



## **EAC MANAGEMENT DECISION:**

*Resolution of the OIG Audit Report on the Administration of Payments Received Under the Help America Vote Act by the Illinois State Board of Elections for the Period January 1, 2006 Through August 31, 2010 Report No. E-HP-IL-12-10*

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July 6, 2011

### **BACKGROUND**

The EAC is an independent, bipartisan agency created by the Help America Vote Act of 2002 (HAVA). EAC assists and guides state and local election officials in improving the administration of elections for Federal office. EAC distributes HAVA funds to States for the acquisition of voting systems, and supports the establishment of statewide voter registration lists, and other activities to improve the administration of elections for Federal office. EAC monitors State use of HAVA funds to ensure funds distributed are being used for authorized purposes. To help fulfill this responsibility, the EAC determines the necessary corrective actions to resolve issues identified during Single Audit Act and Department of Inspector General (OIG) audits of state administration of HAVA funds. The EAC OIG has established a regular audit program to review the use of HAVA funds by States. The OIG's audit plan and audit reports can be found at [www.eac.gov](http://www.eac.gov).

The EAC Audit Follow-up Policy authorizes the EAC Executive Director to issue the management decision for OIG audits of Federal funds to state and local governments, to non-profit and for-profit organizations, and for single audits conducted by state auditors and independent public accountants (external audits). The Executive Director has delegated the evaluation of final audit reports provided by the OIG and single audit reports to the Director of the HAVA Grants Division of EAC. The Division provides a recommended course of action to the Executive Director for resolving questioned costs, administrative deficiencies, and other issues identified during an audit. The EAC Executive Director issues the EAC Management Decision that addresses the findings of the audit and details corrective measures to be taken by the State.

States may appeal the EAC management decisions. The EAC Commissioners serve as the appeal authority. A State has 30 days to appeal the EAC management decision. All appeals must be made in writing to the Chair of the Commission. The Commission will render a decision on the appeal no later than 60 days following receipt of the appeal or, in the case where additional information is needed and requested, 60 days from the date that the information is received from the State. The appeal decision is final and binding.

Please note, with two vacancies the Commission presently lacks a quorum to conduct appeals. The 30 day period to file an appeal remains in place. However, the 60 day period for a decision will toll until a Commission quorum is reestablished.

## **AUDIT HISTORY**

The OIG issued an audit report on the administration of payments received under the Help America Vote Act (HAVA) by the Illinois State Board of Elections (SBOE) on May 6, 2011. Except for the maintenance of adequate property records over HAVA funded equipment, the audit concluded that the SBOE generally accounted for and expended funds in accordance with requirements for the period from January 1, 2006 through August 31, 2010.

### **Finding 1 – Property Records for HAVA Funded Equipment**

The equipment listings provided by five of the seven local jurisdictions visited did not conform to the requirements of 41 C.F.R. 105-71.132 (d)(1) (the Common Rule). The listings included the serial number and the location, but they did not always include a description of the property and use and condition, source, or federal or local jurisdiction percentage of ownership.

SBOE election officials had advised local jurisdictions of the requirements of the Common Rule but not all of these jurisdictions had prepared inventory records that were in compliance with the Common Rule.

#### **Recommendation:**

The auditors recommended that the SBOE continue to work with local jurisdictions to ensure that the property records include the minimum information required by the Common Rule.

#### **SBOE's Response:**

The SBOE concurred with the finding and recommendation, and stated that, although they had notified the jurisdictions of the requirements on multiple occasions and provided them with a worksheet to comply with the rules, a number of jurisdictions have not complied. The SBOE stated that they would continue to work with the sub-recipients to achieve compliance.

#### **EAC Response:**

EAC will work with SBOE officials to ensure adherence with the property recordkeeping requirements of the Common Rule.