

State and Federal Audits

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Background

- State Election Commission
 - Independent agency
 - 18 employees
 - No prior grant experience

Single State Audit

- Conducted by State Auditor's Office
- Began December 2005
- Information requested:
 - Completion of Questionnaire on Internal Controls over Compliance Requirements for Federal Programs
 - Financial records and related data
 - Commission meeting minutes

Single State Audit Findings

- Matching requirement – state needed to repay federal funds with matching funds to include interest lost on federal funds
- Equipment inventory – state needed to add voting machines (8) to inventory

Federal Audit

- Conducted by auditors assigned by the Inspector General of EAC
- Began August 2006
- Visited state and county offices

Information requested

- Same as provided to the state auditors
- Findings from state audit
- Reviews related to SEC's financial management systems and HAVA
- Policies, procedures and regulations
- Organizational chart
- Inventory list
- List of all grants to counties
- Description of commission's method of accounting
- Appropriations and expenditure reports

Federal Audit Findings

- Did not obtain approval to purchase bus
- Counties did not keep sufficient records for equipment
- Miscalculation of matching funds
- Matching funds should have been deposited into interest bearing account
- Maintenance of effort

Recommendations for States

- Cooperate
- Follow HAVA State Plan
- Make sure match calculations are correct
- Calculate interest by Section/Title
- Support your maintenance of effort
- Don't panic!

Recommendations for EAC

- States need guidance
- States need training
- Need questions answered in a timely manner

Summary

- No experience
- Unsure of expectations
- Provide information requested
- Don't panic