



**U.S. ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL**

MEMORANDUM

DATE: March 1, 2024

TO: U.S. Election Assistance Commission, Chair, Benjamin Hovland
U.S. Election Assistance Commission, Acting Executive Director, Jessica Bowers
Office of the Minnesota Secretary of State, Secretary of State, Steve Simon

FROM: U.S. Election Assistance Commission, Deputy Inspector General, Sarah Dreyer

SUBJECT: Cancellation: Audit of the Administration of Help America Vote Act (HAVA) Funds by the State of Minnesota

The Office of Inspector General (OIG) is an independent division of the U.S. Election Assistance Commission (EAC) and operates under the authorities vested in it by the Help America Vote Act (HAVA) and the Inspector General Act of 1978, as amended. Part of OIG's statutory mandate is to conduct audits of EAC and its programs, including audits of states receiving EAC funds. In August 2023, EAC OIG announced an audit of the administration of HAVA funds by the State of Minnesota. In September 2023, an entrance conference was held with officials from the Office of the Minnesota Secretary of State (OSS), and fieldwork commenced. Meanwhile, in November 2023, the Minnesota Office of the Legislative Auditor (OLA) issued a [report](#), which also covered OSS' administration of HAVA and Coronavirus Aid, Relief, and Economic Security Act funds.¹ OLA found that OSS generally complied with the finance-related legal requirements tested and generally had adequate internal controls, however, the report noted instances of noncompliance related to grant expenditures.

We are informing you of the decision to cancel the EAC OIG audit. Rather than duplicate the work of OLA, we will reduce the cost of the audit contract, which will result in cost savings for the government. As part of its future oversight, EAC OIG will ensure that OSS implemented corrective actions that address the findings noted in the November 2023 OLA report and summarized below. We urge EAC to review the report recommendations and follow up with OSS as it implements corrective actions.

Finding Related to Monitoring

When spending HAVA funds on goods and services, OSS must comply with both federal grant requirements and state guidance and laws. However, OLA identified that OSS did not adequately monitor its grants and did not comply with monitoring requirements in state law. OLA found that for 15 of 41 grant contracts tested, the grantee did not include invoices or receipts, and therefore OLA could not determine whether the funds were spent on eligible expenses, or the financial reports were accurate. OLA noted this was partially a result of OSS not having established policies and procedures for monitoring how grantees spent the funds or verifying invoices with financial reports. The report made

¹ Minn. Off. of the Legis. Auditor, Fin. Audit Div., *Office of the Secretary of State Performance Audit*, (Nov. 28, 2023), <https://www.auditor.leg.state.mn.us/fad/pdf/fad2305.pdf>.

three recommendations to address the gaps in internal controls identified: (1) review invoices or receipts and financial reports for all grants, and document its review of those items; (2) establish internal policies and procedures for monitoring grants to ensure its compliance with state law, and grantee's compliance with grant contract requirements; and (3) revise its grant contracts and financial report formats to clarify the requirements for invoices or receipts.

Conclusion

We remain committed to ensuring that EAC funds are used properly. We are confident that the noted issues can be corrected with proper attention, and we look forward to working with OSS in the future.