PERFORMANCE AUDIT
OF THE

BUREAU OF ELECTIONS

DEPARTMENT OF STATE

February 2003

23-235-01

Michigan

Office of the Auditor General

REPORT SUMMARY

Performance Audit

Bureau of Elections

Department of State

Report Number:
23-235-01

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The Bureau of Elections' (BOE's) mission is to improve the integrity of the administration of elections, to ensure the fairness of the electoral process, and to encourage the fullest possible participation by Michigan citizens in all aspects of the electoral process. BOE carries out the responsibilities assigned to the Secretary of State under the Michigan Election Law, the Campaign Finance Act, the Lobby Registration Act, provisions of the Casino Interest Registration Act, and the National Voter Registration Act.

Audit Objective:
To assess BOE's effectiveness in complying with reporting and disclosure requirements of the Campaign Finance Act, Lobby Registration Act, and Casino Interest Registration Act.

Audit Conclusion:
BOE was generally effective in complying with reporting and disclosure requirements of the Campaign Finance Act, Lobby Registration Act, and Casino Interest Registration Act. However we noted reportable conditions related to the dissolution of candidate committees and prohibited contributions (Findings 1 and 2).

Noteworthy Accomplishments:
Michigan received an award from the California Voter Foundation for its efforts to implement programs that provide electronic filing of, and Internet access to, campaign finance records.

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Audit Objective:
To assess BOE's effectiveness in providing reliable and secure registered voter information in the Qualified Voter File (QVF).

Audit Conclusion:
BOE was generally effective in providing reliable and secure registered voter information contained in the QVF. However, we noted reportable conditions related to the QVF and risk assessment (Findings 3 and 4).

Noteworthy Accomplishments:
Michigan received recognition from two election reform studies for its development and implementation of its QVF.

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Audit Objective:
To assess BOE's effectiveness in administering election law and other required training programs in compliance with the Michigan Election Law.

Audit Conclusion:
BOE was generally effective in administering election law and other required training programs in compliance with the Michigan Election Law. However, we noted a reportable condition related to the training of election officials (Finding 5).

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Agency Response:
BOE agreed with all 5 recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.state.mi.us/audgen/

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THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

February 13, 2003

The Honorable Terri Lynn Land
Secretary of State
Treasury Building
Lansing, Michigan

Dear Secretary Land:

This is our report on the performance audit of the Bureau of Elections, Department of State.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; a survey summary, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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DEPARTMENT OF STATE

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GLOSSARY

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Description of Agency

The Department of State's executive officer, the Secretary of State, is an elected official who serves a four-year term. The Secretary of State serves as the chief election officer of Michigan and has supervisory control over county and local election officials in the performance of their duties. The Department's responsibilities include administering and monitoring compliance with the Michigan Election Law, the Campaign Finance Act, the Lobby Registration Act, and provisions of the Casino Interest Registration Act (Sections 168.1 - 168.992, Sections 169.201 - 169.282, Sections 4.411 - 4.431, and Sections 432.271 - 432.278 of the *Michigan Compiled Laws*, respectively) and implementing the National Voter Registration Act. The Secretary of State has assigned these responsibilities to the Bureau of Elections (BOE).

BOE's mission* is to improve the integrity of the administration of elections, to ensure the fairness of the electoral process, and to encourage the fullest possible participation by Michigan citizens in all aspects of the electoral process. BOE attempts to fulfill its mission by applying state-of-the-art technology to all of its programs; streamlining voter registration and elections management systems; enhancing the disclosure of campaign finance, election, and lobbyist reporting information; supervising Michigan's local election officials in a manner that improves the effectiveness* and efficiency* of services to voters; and regulating compliance by candidates, political action committees, political parties, and lobbyists toward improving the quality of disclosure available to the public.

BOE's responsibilities under the Michigan Election Law include monitoring all elections to ensure that proper procedures are followed by election officials; managing and maintaining the Qualified Voter File in cooperation with the State's county and local election officials; and conducting Statewide training programs on the administration of the election laws.

BOE manages and maintains the Michigan Electronic Reporting and Tracking System, a program that permits the electronic submission of campaign finance disclosure documents by various committees registered on the State level, and receives and reviews filings submitted under the Campaign Finance Act and the Lobby Registration Act. In addition, BOE provides services to the Board of State Canvassers by processing and verifying voter signatures on candidate nominating petitions, State ballot

** See glossary at end of report for definition.*

proposals, and political party petitions; compiling Statewide election results; and evaluating new voting equipment submitted by local government officials for approval.

BOE consists of the Communications and Training Division, Disclosure Division, Election Liaison Division, and Qualified Voter File Division. BOE had 24 employees as of July 31, 2001 and was appropriated approximately $4.4 million for the fiscal year ended September 30, 2001.

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit* of the Bureau of Elections (BOE), Department of State, had the following objectives:

1. To assess BOE's effectiveness in complying with reporting and disclosure requirements of the Campaign Finance Act, Lobby Registration Act, and Casino Interest Registration Act.

2. To assess BOE's effectiveness in providing reliable and secure registered voter information in the Qualified Voter File (QVF).

3. To assess BOE's effectiveness in administering election law and other required training programs in compliance with the Michigan Election Law.

Audit Scope

Our audit scope was to examine the program and other records of the Bureau of Elections. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Audit Methodology

Our audit procedures, conducted from June through October 2001, included examining BOE's records and activities for the period October 1, 1998 through July 31, 2001.

Our methodology included performing a preliminary review of BOE's operations to gain an understanding of its operations and to plan our audit. This included interviewing BOE management personnel and reviewing applicable statutes, administrative rules, policies and procedures, and BOE activities and program records.

** See glossary at end of report for definition.*

To accomplish our first objective, we reviewed applicable statutes, administrative rules, and policies and procedures. We sampled selected campaign finance contribution and expenditure reports to verify BOE's administration of and candidate committees' compliance with reporting and disclosure requirements in the Campaign Finance Act. We reviewed a sample of lobbyist files to verify BOE's administration of and the lobbyists' compliance with the Lobby Registration Act. We also verified that BOE reported the names of persons with casino interests and reviewed its procedures to identify persons with casino interests who made prohibited contributions.

To accomplish our second objective, we documented and assessed the effectiveness of applicable management control* of the QVF. We surveyed users of the QVF to obtain their opinion of its usefulness and reliability and to determine the helpfulness of the QVF's training and support staff. Also, we assessed the accuracy of selected voter records contained in the QVF.

To accomplish our third objective, we evaluated BOE's efforts to establish an election official accreditation program. Also, we assessed BOE's efforts to ensure that all election precinct inspectors* received required training prior to serving on an election. In addition, we analyzed the training received by election precinct inspectors for two recent elections to determine if the inspectors received the required training.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 5 findings and 5 corresponding recommendations. The agency preliminary responses indicated that BOE agreed with all 5 recommendations. In addition, BOE indicated that it has initiated or will initiate corrective action for all of the recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require the Department of State to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

BOE complied with all 4 of the prior audit recommendations.

** See glossary at end of report for definition.*

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

COMPLIANCE WITH REPORTING AND DISCLOSURE REQUIREMENTS

COMMENT

Background: The Campaign Finance Act requires candidate committees and various other committees to periodically file campaign financial reports (e.g., statements of contributions and expenditures) with the Bureau of Elections (BOE). The Campaign Finance Act requires that each committee keep detailed records and receipts to substantiate the information contained in the reports filed; however, the Act does not give BOE the authority to obtain the detailed records to verify the accuracy of the information contained in the reports. BOE's effectiveness as a regulatory agency is limited because it is not able to review the detailed financial records.

The Lobby Registration Act was enacted to provide public disclosure of the activities of persons who attempt to influence the actions of State-level public officials who might be lobbied. The Lobby Registration Act requires persons to register as lobbyists or lobbyist agents when they make expenditures or receive compensation or reimbursement for lobbying activities in excess of the thresholds specified by the Act.

The Casino Interest Registration Act requires persons who have casino interests to file a registration with the Secretary of State. BOE prepares a summary of the registrations for public dissemination. In addition, BOE and the Michigan Gaming Control Board (MGCB), Department of Treasury, have entered into an agreement to monitor prohibited contributions to candidates or political party committees made by persons who have an interest in a casino license or a casino enterprise.

Audit Objective: To assess BOE's effectiveness in complying with reporting and disclosure requirements of the Campaign Finance Act, Lobby Registration Act, and Casino Interest Registration Act.

Conclusion: BOE was generally effective in complying with reporting and disclosure requirements of the Campaign Finance Act, Lobby Registration Act,

and Casino Interest Registration Act. However, we noted reportable conditions* related to the dissolution of candidate committees and prohibited contributions (Findings 1 and 2).

Noteworthy Accomplishments: Michigan was one of seven states awarded a Digital Sunlight Award from the California Voter Foundation. This award was based on the results of a nationwide survey of all 50 states' efforts to implement programs that provide electronic filing of, and Internet access to, campaign finance records. States earning the top award were considered to have the most advanced programs to provide electronic filing for candidates as well as the most comprehensive and user friendly campaign disclosure Web sites.

FINDING

1. Dissolution of Candidate Committees

BOE did not have control procedures to verify the propriety of the transfer of unexpended candidate committee funds at the time of a committee's dissolution.

Section 45 of the Campaign Finance Act (Section 169.245 of the *Michigan Compiled Laws)* allows dissolving candidate committees to:

a. Transfer unexpended candidate committee funds to another candidate committee for the same person.

b. Give funds to a political party committee.

c. Give funds to a tax-exempt charitable organization as long as the candidate does not become an officer or director of the charity.

d. Return funds to contributors.

e. Give funds to a political party caucus committee, independent committee, or ballot question committee.

The purpose of this provision is to ensure that candidates do not retain or benefit from the unexpended candidate committee funds; however, BOE does not verify the propriety of the transfer of these funds.

* *See glossary at end of report for definition.*

BOE stated that, under the Campaign Finance Act, it does not have the authority necessary to compel a committee to produce records for the purpose of verifying information in the committee's reports. BOE stated that it is limited to reviewing reports and statements provided by a dissolving committee to verify a committee's compliance with the Act. However, BOE could obtain additional assurance regarding compliance with the dissolution process by using information already available to it. The transfer of funds to another candidate committee, political party committee, political party caucus committee, independent committee, or ballot question committee should be traceable by using the reports already submitted to BOE. Transfers to charitable organizations as well as individuals could be verified through a confirmation process. Information regarding the formation and purpose of a charity is public information and, under Internal Revenue Service (IRS) regulations, is available upon request. Performing independent verification procedures would provide BOE with more assurance that the dissolving committee has complied with statutory requirements in disposing of its unexpended funds.

RECOMMENDATION

We recommend that BOE develop control procedures to verify the propriety of the transfer of unexpended candidate committee funds at the time of a committee's dissolution.

AGENCY PRELIMINARY RESPONSE

BOE agreed with the recommendation and will comply. BOE will review the reports of committees that file with BOE to confirm that a transfer reported by a dissolving candidate committee has been reported by the recipient committee. BOE will also seek confirmation that funds were transferred to a qualified charitable organization.

FINDING

2. Prohibited Contributions

The memorandum of understanding between the Department of State and MGCB did not include specific control procedures to monitor for prohibited contributions by persons with casino interests.

A memorandum of understanding between the Department of State and MGCB was established to set forth the agreement regarding the exchange of information concerning prohibited contributions received by committees regulated by the

Campaign Finance Act in violation of the Michigan Gaming Control and Revenue Act (MGCRA).

According to the memorandum of understanding, BOE is responsible for administering Section 30 of the Campaign Finance Act (Section 169.230 of the *Michigan Compiled Laws).* This section states that a committee shall not knowingly maintain receipt of a contribution from a person prohibited from making a contribution as prohibited by Section 7b of the MGCRA (Section 432.207b of the *Michigan Compiled Laws*). A committee is considered to have knowingly maintained a contribution if, after being notified by registered mail by the Secretary of State, it does not return the contribution to the person within 30 days. BOE is responsible for taking enforcement action in cases of violations of Section 30 of the Campaign Finance Act.

The memorandum of understanding states that MGCB is responsible for administering Section 7b of the MGCRA. This section prohibits contributions to a candidate or committee by persons who are licensees or persons who have an interest in a licensee or a casino enterprise during specified time periods. MGCB is also responsible for taking enforcement action for violations of Section 30 of the Campaign Finance Act that constitute a criminal act under MGCRA.

The memorandum of understanding also requires the Department of State and MGCB to work cooperatively in the exchange of information regarding contributions to committees by persons who have an interest in a casino license or a casino enterprise. However, the memorandum of understanding did not specifically detail the responsibilities of the Department of State and MGCB related to monitoring the prohibited contributions.

Neither BOE nor MGCB actively monitors contributions to ensure that committees do not retain contributions from persons with casino interests. BOE relies on committees to return any contributions received from persons having a casino interest. MGCB advises persons applying for a casino or casino supplier's license that contributions to committees are prohibited and requires the refund of contributions prior to granting a license. Without active monitoring, BOE and MGCB cannot ensure compliance with the provisions of the Campaign Finance Act and MGCRA.

We performed a match of persons reported as having casino interests to campaign contributors for our audit period and identified 17 instances of exact name matches. Further review is needed to determine whether the matches correspond to the persons having casino interests. Our review was limited to the approximately 10% of campaign committees that electronically filed their contribution reports with BOE. Starting in 2004, committees receiving over $20,000 in contributions will be required to electronically file their contribution reports. The use of this expanded file in a matching process performed by either BOE or MGCB could be an effective and efficient process to help identify potentially prohibited contributions.

RECOMMENDATION

We recommend that the Department of State and MGCB revise their memorandum of understanding to include specific control procedures to monitor for prohibited contributions by persons with casino interests.

AGENCY PRELIMINARY RESPONSE

BOE agreed with the recommendation and will comply. BOE will work with MGCB to develop an electronic matching process and revise the memorandum of understanding accordingly. However, the Department of State informed us that it previously forwarded the names of individuals who submitted late casino interest registrations to MGCB. MGCB suggested that, because many registrants have common names, it would be helpful for matching purposes if both the registrant's name and social security number were included. Social security numbers cannot be used to identify casino interest registrants or campaign contributors without express statutory authorization. Without unique identifiers, potential matches may be identified, but exact matches will not be possible.

RELIABLE AND SECURE REGISTERED VOTER INFORMATION IN THE QUALIFIED VOTER FILE

COMMENT

Background: To meet the various needs of the voter registration program, the Legislature initiated legislation that required the Secretary of State to establish and maintain the Qualified Voter File (QVF). Placed into operation in 1998, the QVF is a database that ties Michigan's 1,514 local jurisdictions (cities and townships) and 83

counties to a fully automated, interactive, Statewide voter registration file to achieve a wide variety of advantages, including eliminating duplicate voter registration records in the system, streamlining the State's voter registration cancellation process, eliminating registration forwarding errors, and eliminating duplicative voter registration processing tasks. The local jurisdictions are responsible for verifying the accuracy of the names and addresses of approximately 6.9 million registered voters in the QVF.

With the implementation of the QVF, each "motor/voter"* registration transaction executed by a Secretary of State branch office, by mail, or on-line is electronically forwarded to the appropriate local election official; a paper copy of the transaction follows within days to confirm the electronic notification and supply the election official with the voter's signature.

Audit Objective: To assess BOE's effectiveness in providing reliable and secure registered voter information in the QVF.

Conclusion: BOE was generally effective in providing reliable and secure registered voter information in the QVF. However, we noted reportable conditions related to the QVF and risk assessment (Findings 3 and 4).

Noteworthy Accomplishments: Michigan received recognition from two election reform studies for the development of its QVF. The National Commission on Federal Election Reform noted that Michigan deserved particular scrutiny because it is the state with the greatest population and largest number of separate election jurisdictions to have fully implemented its QVF and that Michigan "passed the test of the 2000 election with flying colors." The voting technology project conducted by the California Institute of Technology and the Massachusetts Institute of Technology praised Michigan's QVF for providing electronic linkage for election officials throughout the State to an automated and integrated Statewide voter registration database.

FINDING

3. Qualified Voter File

BOE should continue its efforts to work with county, city, and township clerks to improve the integrity of records contained in the QVF.

** See glossary at end of report for definition.*

Section 509m(1) of the Michigan Election Law (Section 168.509m(1) of the *Michigan Compiled Laws*) states that the purpose of the QVF is to enhance the uniformity of the administration of elections by maintaining a Statewide file of qualified voters, to increase the efficiency and decrease the public cost of maintaining voter registration files, and to increase the integrity of the election process by creating a single QVF that will permit the name of each citizen to appear only once in the system. Section 509o of the Michigan Election Law (Section 168.509o of the *Michigan Compiled Laws*) states that the Secretary of State shall direct and supervise the establishment and maintenance of the Statewide QVF.

The QVF was established using the approximately 6.9 million registered voter files obtained from over 1,500 local voting jurisdictions. BOE stated that the files often contained inaccurate and/or incomplete voter information that initially produced over 600,000 duplicate voter records that were eliminated when the QVF was created. File errors included inaccurate and incomplete voter names, dates of birth, addresses, and voter registration date information. BOE developed various data integrity techniques to help identify and correct many of these errors found in the QVF. Such techniques included name matches to detect duplicate voters, to remove voters who were no longer residents of Michigan, and to remove the names of deceased voters. In addition, BOE reported that it has programmed various controls into the system to help ensure that newly entered voter data is accurate and complete.

Although BOE has made significant progress in eliminating data errors in the QVF, our review of the records contained in the QVF disclosed:

a. The QVF contained registered voters who were listed more than once.

   We performed a computer query of records in the QVF by matching the names of 26,058 registered voters without recorded driver license numbers to registered voters with driver license numbers. A random sample of 50 of these records disclosed that 46 (92%) records were for what appeared to be the same person, thus indicating that the QVF still contained some duplicate voter records.

b. The QVF contained instances of inaccurate voter data.

Our audit disclosed approximately 10,000 registered voters in the QVF with inaccurate birth dates. BOE stated that during the process of initially populating the QVF with voter information, local jurisdictions either could not or did not provide complete birth dates for all registered voters. If complete birth dates were not available, voters were given a default birth date to easily identify these voters so that corrections could be made at a later date.

Our review of the QVF included a limited number of possible data integrity techniques, but our results indicated that some inaccurate registered voter records exist in the QVF. BOE should continue to develop and use data integrity techniques and work with local election officials to help ensure the accuracy and integrity of records contained in the QVF.

RECOMMENDATION

We recommend that BOE continue its efforts to work with county, city, and township clerks to improve the integrity of records contained in the QVF.

AGENCY PRELIMINARY RESPONSE

BOE agreed with the recommendation and will comply. BOE will comply by continuing to work daily with county, city, township, village, and school election officials to improve the accuracy of Michigan's voter registration records.

BOE informed us that the QVF was created from records maintained by over 1,500 local election officials. As noted in the report, over 600,000 duplicate records were eliminated during the conversion of local records to the QVF. The duplicate registrations that remain to be verified are the result of inaccurate or incomplete data received during the conversion to the QVF. There are processes governed by federal and State laws that must be followed before records can be removed from the voter registration system. BOE continues to follow those requirements while working with local election officials to make the QVF as accurate as possible.

BOE noted that the system design of the QVF and its interaction with the Driver License File has prevented tens of thousands of duplicates from being created when voters move from community to community around Michigan.

FINDING

4. Risk Assessment

BOE did not document its security risk assessment of the QVF.

Risk management is the process of assessing risk, taking steps to reduce risk to an acceptable level, and maintaining that level of risk. Risk assessments help to identify system risks and ensure that appropriate, cost-effective safeguards are incorporated into major systems, such as the QVF. Although the Department of Management and Budget does not require agencies to perform risk assessments, such assessments should be completed to provide management with information to make informed judgments. Risk assessments generally include the following elements:

a. Identifying threats that could harm and, thus, adversely affect critical operations and assets. Threats include such things as intruders, criminals, disgruntled employees, and natural disasters.

b. Estimating the likelihood that such threats will materialize, based on historical information and the judgment of knowledgeable individuals.

c. Identifying and ranking the value, sensitivity, and criticality of the operations and assets that could be affected should a threat materialize in order to determine which operations and assets are most important.

d. Estimating, for the most critical and sensitive assets and operations, the potential losses or damage, including recovery costs.

e. Identifying cost-effective actions to mitigate or reduce the risk. These actions can include implementing new organizational policies and procedures as well as technical or physical controls.

f. Documenting the results and developing an action plan.

BOE informed us that it had performed various risk assessment functions during the development and implementation of the QVF but did not prepare documentation of such assessments. BOE maintained QVF system documentation related to the system's specifications, telecommunication

architecture details, and implementation plan. Although this documentation was essential for developing the QVF, the documentation did not contain all of the elements normally associated with a risk assessment. For example, our audit disclosed:

(a) BOE did not document its assessment of the risk associated with allowing numerous users access to the QVF database system files that exceeded the users' job responsibilities. We identified 27 users with full access rights, which gave the users the ability to view and change voter data in the QVF. Those with full access rights included non-BOE system developers, QVF Help Desk staff, and shared account users. BOE stated that 7 of these users were temporarily granted full access rights because they were in the process of installing a new QVF database management system. BOE should regularly assess and document the users' access needs and adjust their access rights accordingly.

    BOE informed us that it removed 15 full access users since our request for access rights user information.

(b) BOE had not assessed the risk of allowing local jurisdictions to access the QVF without complying with the password controls prescribed for the system. Our survey of QVF users noted that users did not always periodically change their system passwords and that they shared their passwords with other users. BOE's QVF implementation plan requires the use and periodic changing of system passwords, which is consistent with requirements established by Department of Management and Budget Administrative Guide procedure 1410.17. However, BOE did not require that local jurisdictions periodically change passwords to be in compliance with prescribed procedures. Establishing password controls would help ensure password confidentiality and help reduce the risk of unauthorized system access.

Conducting periodic, formal risk assessments of the QVF would provide a method for BOE to help identify and reduce risks associated with areas such as software and data security, personnel security, and contingency plans to meet critical processing needs in the event of a disaster. Because risks and threats change over time, it is important that BOE periodically reassess risks and reconsider the appropriateness and effectiveness of its policies and controls.

RECOMMENDATION

We recommend that BOE document its security risk assessment of the QVF.

AGENCY PRELIMINARY RESPONSE

BOE agreed with the recommendation and will comply by documenting a formal security risk assessment. BOE reiterated that, during the system design and development, every effort was made to assess all types of risks associated with the QVF.

ADMINISTRATION OF TRAINING PROGRAMS

COMMENT

Audit Objective: To assess BOE's effectiveness in administering election law and other required training programs in compliance with the Michigan Election Law.

Conclusion: BOE was generally effective in administering election law and other required training programs in compliance with the Michigan Election Law. However, we noted a reportable condition related to the training of election officials (Finding 5).

FINDING

5. Training of Election Officials

BOE had not established control procedures to ensure that all election officials, election precinct inspector training coordinators*, and election precinct inspectors received required training.

Section 21 of the Michigan Election Law (Section 168.21 of the *Michigan Compiled Laws)* provides that the Secretary of State shall be the chief election officer of the State and has supervisory control over the approximately 2,400 county and local election officials in the performance of their duties under provisions of the Act. The county and local election officials are responsible for the supervision and training of the approximately 35,000 election precinct inspectors.

* *See glossary at end of the report for definition.*

Our review of the training of election officials, election precinct inspector training coordinators, and election precinct inspectors disclosed:

a. BOE had not implemented training and accreditation programs for election officials and election precinct inspector training coordinators.

   Effective March 31, 1997, Section 31(1)(j) of the Michigan Election Law (Section 168.31(1)(j) of the *Michigan Compiled Laws*) required the Secretary of State to establish a curriculum for comprehensive training and accreditation of all county, city, township, village, and school elections officials. In addition, Sections 33(2) and 33(3) of the Michigan Election Law (Sections 168.33(2) and 168.33(3) of the *Michigan Compiled Laws*) require the director of elections to train all county, city, and township clerks who are involved in the training of election precinct inspectors. The director of elections is required to conduct all election precinct inspector training in counties in which the clerk has not been accredited to conduct the training schools.

   The objective of the training and accreditation programs is to ensure that election officials and election precinct inspector training coordinators are adequately trained to enable them to perform the duties and responsibilities assigned under the Michigan Election Law. BOE assembled a task force and identified proposed areas of required training but, because of other priorities, did not complete or implement the training and accreditation programs.

   BOE informed us that it routinely conducts training programs for election officials. Examples of training topics offered in the programs include: election administration and planning, voter registration, implementation and maintenance of the QVF, recounts, and the issuance of absentee ballots. However, these programs were not considered BOE's official training and accreditation programs and attendance for training was not always mandatory. Thus, conducting these programs did not ensure that all election officials received adequate training.

   After the completion of our audit fieldwork, BOE developed and implemented its training and accreditation programs for election officials and election precinct inspector training coordinators. BOE held one election official and three election precinct inspector training coordinator accreditation conferences that were attended by more than 700 participants.

b. BOE did not ensure that election precinct inspectors met the necessary training requirements prior to serving on an election.

Section 683 of the Michigan Election Law (Section 168.683 of the *Michigan Compiled Laws)* states that a person must either receive election training or pass an election examination within two years preceding an election to serve as an election precinct inspector. County and local election officials train election precinct inspectors, but BOE did not monitor training records to ensure that inspectors met training requirements prior to serving on an election.

During our audit, the Michigan Election Law did not specifically require that BOE monitor the training records of local election officials and election precinct inspectors; however, because of BOE's supervisory responsibility and the importance of training in the election process, such monitoring is warranted.

After the completion of our audit fieldwork, Act 269, P.A. 2001, amended the Michigan Election Law to require that the Secretary of State obtain some training records from local election officials. The Act required local election officials to report their plans for instructing their election precinct workers, to include the dates and times of election precinct inspector training sessions, and to submit this information to BOE through the QVF. The Act also required each county, city, and township that conducts election precinct inspector training to submit biennial reports listing those individuals who are accredited election precinct inspector training coordinators. In addition, the Act contained language to eliminate the "straight party" voting option on partisan general election ballots. The Act was subject to a referendum vote at the general election held on November 5, 2002. Michigan voters rejected Act 269, P.A. 2001; therefore, its provisions will not become law.

Even though BOE does not have an express legal duty to monitor training records, such monitoring would help to ensure that election precinct inspectors obtain the training necessary to deal with the various issues confronting them on election day and to help ensure the integrity of the election process.

RECOMMENDATION

We recommend that BOE establish control procedures to ensure that all election officials, election precinct inspector training coordinators, and election precinct inspectors receive required training.

AGENCY PRELIMINARY RESPONSE

BOE agreed and will comply with the recommendation pursuant to the Michigan Election Law.

BOE informed us that it conducted training in 2002 to accredit counties and local clerks who train election precinct inspectors. All counties have been accredited, thus leaving no requirement for BOE to train precinct inspectors. BOE staff routinely, upon request, assist counties in the training of election precinct inspectors. BOE has also provided accreditation training to more than 1,100 county, city, township, and village clerks. This training will continue in the next year until all clerks are accredited.

SUPPLEMENTAL INFORMATION

BUREAU OF ELECTIONS (BOE)
Department of State
Qualified Voter File User Survey Summary

Summary Overview:
We sent surveys to 50 users of the Qualified Voter File (QVF), those being county, city, and township clerks. We received 36 responses to our survey, a response rate of 72%.

Following is a summary of the survey that includes the number of responses received for each item. The total number of responses for each item may not agree with the number of responses reported above because some respondents provided more than one response to an item and other respondents did not answer all items or were not required to answer all items.

Background Information

1. Please indicate the response that best describes your county, city, or township voting age population:

   a. 1 Greater than or equal to 100,000
   b. 6 Between 50,000 and 99,999
   c. 13 Between 25,000 and 49,999
   d. 12 Between 5,000 and 24,999
   e. 4 Less than or equal to 4,999

Qualified Voter File (QVF)

2. Does the QVF have all the features and capabilities that you require to perform your voter file and related job responsibilities?

   26 Yes 9 No

3. Has the QVF provided you access to the data you need?

   32 Yes 2 No

4. Do you use other voter file systems or databases to process voter data in conjunction with the QVF?

   6 Yes 30 No

5. Does your job require you to use registration data in a way that is not currently being provided for in the QVF?

   4 Yes 32 No

6. Are you aware of any recent instance(s) in which the QVF data was inaccurate?

   18 Yes 16 No

7. Are you aware of any recent instance(s) in which the QVF data was incomplete?

12 Yes 23 No

8. How often do you sign on and use the QVF system? (please check the most appropriate response) If you select a., b., or c., please go to question 10.

a. 32 At least every day
b. 4 At least every week
c. 0 At least every month
d. 0 At least every two months
e. 0 At least every 6 months
f. 0 At least once a year
g. 0 I have never used the QVF.

9. What is your reason(s) for not using the QVF more often? (please check all responses that apply)

a. 8 My job only requires me to access the QVF that often.
b. 0 The QVF does not contain the information I need.
c. 0 I can obtain the information I need from other sources.
d. 0 I do not know how to use the QVF.
e. 1 Other

10. Do you use password-protected screen savers?

6 Yes 28 No

11. How often do you change your QVF password? (please check the most appropriate response)

a. 3 At least every 30 days
b. 0 At least every 60 days
c. 9 At least every 90 days
d. 20 Other

12. Do you share your QVF user name and password with any other employees?

20 Yes 16 No

QVF Help Desk

13. Please check which of the following statements most accurately describes your satisfaction with the QVF Help Desk response time:

a. 23 Very satisfied
b. 6 Somewhat satisfied
c. 5 Satisfied
d. 3 Unsatisfied
e. 0 Very unsatisfied
f. 0 I have never used the QVF Help Desk.

14. If there was a delay in obtaining a response/answer to your inquiry, did you consider the length of delay:

a. 22 Appropriate
b. 3 Excessive
c. 4 No opinion
d. 2 Not applicable; there was no delay.

15. Could BOE have done more to help you?

5 Yes 26 No

Training and Seminars

16. Were the election law, QVF, etc., training and seminars beneficial to you?

26 Yes 1 No 10 Somewhat

17. Are there other types of BOE-sponsored training, seminars, etc., that you feel would be beneficial?

7 Yes 19 No 2 Somewhat

18. Please indicate which of the following statements most accurately describes your satisfaction with the training you received from BOE:

a. 13 Very satisfied
b. 11 Somewhat satisfied
c. 7 Satisfied
d. 2 Unsatisfied
e. 0 Very unsatisfied
f. 2 I did not receive training.

Glossary of Acronyms and Terms

BOE	Bureau of Elections.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical with the minimum amount of resources.
election precinct inspectors	Individuals meeting election training requirements who are responsible for maintaining order at the polls and enforcing lawful directions throughout the course of an election.
election precinct inspector training coordinators	County, city, and township clerks who are involved with the training of election precinct inspectors.
goals	The agency's intended outcomes or impacts for a program to accomplish its mission.
management control	The plan of organization, methods, and procedures adopted by management to provide reasonable assurance that goals are met; resources are used in compliance with laws and regulations; valid and reliable data is obtained and reported; and resources are safeguarded against waste, loss, and misuse.
MGCB	Michigan Gaming Control Board.
MGCRA	Michigan Gaming Control and Revenue Act.
mission	The agency's main purpose or the reason that the agency was established.

motor/voter	A process by which persons who are eligible are given the opportunity to register to vote or change their voter addresses when they conduct business with the Secretary of State relating to motor vehicles or personal identification cards.
outcomes	The actual impacts of the program.
outputs	The products or services produced by the program.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
QVF	Qualified Voter File.
reportable condition	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.