi.gov/Pages/Home.aspx>. where they receive training announcements, wellness information, policies, forms, and job aids. After orientation, all employees receive a formal email from DOA which signifies their understanding that they will abide by work rules, code of ethics and other guidelines contained therein. At WEC, new employees are directed to read Agency Policy Memos 24-29 (Appendix C.1) addressing Classifications, Compensation, Leave Management, Travel Expenses, Recruitment and Selection, and Miscellaneous (Probation).

Nonpartisan Requirement

The staff of the WEC are required by [Wis. Stat. § 5.05\(4\)](#) to be nonpartisan. This quality is instilled in every employee during agency training and is a significant part of the culture at the WEC.

Position Descriptions

Employee position descriptions are available upon request. Agency management periodically reviews employee position descriptions to ensure they match employee work assignments, and then updates them, as necessary. See Appendix C – Position Numbers, Employee Names, and Classification Titles.

Other Functional Guidance Materials Provided to Employees

Procurement Manual

The state procurement manual communicates the required policies and procedures for purchasing commodities and services throughout the state and is available online as part of the VendorNet System at <https://vendornet.wi.gov/Home.aspx>. The Wisconsin Procurement Manual is directly available at: <https://doa.wi.gov/ProcurementManual/Pages/default.aspx>

Purchasing Card User Manual

The DOA Purchasing Card User Manual is a document used by the WEC staff which defines a purchasing card, its proper uses, and associated internal control policies and procedures governing usage by Elections Commission staff members. See first page of Appendix G - Purchasing Cardholders and User Manual for a listing of cardholder names and associated programs/grants. The user manual is issued to staff, if it is decided they will need to use purchasing cards as part of their job duties. The DOA Purchasing Card Manual is available at: <https://doa.wi.gov/DEO/PCMANUAL.pdf>

Wisconsin Statutes (Chapters 5 to 10 and 12)

The WEC administers and enforces Wisconsin law pertaining to:

- Chapters 5, Elections – General Provisions; Ballots and Voting Systems

- Chapter 6, The Electors
- Chapter 7, Election Officials; Boards; Section and Duties; Canvassing
- Chapter 8, Nominations, Primaries, Elections
- Chapter 9, Post-Election Actions; Direct Legislation
- Chapter 10, Election Notices
- Chapter 12, Prohibited Election Practices.

Program staff members are expected to have a high-level working knowledge of their controlling statutes, along with various inter-related statutes which may affect the conduct of elections in the state.

Risk Assessment

Risk is defined as the level of vulnerability to fraud, abuse, and/or mismanagement. Risk assessment is the identification and analysis of relevant risks to achievement of objectives, forming a basis for determining how the risks should be managed. The WEC assesses risk by considering the events and circumstances which may occur and could adversely affect the WEC's ability to record, process, summarize, and report agency financial information. Management of the risks associated with the use of the WEC's internal control structure provides reasonable assurance that financial processing functions work as intended.

Agency Appropriations

The WEC's budgetary appropriations under s. 20.510 are as follows:

1. State General Program Operations; General Purpose Revenue (1) (a) – GPR Fund 100 Appropriation 10100 – general program operations of the commission, including the printing of forms, materials, manuals, and election laws under s. 7.08 (1) (b), (3), and (4), and the training of election officials under s. 5.05 (7).
2. Investigations (1) (be) – GPR Fund 100 Appropriation 10500 – funds the cost of investigating potential violations of chs. 5 to 10 and 12, as authorized by the Commission.
3. Training of Chief Inspectors (1) (bm) GPR Fund 100 Appropriation 10600 – for training chief inspectors under s. 7.31.
4. Special Counsel (1) (br) – GPR Fund 100 Appropriation 10700 – for the compensation of special counsel appointed as provided in s. 5.05 (2m) (c) 6.
5. Voter ID Training (1) (c) – GPR Fund 100 Appropriation 10900 – funds training of county and municipal clerks concerning voter identification requirements provided in 2011 Wisconsin Act 23.
6. Election Administration Transfer (1) (d) – GPR Fund 100 Appropriation 11000 – to meet federal requirements for the conduct of federal elections under P.L. 107-252, to be transferred to the appropriation account under par. (t).
7. Elections Administration (1) (e) – GPR Fund 100 Appropriation 11100 – for the administration of chs. 5 to 10 and 12.

Recount Fees (1) (g) – PR Fund 100 Appropriation 12000 – petitioners fees to be apportioned to the commission and the county clerks or county board of election commissioners as prescribed in s. 9.01 (1) (ag). All moneys received on account of recount petitions filed with the commission shall be credited to this appropriation account.

8. Materials and Services (1) (h) – PR Fund 100 Appropriation 12100 – for the costs of publishing documents, locating and copying records, and conducting administrative meetings and conferences, for compiling, disseminating, and making available information prepared by and filed with the commission, and for supplies, postage, and shipping. All moneys received by the commission from collections for sales of publications, for copies of records, for supplies, for postage, for shipping and records location fees, and for charges assessed to participants in administrative meetings and conferences, except moneys received from requesters from sales of copies of the official registration list, shall be credited to this appropriation account.
9. Gifts and Grants Fund (1) (jm) – PR Fund 100 Appropriation 12300 –to carry out the purposes, not inconsistent with the law, for which gifts, grants, and bequests to the commission are made. All moneys received by the commission from gifts, grants, and bequests shall be credited to this appropriation account.
10. Election Security and Maintenance (1) (jn) – PR Fund 100 Appropriation 12500 – moneys received from requesters from the sales of copies of the official registration list for the purpose of election security and system maintenance. *(Note: Monthly interest income earned on this cash balance is properly allocated monthly.)*
11. Federal Aid Account (1) (m) – PR-F Fund 100 Appropriation 14000 –to be used for the administration of chs. 5 to 10 and 12. All moneys received from the federal government, as authorized by the governor under s. 16.54, that are not appropriated under par. (x), shall be credited to this appropriation account.
12. Election Administration (1) (t) – SEG Fund 220 Appropriation 16000 –from the election administration fund, the amounts in the schedule to meet federal requirements for the conduct of federal elections under P.L. 107-252. All moneys transferred from the appropriation account under par. (d) shall be credited to this appropriation account.
13. Federal Aid; Election Administration Fund (1) (x) – SEG-F Fund 220 Appropriation 18000 – all moneys received from the federal government, as authorized by the governor under s. 16.54, to be used for election administration costs under P.L. 107-252. *(Note: This Appr. was used for the previous federal H101 and H251 grant Help America Vote Act of 2002 (HAVA) awards, now both spent and closed.)*
14. Federal Aid; Election Administration Fund (1) (x) – SEG-F Fund 220 Appropriation 18200 – all moneys received from the federal government, as authorized by the governor under s. 16.54, to be used for election administration costs under P.L. 107-252. *(Note: This Appr. is used for the HAVA Election Security federal grant. The purpose of the Election Security grant is to “improve the administration of elections for Federal office, including to enhance election technology and make election security improvements” to the systems, equipment and processes used in federal elections. Monthly interest income earned on this cash balance is properly allocated monthly.)*

Systems and Tools

STAR

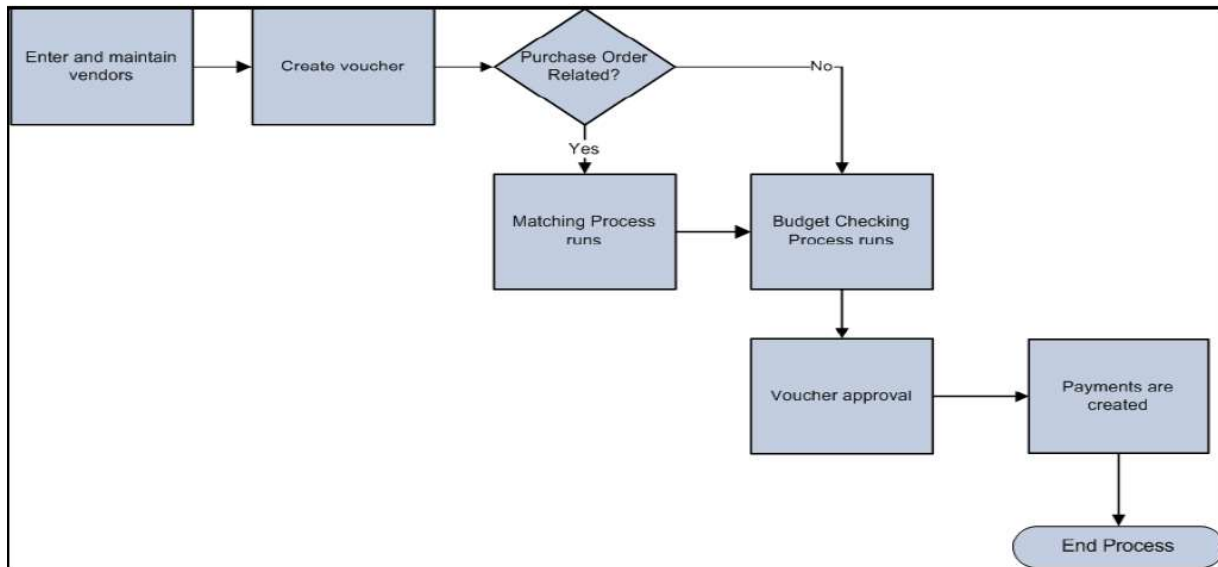
The WEC staff enters financial transactions into STAR (the state's accounting program). WEC performs an internal audit on every transaction before the transaction is approved. Some staff have dual roles, such as processor and approver, that seem to present an issue with separation of duties; however, because of our agency's small size, this is a situation that we cannot prevent and still be able to function when staff is absent or when an approver needs to edit a transaction. Staff does only use one of their roles for any given transaction at a time, preserving the separation of duties in practice, and STAR will not allow a user to both enter and approve the same transaction.

The STAR Payment Process is as follows:
: General Voucher Processing



Accounts Payable End-to-End Process

The Accounts Payable End-to-End process is as follows:



STAR Security Access is Set up as Follows:

Primary Staff involved:

Financial Specialist: currently Tiffany Schwoerer

Senior Accountant/Financial Manager: currently Julia Billingham

Secondary Staff involved:

Operations Program Associate: currently vacant

Chief Administrative Officer: currently Sharrie Hauge

Within the STAR Finance module, security roles have been assigned to staff to process or approve vouchers and for other functionalities within the STAR Finance module. Our agency's internal STAR Security Team initiates a new role request, and another member of our STAR Security Team approves of that request. If that new request necessitates a separation of duty (SOD) override, that role request will also need approval from the DOA STAR Security Team.

The WEC STAR Security Team consists of:

Chief Administrative Officer: currently Sharrie Hauge
 IS Technical Services Specialist: currently Steven Rossman
 Senior Accountant: currently Julia Billingham

In the assigned financial roles detailed below, even though some staff, such as the Accountant, may process OR approve a voucher, STAR will not allow them to approve a voucher they processed.

STAR security levels for payments are set up as follows:

Staff	Security / Approval Levels
Financial Specialist or Operations Program Associate	AP Processor, Reporter, Viewer
Accountant or Chief Administrative Officer	AP Processor, Reporter, Viewer, Approver, Maintainer, and Supervisor

VendorNet

VendorNet is Wisconsin's electronic purchasing information system. VendorNet provides easy access to a wide variety of information of interest to vendors who wish to provide goods and services to the state, as well as to state agencies and municipalities as they procure these goods and services. Bidding and the time required to identify new vendors is minimized, while vendors are automatically notified of opportunities in their area of interest. VendorNet allows WEC staff to post bids and requests for services. VendorNet is also the source for mandatory contract information.

General information on how to do business with the state, along with names, addresses and telephone numbers of state procurement staff, and a summary of what the state buys and how much it spends is included within VendorNet. In addition, information on certified work centers, minority business enterprises, recycling, and affirmative action programs is available.

VendorNet is available at: <https://vendornet.wi.gov/>

STAR HCM (Payroll Time)

STAR HCM is an online system in which employees report all time worked and/or leave time used for each bi-weekly pay period. Supervisors and managers then review and approve all time worked and leave time reported via administrative access to the system. See Appendix C – Position Numbers, Employee Names, and Classification Titles.

Federal Time Reporting

All WEC employees who are either funded by federal grant money or work on federal projects report their time spent on specific federal activities directly into STAR HCM. Taskprofiles have been created with individualized Program Codes to track time spent on these specific federal activities. As the employees submit their time in STAR HCM, they are certifying their time spent on allowable activities to maintain compliance with federal cost principles. As supervisors bi-weekly review employees' time, they are certifying their employees' time spent on these federal activities.

During employee onboarding, each employee is educated about which Taskprofiles they should be using to accurately track their time. Upon new tasks creation and also periodically, the WEC Accountant will email all staff with timekeeping reminders and give verbal reminders in our bi-weekly staff meetings so that employees are correctly entering their time based on federal tasks performed. The Accountant also performs periodic audits of the payroll data to ascertain that employees are correctly reflecting their tasks in the entering of their Taskprofiles.

All IT Developers who serve the WEC as non-WEC employees complete bi-weekly timesheets that document their time spent on specific federal and state-funded activities and sign to certify their stated time spent on these activities. Their immediate project lead reviews their time submitted then their department supervisor signs and approves their timesheet to verify their time spent on these federal and state-funded activities. These timesheets were created by the Accountant and Financial Specialist in collaboration with the immediate project lead to determine which activities would be allowable under the federal grant(s) and how best to identify those allowable activities.

See Appendix C – Position Numbers, Employee Names, and Classification Titles.

Transaction Cycles

Purchasing Approval

Explanation: A good or service must go through a series of steps before it can be approved for purchase.

Risks:

- Unauthorized purchases.
- Purchasing items without sufficient approvals or authority.
- Approvals being applied on incorrect information.
- Purchases approved which violate state procurement policies and procedures.

See Appendix D-1 for the Purchasing Approval flowchart.

Accounts Payable

Explanation: Payment for purchase of goods or services and/or pre-approved credit issued by vendors when goods or services are purchased or returned.

Risks:

- Paying a bill or invoice for which goods or services were never received nor rendered.
- An invoice is misplaced or lost before financial staff receives it.
- Delay in reconciling financial statements may allow incorrect payments to go unnoticed.

See Appendix D-2 for the Accounts Payable flowchart.

Cash Disbursements (Subgrants)

Explanation: Providing financial assistance, funded by our federal grants, to eligible recipients in accordance with terms of a subgrant agreement.

Risks:

- Recipient uses monies awarded for goods or services outside the scope of the subgrant terms and conditions.
- Recipient falsifies information on subgrant application.
- Recipient does not send back proof of proper expenditures when awarded a non-reimbursable subgrant.

See Appendix D-2.5 for the Cash Disbursements (Subgrants) flowchart.

Grant Applications

Explanation: Applying for financial assistance from the Election Assistance Commission (EAC) in the form of a federal grant award.

Risks:

- Agency fails to follow procedure and accepts federal grant without first getting governor's approval.
- Wire transfer gets lost with DOA and does not get to agency.

See Appendix D-3 for the Grant Applications flowchart.

Accounts Receivable & Cash Receipts

Explanation: Transactions for the billing of goods or services provided to customers, and the receipt of cash, checks, &/or ACH transfers.

Risks:

- A staff person receives a check or cash, and fraudulently deposits it into a personal bank account unbeknownst to management.
- NSF check is returned by bank.
- Customers are billed incorrectly.

See Appendix D-4 for the Accounts Receivable & Cash Receipts flowchart.

General Services Billing

Explanation: Reviewing and paying a general services billing (GSB) invoiced by the Department of Administration (DOA) when the WEC uses DOA's resources or support monthly.

Risks:

- Financial staff fails to recognize an incorrect amount billed and it is paid.
- Billing errors are not immediately requested in writing; DOA does not give credit on the GSB but will subsequently issue a paper refund check for any overbillings.
- Paying the bill for goods and services which were not rendered.

See Appendix D-5 for the General Services Billing flowchart.

Payroll

Explanation: The process of reviewing, approving, and paying for employee wages and recording the expense, along with reconciling federal & state withholdings & remittances.

Risks:

- Payments made to employees out of incorrect funding streams are not adjusted after the fact.
- Cash payments are made to employees for overtime hours worked, instead of compensatory time being earned, unless certain projects are pre-authorized for cash overtime to be paid out.
- Federal or state required withholdings are not timely withheld or remitted.

See Appendix C – Position Numbers, Employee Names, and Classification Titles, along with Appendix D-6 for the Payroll flowchart.

Travel Reimbursement for Employees

Explanation: Employees request reimbursement for travel expenses incurred while traveling on official State business, which are processed by the WEC financial staff and then reimbursed through the bi-weekly payroll system.

Risks:

- Employees fill out reimbursement forms incorrectly.
- Employees fail to follow State travel policies and procedures.
- Employees fail to submit all required paperwork to process reimbursement.
- Employees are taxed on reimbursements when they should not have been, or vice versa.

See Appendix C – Position Numbers, Employee Names, and Classification Titles, along with Appendix D-7 for the Travel Reimbursement for Employees flowchart.

Travel Reimbursement for Non-employees

Explanation: Non-employees working indirectly for the WEC may request reimbursement for travel expenses incurred while working on official State business and for the benefit of the WEC.

Risks:

- The non-employee receives invalid reimbursement from the state and/or municipality.
- The non-employee falsifies their travel costs.
- The non-employee receives duplicate reimbursements for the same travel costs.
- The non-employee is reimbursed for travel costs which are not in accordance with state guidelines.

See Appendix D-8 for the Travel Reimbursement for Non-Employees flowchart.

Federal Project Time Reporting & Payroll Adjusting Entry

Explanation: WEC employees working on multiple projects which include a federal grant are required to accurately use the STAR HCM Taskprofiles to account for their time spent on each specific allowable activity within each federal grant and to maintain compliance with federal cost principles. WEC supervisors' reviews entered time and selected Taskprofiles. Accountant reviews all data. If corrections need to be made, Accountant does so via Journal Entries in STAR Financial.

Risks:

- Employee enters time incorrectly or is unable to account for time worked on federal projects.
- Employee or supervisor does not verify time worked, thereby disallowing federal labor costs.
- Accountant does not make correcting entries timely enough for state fiscal close or federal fiscal close.

See Appendix C – Position Numbers, Employee Names, and Classification Titles, along with Appendix D-9 for the Federal Project Time Reporting & Payroll Adjusting Entry flowchart.

Recount for Office

Explanation: Wisconsin statutes require the collection of fees from recount petitioners in certain situations. For State or Federal offices, the WEC is the filing officer and collects the filing fee from petitioners, if required. Wisconsin statute 9.01(1) (ag) requires any fees collected to be distributed to the counties conducting the recount for these offices.

Risks:

- WEC election administration staff incorrectly calculates, or does not collect, the fee payable from the recount petitioner.
- Fees collected are not timely distributed to the proper county.
- Refund due, if applicable, is not distributed to recount petitioner within the statute's timeline.

See Appendix D-10 for the Recount for State Office flowchart.

Control Activities

Control activities are the policies and procedures in place at the WEC which help ensure that necessary actions are taken to address risks identified to achieve our objectives. Relevant control activities in place at the WEC include:

Performance Reviews

Employees are to be formally evaluated on their work performance at six months after the start of their employment then annually thereafter, based upon pre-established work standards reflecting their position description. These standards serve as the basis for ongoing communication between a supervisor and the employee throughout the year. A copy of all formal evaluations is maintained in the employee's official personnel file. See Appendix C – Position Numbers, Employee Names, and Classification Titles.

Physical and Electronic Controls

Control activities in this area are divided into two main categories: physical controls and electronic controls. These activities encompass the security of WEC assets including adequate safeguards over access to assets and secured areas, authorization for access to computer programs and data files, and periodic comparisons with amounts shown on control records.

Physical Controls

- All WEC staff members are issued a photo ID card and building access card.
- The WEC office is open to the public from 7:45am to 4:30pm weekdays. The public may access the office by calling a posted phone number outside the WEC office building. The WEC Reception staff answers that phone number and can allow entry to the public. The building is only accessible via staff access cards. Therefore, during public access times, WEC staff will go down and greet them on the lower level or first floor. Upon hiring, staff receives authorization cards to freely access WEC offices during and outside these normal business hours from the Administrator (or designee) on an as-needed basis. These cards both activate the elevator and open the stairwell doors to the WEC office floor.
- During office hours, WEC staff provides physical security and oversight of agency assets & resources.
- The WEC maintains secured storage areas for confidential records, such as locked file cabinets, secure safes, a secure technology room, and a locked basement storage room for records and additional supplies.
- WEC adheres to the General Records Schedule for Fiscal and Accounting Related Records, as promulgated by the DOA department Public Records Board to be found at: <https://publicrecordsboard.wi.gov/Pages/GRS/Statewide.aspx>
- Confidential records which are not required to be retained in-office are boxed for shipment to the State Records Center, per Records Disposition Authority (RDA).

Electronic Controls

- Each WEC employee is assigned system logon credentials by the DOA required to access state computer systems.
- Employee passwords for many state systems must be reset every 60 days.
- State systems are secured based on industry standard guidelines from CIS and NIST.
- Device health and security are continuously monitored by both the DOA and agency security and IT staff.
- Financial data is maintained in segregated systems and locations with access limited only to relevant staff and IT support.

Information Processing

Purchasing

Control activities are displayed in Appendix D-1 -- Purchasing Approval Flowchart

- Segregation of Duties:
 - Authorization: Purchases of goods and services are authorized by WEC supervisors who determines if that purchase is allowable and necessary. Accountant audits, approves, and dispatches purchase order in STAR.
 - Recordkeeping: Agency Asset Manager, currently agency IS Technical Services Specialist, maintains inventory records of agency's higher-valued assets. All purchasing paperwork is retained for future reference.
 - Custody: WEC staff other than the approvers and program staff email the dispatched purchase order to the supplier. WEC reception staff receive goods.

Purchasing Card

Control activities are displayed in Appendix G -- Purchasing Card User Manual

- Segregation of Duties:
 - Authorization: Purchase of goods is authorized by WEC supervisors or is a reoccurring charge. WEC supervisors will determine if the purchase is allowable and necessary. Accountant audits and approves all purchases bi-weekly. Chief Administrative Officer reviews all purchases bi-weekly.
 - Recordkeeping: Agency Asset Manager, currently agency IS Technical Services Specialist, maintains inventory records of agency's higher-valued assets. All purchasing paperwork is retained for future reference.
 - Custody: WEC reception staff receive goods.

Accounts Payable

Control activities are displayed in Appendix D-2 -- Accounts Payable Flowchart

- Segregation of Duties:
 - Authorization: Internal audit and approval of vouchers for accuracy, completeness, and adequate supporting documentation and proper authorizations is conducted by Accountant.

- Recordkeeping: Review and reconciling of payment information is performed on a monthly basis. Invoices and vouchers are retained by the financial staff.
- Custody: Department of Administration generates paper checks or ACH transactions.
- The purchasing form, bill of lading, receiving report, purchase order, and/or requisition are matched prior to payment.

Cash Disbursements (Subgrants)

Control activities are displayed in Appendix D-2.5 -- Cash Disbursements (Subgrants) Flowchart

- Segregation of Duties:
 - Authorization: Program staff approves recipients for subgrants. Accountant approves STAR vouchers for payments.
 - Recordkeeping: Reviewing and reconciling payment information is performed by Accountant weekly during the subgrant budget period and at the close of the subgrant.
 - Custody: DOA Treasury sends subgrant funds via ACH wire transfer or via checks to recipients.

Accounts Receivable & Cash Receipts

Control activities are displayed in Appendix D-4 -- Accounts Receivable & Cash Receipts Flowchart

- Segregation of Duties:
 - Authorization: The audit and approval of deposits for cash and paper checks is initiated by the WEC Accountant and final approval is applied by DOA. E-pay electronic ACH deposits are processed by U.S. Bank and approved by DOA in STAR, without any intervention by WEC staff.
 - Recordkeeping: Deposit information is entered into the STAR accounting system and tracked internally, either manually for cash and paper checks or automatically for ACH deposits.
 - Custody: Via the Financial staff, currency and coin are directly deposited at U.S. Bank, while paper check deposits are hand-delivered to the DOA drop box. DOA deposits and posts these checks to the agency's cash ledger account. Only U.S. Bank has custody of e-payment ACH electronic deposits.
 - NSF checks returned by the bank are recorded, investigated, and secondary payment is requested by WEC staff.

General Services Billing

Control activities are displayed in Appendix D-5 -- General Services Billing Flowchart

- Segregation of Duties:
 - Authorization: GSB charges are verified against fleet approval forms & mileage rates, printing & mailing information, records retention information, servers and data storage, and/or other supporting

documentation, to confirm the agency services were approved. This verification of each transaction is performed by the agency Financial Specialist and the agency IS Technical Services Specialist. Afterward, the voucher and journal entry are audited and approved by the Accountant.

- Recordkeeping: Transaction information is automatically loaded into the STAR accounting system, tracked internally, and reconciled monthly to internal accounting files.
- Custody: The individuals confirming services were rendered are separate from the individuals receiving the benefits of the services, or these services were overhead costs.

Payroll

Control activities are displayed in Appendix D-6 -- Payroll Flowchart

- Segregation of Duties:
 - Authorization: Management reviews and approves work hours recorded by staff.
 - Recordkeeping: Staff records hours into STAR HR. Supervisors approve hours and send hours to the DOA payroll office electronically.
 - Custody: Payroll checks are generated at DOA and directly deposited into the employee's bank account. Pay stubs are no longer distributed.
- Each bi-weekly payroll register is reviewed by a financial staff member, separate from the manager who requests employee payroll funding additions, changes, and deletions. See also Appendix C – Position Numbers, Employee Names, and Classification Titles.

Travel Reimbursement for Employees

Control activities are displayed in Appendix D-7 – Travel Reimbursement for Employees Flowchart

- Segregation of Duties:
 - Authorization: After travel, supervisors review and approve employee travel reimbursement requests. Financial Specialist reviews these requests for accuracy, completeness, and compliance with State travel policies and procedures and enters them in STAR when appropriate. Accountant audits and approves employee travel expenses.
 - Recordkeeping: Travel reimbursements for costs incurred by staff and all documentation are saved in STAR and paper copies or originals are retained by financial staff.
 - Custody: Travel reimbursements are completed by DOA HR staff and added to an employee's paycheck.
- See also Appendix C – Position Numbers, Employee Names, and Classification Titles.

Travel Reimbursement for Non-Employees

Control activities are displayed in Appendix D-8 – Travel Reimbursement for Non-Employees Flowchart

- Segregation of Duties:
 - Authorization: Program supervisors review and approve non-employee travel reimbursement requests. Financial Specialist reviews these requests for accuracy, completeness, and compliance with State travel policies and procedures and enters them in STAR when appropriate. Accountant audits and approves employee travel expenses.
 - Recordkeeping: Travel reimbursements for costs incurred by non-employee individuals and all documentation are saved in STAR and paper copies or originals are retained by financial staff.
 - Custody: Reimbursement checks or ACH deposit, if sent via a temporary hiring agency or jurisdiction, for example, are generated and sent by DOA.
- All travel costs incurred by the agency and travel reimbursements are reviewed by more than one individual, to ensure that these costs are allowable and in accordance with State travel policies and procedures.

Recount for Office

Control activities are displayed in Appendix D-10 -- Recount for Office Flowchart

- Segregation of Duties:
 - Authorization: If a fee is required, as determined by WEC Election Administration staff, and depending upon the closeness of each political race, counties estimate fee, petitioner pays estimated fee, DOA increases budget authority in our Recount Appropriation, and payment to counties for the actual cost of a recount is authorized by Accountant.
 - Recordkeeping: Financial staff maintains counties' cost estimates, petitioner's payment documentation, counties' actual costs, and any refund or underpayment required to/from petitioner.
 - Custody: DOA receives wire transfer from petitioner and distributes ACH deposits and/or checks to counties and refund check to petitioner.

Information & Communication

Information

STAR – State Transforming Agency Resources (STAR) Accounting and Reporting Tool

STAR is an enterprise-wide system designed to provide better consistency among state agencies, as well as modernization of the State's IT Infrastructure. The comprehensive system allows the state to manage its finance, budget, procurement, business intelligence and human resources functions.

The first release began in July 2015 and was completed in October 2015, with the implementation of Finance and Procurement functionality. The second release began in December 2015 with the implementation of Human Capital Management (HCM) functionality for administrative and self-service users. All state agencies must process their accounting transactions through this system, as it is used to produce the statewide fiscal year financial statements. All financial transactions are entered into STAR.

Strengths:

- Processes and contains all the agency's financial transactions and information.
- Monitored by the Department of Administration.
- Extensive manuals and an email and telephone helpline are available for technical assistance.
- Uses multi-level approval settings for segregation of financial staff duties while processing transactions.
- Multiple tables organize information on a fiscal year and calendar year basis.
- Easy to access old transactions electronically.

Weaknesses:

- Difficult to learn new functionality.
- Not user-friendly; can be difficult to understand input screens which pose a risk of user error.

Tasks to Minimize Weaknesses, Changes, or Improvements:

- Rely on STAR Support and/or State Controller's Office for technical assistance.
- Checks and balances using multiple reviewers and approval layers.

VendorNet

VendorNet is Wisconsin's electronic purchasing information system. VendorNet provides easy access to a wide variety of information of interest to vendors who wish to provide goods and services to the state as well as state agencies and municipalities. Bidding and the time required to identify new vendors is minimized while vendors are automatically notified of opportunities in their area of interest. VendorNet allows WEC staff to post bids and requests for services. VendorNet is also the source for mandatory contracts.

Strengths:

- When properly used, VendorNet ensures state purchasing rules are followed.
- Clearinghouse of purchasing information.
- Updated frequently and immediately, as changes to contracts are made.

Weaknesses:

- Information can sometimes be difficult to locate.
- Information can sometimes be difficult to understand and interpret.

Tasks to Minimize Weaknesses, Changes, or Improvements:

- Training classes by DOA.
- Use the State Procurement Manual as reference.
- Attend State Agencies Purchasing Council (SAPC) monthly meetings and the WI State Procurement Conference for ongoing training opportunities.
- Use DOA support and technical assistance when necessary.

Communication

This process involves providing an understanding to staff about their individual roles and responsibilities as they pertain to the internal control plan. Communication can be written, verbal, or through the actions of management and other personnel. Not only is communication essential within the agency, but also with external sources.

The following are methods used for communicating the roles, responsibilities, and significant matters relating to the internal controls plan within the agency:

- Financial Staff are given an internal control plan for review when starting employment.
- The enacted internal control plan is accessible to all WEC staff on the agency's shared but secured computer drive.
- Financial team meetings.
- WEC general staff meetings.
- Training sessions.
- Memorandums.
- Management ensures the internal control plan is followed.
- Emails, instant messages (IMs), and phone calls.

The following are methods used for communicating the issues, resolutions, and significant matters relating to the internal controls plan outside the agency:

- When communicating with clerks, the agency follows a communication protocol of procedures and policies before sending information to a group of customers.
- Public Information Officer reviews communications prior to sending out.
- When working with vendors on significant procurements or with auditors, the agency uses a single point of contact for all communications.

Monitoring Activities

Monitoring is a process by which the WEC assesses the performance quality of the internal control structure over time. WEC management works with the agency accountant to regularly monitor, audit, and reconcile the processes in place, to maintain sound internal controls for the agency. Monitoring of the internal control plan provides the WEC with reasonable assurance that control objectives are being met.

Monitoring Plan:

Management will periodically assess the performance quality of the internal control plan, focusing on the design and operation of the controls to ensure they are operating as intended. If corrective action is necessary, it will be in a timely manner. Establishing and maintaining internal control is the responsibility of management. The monitoring process will include steps such as:

1. Consistent and ongoing monitoring activities, built into both regular and commonly recurring activities.
2. Occasional internal audits of the strengths and weaknesses of internal controls.
3. Evaluation of communications from entities outside the agency.
4. Focus on evaluation of the quality and performance of internal controls.

Procedures for responding to findings and recommendations reported by auditors:

1. In a timely manner, management will perform an evaluation of the findings and recommendations.
2. Management will develop a proper response to resolve the concerns.
3. The response will be direct to the findings and recommendations.
4. The response will be clear and concise.
5. Any specific or unique positions will be addressed and identified.
6. If action is necessary for implementation of the response, a timeline will be produced with reasonable deadlines for implementation.