



## **EAC MANAGEMENT DECISION:**

*Resolution of the OIG Audit Report on the Administration of Payments Received Under the Help America Vote Act by the State of Connecticut, for the Period April 15, 2003 Through January 31, 2010, Report No. E-HP-CT-07-10*

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November 30, 2010

### **BACKGROUND**

The EAC is an independent, bipartisan agency created by the Help America Vote Act (HAVA). EAC assists and guides state and local election officials in improving the administration of elections for Federal office, and supports the distribution of HAVA funds to States for the acquisition of voting systems, 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.

## **AUDIT HISTORY**

The OIG issued an audit report on the administration of payments received under the Help America Vote Act (HAVA) by the Connecticut Secretary of State (SOS) on September 28, 2010. The audit concluded that, except for the maintenance of adequate property records and security over HAVA funded equipment, the SOS generally accounted for and expended HAVA funds in accordance with the HAVA requirements and complied with the financial management requirements established by the U.S. Election Assistance Commission.

### **I. Property Records and Security over HAVA Funded Equipment**

Inventory listings of voting and Statewide Voter Registration System (SVRS) equipment did not conform to the requirements of 41 C.F.R. §105-71.132(d)(1) (the Common Rule), at the seven towns visited. The listings did not include required elements such as use, condition or the federal, state, or county percentage of ownership. Four of the towns did not have inventory records of their handicap accessible voting equipment. One town did not have adequate physical security controls over its HAVA funded equipment.

SOS election officials were not aware of the detailed recordkeeping requirements of the Common Rule.

### **RECOMMENDATION:**

Auditors recommended that EAC require that the SOS ensure the property records at towns include the minimum information required by the Common Rule, and that HAVA funded equipment is properly secured and only accessible by authorized election officials.

### **SOS'S RESPONSE:**

The SOS concurred with the recommendations and indicated that inventory listings have been amended to include the information required by the Common Rule. The SOS has also promulgated procedures covering security over HAVA funded voting equipment. The SOS said that her staff had followed up with the town where the auditors found inadequate security over voting equipment to ensure that the town understands and adheres to Federal requirements. In addition, the SOS's office plans to provide training to all towns in the state on property inventory records and security over voting equipment during September 2010.

### **EAC MANAGEMENT DECISION**

EAC reviewed the response by the SOS and followed up with the agency. The SOS has amended its policies to include the items required by 41 C.F.R. §105-71.132(d)(1). Each municipality was required to account for and report the serial number of equipment that was in question as a result of the audit. Property records have been updated to reflect the condition, use, source and percentage of ownership for equipment.

Additionally, the SOS issued recommendations to the towns and requires each town to annually confirm existing inventory. The SOS has promulgated procedures covering storage and security. The procedures have been re-issued with the revised election handbook. Finally, the state's Municipal Liaison has been assigned to follow up with the towns visited to ensure that they understand the requirements and adhere to them.

EAC considers this matter closed.