



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

FINAL REPORT:

**2008 Election Data Collection Grant Program
Award number: 08-EDC-800165
Commonwealth of Pennsylvania**

MAY 27, 2008 THROUGH JUNE 30, 2011

**Report No.
E-GR-PA-03-12
September 2013**



U.S. ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL
1201 New York Ave. NW - Suite 300
Washington, DC 20005

Memorandum

September 12, 2013

To: Alice Miller
Acting Executive Director

From: Curtis W. Crider *Curtis W. Crider*
Inspector General

Subject: Final Performance Audit Report – 2008 Election Data Collection Grant
Program Award Number: 08-EDC-800165 Commonwealth of Pennsylvania
(Assignment Number E-GR-PA-03-12)

We contracted with the independent certified public accounting firm of McBride, Lock & Associates to conduct the subject audit. The objectives of the audit were to identify costs claimed in the Grant's Financial Status Reports that were not allocable, allowable, reasonable, and in conformity with United States Election Assistance Commission's award terms and conditions and applicable Federal grant requirements.

In its audit, McBride, Lock & Associates concluded that the Secretary of the Commonwealth accounted for and expended the 2008 Election Data Collection Grant funds in accordance with applicable requirements for the period from May 27, 2008 through June 30, 2011.

To fulfill our responsibilities under Government Auditing Standards, the Office of Inspector General:

- Reviewed McBride, Lock & Associates' approach and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Reviewed the audit report, prepared by McBride, Lock & Associates to ensure compliance with Government Auditing Standards; and
- Coordinated issuance of the audit report.

McBride, Lock & Associates is responsible for the attached auditor's report and the conclusions expressed in the report. We do not express any opinion on the conclusions presented in McBride, Lock & Associates audit report.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

If you have any questions regarding this report, please call me at (202) 566-3125.

Attachment

cc: Director of Grants and Payments

Performance Audit Report

2008 Election Data Collection Grant Program

Award number: 08-EDC-800165

Commonwealth of Pennsylvania

May 27, 2008 through June 30, 2011

United States

Election Assistance Commission

McBRIDE, LOCK & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

Performance Audit Report
2008 Election Data Collection Grant Program
Award number: 08-EDC-800165
Commonwealth of Pennsylvania

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**U.S. Election Assistance Commission
Performance Audit Report
2008 Election Data Collection Grant Programs
Award number: 08-EDC-800165
Commonwealth of Pennsylvania**

EXECUTIVE SUMMARY

McBride, Lock & Associates was engaged by the United States Election Assistance Commission (EAC) Office of the Inspector General to conduct a performance audit of award 08-EDC-800165, Election Data Collection Grant (Grant), made to the Office of the Secretary of the Commonwealth (Office), for the period from inception on May 27, 2008 through the award conclusion date of June 30, 2011 to determine whether the Office was in compliance with EAC's and Federal regulations concerning award administration and management.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Based on the audit procedures performed, we concluded that the Office accounted for and expended the Grant funds in accordance with the requirements mentioned above for the period from May 27, 2008 through June 30, 2011.

BACKGROUND

In December 2007 Congress authorized the fiscal year 2008 Omnibus Appropriations Act (Public Law 110-161, Title V), which directed the EAC to award grants of \$2 million to each of five eligible states to improve the collection of precinct level data relating to the November 2008 Federal elections. The act provided for the creation of the Election Data Collection Grant Program, the purpose of which was to:

- Develop and document a series of administrative and procedural best practices in election data collection that can be replicated by other States;
- Improve data collection processes;
- Enhance the capacity of States and their jurisdictions to collect accurate and complete election data; and
- Document and describe particular administrative and management data collection practices, as well as particular data collection policies and procedures.

The States were to use the Grant funds to implement programs to improve the collection of data relative to the November 2008 Federal general election and to improve the reporting of election

data at the precinct level. The Grants were awarded in May 2008 and were for a period of 13 months.

The States were to provide their report on the data collected from the November 2008 election to the EAC by March 2009. In turn, the EAC was required to submit, by June 30, 2009, a report to Congress on the impact of the Election Data Collection Grant Program on States' abilities to effectively collect Federal Election data. The EAC granted the Office a no-cost extension on the grant beyond June 30, 2009, until June 30, 2011.

In its Performance Reports the Office noted that Phases 1 and 2 were completed prior to June 1, 2009. Phase 3 involved the development and testing of enhancements to the SURE Portal which were to allow full integration of the elections management system. While these efforts began in February 2009, they continued throughout the life of the project. The Office requested an extension of the grant period for the purpose of completing additional precinct-level survey data enhancements.

Data Collection Grant Activity

	(a) Proposed Amount	(b) As of June 1, 2009	(c) As of June 30, 2009	(d) As of June 30, 2011	(d) - (c) = (e) Difference
Contractual Services –					
Staff augmentation	\$ 1,360,000	\$ 461,574	\$ 523,214	\$ 714,481	\$ 191,267
Software	280,000	-	356	356	-
Equipment Maintenance	-	-	-	7,669	7,669
Other Equipment –					
Noncapitalizable	-	-	7,950	7,950	-
Capital Assets –					
Server hardware and infrastructure	360,000	-	-	-	-
Total Costs	\$ 2,000,000	\$ 461,574	\$ 531,520	\$ 730,456	\$ 198,936

As of June 30, 2009, the Office had expended \$531,520 on the project, or 73 percent of the total award expenditures. The Office spent \$198,936 subsequent to June 30, 2009, for the purpose of completing additional precinct-level survey data enhancements, primarily to complete the survey interface and data warehouse projects. In its Final Performance Report for the period ended December 31, 2010, the Office reported successful completion of all grant award requirements, and did not require \$1,239,544 of the authorized \$2,000,000 award.

AUDIT OBJECTIVES

The objectives of our performance audit were to identify costs claimed in the Grant's Financial Status Reports that are not allocable, allowable, reasonable, and in conformity with EAC award terms and conditions and applicable Federal grant requirements. The Office is required to follow the requirements of the Grant program's legislation and program regulations, Grant award terms and conditions, Office of Management and Budget (OMB) Circular A-87 (2 CFR 225), *Cost Principles for State, Local, and Indian Tribal Governments*, and OMB Circular A-102 (41 CFR 105-71), *Grants and Cooperative Agreements with State and Local Governments*.

SCOPE AND METHODOLOGY

Our audit encompassed the Grant funds received and disbursed by the Office for the period beginning May 27, 2008 through June 30, 2011 as shown in the following table:

Award amount	<u>\$ 2,000,000</u>
Award funds received	\$ 730,456
Program income	-
Total available	<u>\$ 730,456</u>
Program expenditures	<u>\$ 730,456</u>

Our audit methodology is set forth in Appendix B.

AUDIT RESULTS

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Based on the audit procedures performed, we concluded that the Office accounted for and expended the Grant funds in accordance with the requirements mentioned above for the period from May 27, 2008 through June 30, 2011.

We provided a draft of our report to the appropriate individuals of the Office of the Secretary of the Commonwealth. We considered any comments received prior to finalizing this report.

The Office responded on August 14, 2013 and generally agreed with the report's contents. The EAC responded on August 12, 2013 and noted that the Office has accounted for and expended funds in accordance with the requirements of the Grant. The Office's complete response is included as Appendix A-1 and EAC's complete response as Appendix A-2.

McBride, Lock & Associates performed the related audit procedures between January 28, 2013 and June 13, 2013.

(Original Signed by McBride, Lock & Associates)

McBride, Lock & Associates
June 13, 2013

**RESPONSE OF THE SECRETARY OF THE
COMMONWEALTH OF PENNSYLVANIA TO THE DRAFT REPORT**

There were no findings and questioned costs. Therefore, the Secretary of the Commonwealth was not required to provide a response.



EAC RESPONSE TO THE DRAFT AUDIT:

*OIG Performance Audit Report - Election Data Collection
Grant Program Award Number : 08-EDC-800165,
Commonwealth of Pennsylvania*

August 12, 2013

MEMORANDUM

To: Curtis Crider
Inspector General

From: Alice P. Miller, Chief Operating Officer &
Acting Executive Director *Alice P. Miller*

Subject: Draft Performance Audit Report – *Election Data Collection Grant
Program Award Number: 08-EDC-800165, Commonwealth of
Pennsylvania*

Thank you for this opportunity to review and respond to the draft audit report of the Office of the Secretary of the Commonwealth of Pennsylvania (Office).

The Election Assistance Commission (EAC) notes that the Office has accounted for and expended funds in accordance with the requirements of the Grant.

AUDIT METHODOLOGY

Our audit methodology included:

- Assessing audit risk and significance within the context of the audit objectives.
- Obtaining an understanding of internal controls that are significant to the administration of the Grant funds and of relevant information systems controls as applicable.
- Identifying sources of evidence and the amount and type of evidence required.
- Determining whether other auditors have conducted, or are conducting, audits of the program that could be relevant to the audit objectives.

To implement our audit methodology, below are some of the audit procedures we performed.

- Interviewed appropriate Office employees about the organization and operations of the Grant program.
- Reviewed prior Single Audit reports and other audits related to the State's financial management systems and the Grant program for the period under review.
- Reviewed policies, procedures and regulations for the Office management and accounting systems as they relate to the administration of the Grant program.
- Tested payments made with Grant funds and the supporting documentation.
- Evaluated compliance with the requirements for accumulating financial information reported to the EAC on the financial status reports and progress reports, Form SF-269 and SF-PPR, respectively.

SCHEDULE OF AWARDS AS OF JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
Contractual Services - staff augmentation	\$ 1,360,000	\$ 714,481
Software	280,000	356
Equipment Maintenance	-	7,669
Other Equipment-Noncapitalizable	-	7,950
Capital Assets-Server Hardware and Infrastructure	<u>360,000</u>	<u>-</u>
Total Costs	<u>\$ 2,000,000</u>	<u>\$ 730,456</u>

MONETARY IMPACT AS OF JUNE 30, 2011

There were no findings or questioned costs and accordingly there is no monetary impact.

OIG's Mission

The OIG audit mission is to provide timely, high-quality professional products and services that are useful to OIG's clients. OIG seeks to provide value through its work, which is designed to enhance the economy, efficiency, and effectiveness in EAC operations so they work better and cost less in the context of today's declining resources. OIG also seeks to detect and prevent fraud, waste, abuse, and mismanagement in these programs and operations. Products and services include traditional financial and performance audits, contract and grant audits, information systems audits, and evaluations.

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(eacoig@eac.gov).

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U.S. Election Assistance Commission
Office of Inspector General
1201 New York Ave. NW - Suite 300
Washington, DC 20005

To order by phone: Voice: (202) 566-3100
Fax: (202) 566-0957

To Report Fraud, Waste and Abuse Involving the U.S. Election Assistance Commission or Help America Vote Act Funds

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Office of Inspector General
1201 New York Ave. NW - Suite 300
Washington, DC 20005

E-mail: eacoig@eac.gov

OIG Hotline: 866-552-0004 (toll free)

FAX: 202-566-0957

