



## A Review of HAVA Audits

### A History of State Audits

Over the past four years, the Office of Inspector General has conducted 26 audits of states and their use of funding distributed by the U.S. Election Assistance Commission (EAC) under grant programs of the Help America Vote Act of 2002 (HAVA). The EAC has distributed approximately \$3.1 billion in HAVA grants to states. The OIG's audits of these grant programs have covered roughly \$1.2 billion of those funds, to date. Thus, there is a substantial portion of funding left unreviewed. Most states that have already been audited will be subject to additional audits in the future until all of the HAVA grant funds have been examined.

These audits have resulted in dozens of findings totaling more than \$27 million. An assessment of the audit reports shows that findings are primarily related to a state's failure to document its costs and processes; failure to meet the requirements of HAVA regarding depositing funds into the required HAVA fund; and failure to comply with Federal requirements concerning the administration of grants. Some of the most common audit findings can be avoided if states maintain records in keeping with applicable Federal guidelines.

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### Making a Complaint of Fraud, Waste or Abuse

Report crime, fraud, waste or abuse involving EAC and HAVA funds by contacting the OIG Hotline. Complaints can be made confidentially or anonymously.

1-866-552-0004;

202-566-0957 (fax)

[Online](#)

**MAKE AN ON-LINE  
COMPLAINT**

### Common Audit Findings

The following are some examples of the most commonly reported audit findings:

**Failure to maintain property control/inventory records.** This finding was reported in seven audits and primarily relates to the states' failure to maintain adequate records of voting systems purchased with HAVA funds. Federal guidelines concerning inventory control are found in Office of Management and Budget Circular A-102 (Common Rule).

**Failure to maintain adequate time records for persons whose wages/salary are paid from grant funds.** This finding was reported in five audits. The finding relates to adequate documentation for persons who work full-time or part-time on HAVA-related activities. Federal guidelines for time-keeping and documenting salaries/wages are found in the [Office of Management and Budget Circular, A-87](#).

**Failure to appropriate sufficient matching funds.** HAVA requires that states provide matching funds in the amount of 5% of the combined state and Federal share. We have reported this finding in five audits where states appropriated less than the required amount of matching funds. For guidance regarding calculating the amount of matching funds, see the EAC's [HAVA Funds FAQs](#) and [HAVA Funding Breakdown by State](#).

**Failure to timely deposit matching funds or interest earned on HAVA funds.** HAVA requires that both matching funds and any interest earned on the Federal share of HAVA funds are deposited in an interest bearing account established and maintained within the state treasury. States that failed to deposit matching funds and/or interest in the HAVA funds account are subject to a finding. This finding has been reported in seven audits.

**Errors in reports filed with EAC.** States are required to file annual reports on the use of HAVA funds for each of the grant programs (Section 101, 102, and 251 funds). We have reported findings in six audits where states have filed errant or incomplete reports with the EAC. For guidance on filing reports, see the EAC's Frequently Asked Questions on [Completing the Federal Financial Report](#).



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### What to expect when your state's HAVA funds are audited

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#### HAVA Audits – Step by Step

If your state is listed on the OIG audit plan for the coming fiscal year, this is what you can expect. A representative of the OIG will contact the state office to schedule the audit for sometime in the coming fiscal year.

The OIG uses both contract and in-house auditors to conduct its HAVA audits. Your state will be introduced to the auditors who will be conducting the audit. The auditors will make an initial visit to assess how long it will take to conduct the audit. Before field work begins, the auditors will conduct an entrance conference to give your state a sense of what to expect during the audit.

While auditors are on-site, your state will need to provide them with work space, including the ability to use their computers, printers and other devices, as well as access to information, employees and records which they request related to the audit. Auditors will provide your state with feedback as to any potential issues or findings that they identify through a notice of finding and recommendation. Your agency will have the ability to respond to the issue. Before leaving the site, auditors will conduct an exit conference to debrief your agency on the audit and any identified issues.

A draft report will be issued to the state and the EAC for comment. Each will have 30 days to provide responses. A final report will be issued and made publicly available on the OIG web page. Any audit findings will be resolved by the EAC through its audit resolution process.

#### Don't let an audit finding go from bad to worse...

When states find out that they may be subject to an audit finding, officials understandably want to take measures to minimize the impact of the audit finding. States may take steps to resolve the audit finding prior to the issuance of the final report. However, it is important to avoid actions that will make a bad audit finding worse.

Auditors look for documents to support costs that are contemporaneously created and that accurately reflect the goods or services that were charged to the grant. Creating documents after-the-fact can subject the state to further scrutiny and in some unfortunate cases criminal investigation. Actions such as back dating documents and/or knowingly reporting false charges to the grant can result in criminal investigation and possible prosecution for falsifying documents.

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**[OF FRAUD, WASTE OR ABUSE](#)**

**TRAINING AVAILABILITY:** The OIG is available to attend national and state conferences of election officials to provide training on what to expect when audited. Contact the OIG today to schedule.

#### Contact the OIG

1201 New York Avenue, NW, Ste. 300, Washington, DC 20005; 1-866-552-0004 (hotline); 202-566-0957 (fax); [eacoig@eac.gov](mailto:eacoig@eac.gov)