



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

August 17, 2012

Doug Ringler, Director
Office of Internal Audit Services
Office of the State Budget Director
George W. Romney Building
111 South Capitol Avenue, 6th Floor
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Michigan Department of State, Bureau of Elections, covering the period October 1, 2008 through June 9, 2011.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 373-2184.

Sincerely,

Signature Redacted

Steve Stier, Director
Bureau of Information Security
Department Services Administration

Enclosures

cc: Honorable Rick Snyder, Executive Office
Thomas H. McTavish, CPA, Auditor General
John Nixon, State Budget Director
Michael Senyko, MDOS Chief of Staff
Rose Jarois, Director, MDOS Department Services Administration
Chris Thomas, Director, MDOS Bureau of Elections
Charles Moss, Chair, House Appropriations Committee
Roger Kahn, Chair, Senate Appropriations Committee
Mary Ann Cleary, Director, House Fiscal Agency
Ellen Jeffries, Director, Senate Fiscal Agency

**Michigan Department of State
Performance Audit of the Bureau of Elections
Summary of Agency Responses to Recommendations
October 1, 2008 through June 9, 2011**

1. Audit Recommendations the agency complied with:
Recommendation Numbers 1, 7, 8

2. Audit Recommendations the agency agrees with and will comply:
 - a. Will comply:
Recommendation Numbers 2, 3, 4, 5

 - b. Will partially comply:
Recommendation Number 6

3. Audit Recommendations the agency disagrees with:

None

Michigan Department of State
Performance Audit of the Bureau of Elections
Final Responses
October 1, 2008 through June 9, 2011

RECOMMENDATION #1

We recommend that BOE, in conjunction with local clerks, strengthen control procedures to prevent, detect, and correct instances in which ineligible voters are recorded in the QVF as having voted.

ANTICIPATED ACTION: Complied With

DESCRIPTION OF ANTICIPATED ACTION: The Department has instituted use of the Electronic Pollbook program in 80% of the state's precincts. For the vast majority of voters, voter selection and ballot assignment occurs via swiping a driver's license, thereby capturing the voter record electronically (rather than manually). This record is then updated to Voter History in QVF. This method provides the greatest possible assurances against the inaccurate recording of voter history. For jurisdictions choosing to continue utilizing paper pollbooks, the layout for the printed QVF list used in the polls has been altered to increase the spacing between individual voter records, thereby decreasing the likelihood that the incorrect voter record will be selected and recorded in voter history. The Department will continue to emphasize the procedures related to both processes in its regular pre-election communications to clerks.

Anticipated Compliance Date: Not applicable.

RECOMMENDATION #2

We recommend that BOE provide additional direction distinguishing local-level and State-level responsibilities to help ensure the accuracy and integrity of records contained in QVF.

ANTICIPATED ACTION: Will Comply

DESCRIPTION OF ANTICIPATED ACTION: In conjunction with the issuance of new user agreements to all QVF and QVF Lite users (see description of anticipated action in recommendation #3 below), the Department will provide information that clearly distinguishes State and local-level responsibilities with respect to maintaining QVF records.

Anticipated Compliance Date: January 2013

RECOMMENDATION #3

We recommend that BOE provide additional guidance to local clerks to help strengthen QVF access controls to ensure the integrity and security of QVF records.

ANTICIPATED ACTION: Will Comply

DESCRIPTION OF ANTICIPATED ACTION: The Department is revising and re-issuing QVF user agreements to all QVF and QVF Lite user jurisdictions. These new

agreements will include additional guidance regarding appropriate access controls, security of local data, and requirements related to local employee access and related procedures.

Anticipated Compliance Date: January 2013

RECOMMENDATION #4

We recommend that BOE enhance controls to further promote compliance with the Michigan Election Law regarding training of election officials, training coordinators, and election precinct inspectors.

ANTICIPATED ACTION: Will Comply

DESCRIPTION OF ANTICIPATED ACTION: The Department has begun structuring a plan for tracking clerk attendance and compliance with required training; an automated method for reporting on and directly notifying clerks that have not attended required training; and a communication and collaboration plan, working with county clerks, to identify and reinforce training requirements with local clerks. These efforts will be conducted in conjunction with the statewide release and use of the new online training site. (NOTE: System changes were required of the new online site, which must be programmed by an outside vendor. State Purchasing delays in approving these changes has pushed our implementation timeline back. These programming changes are expected to be completed by fall, with availability of the system to all users statewide taking place in late 2012.)

Anticipated Compliance Date: January 2013

RECOMMENDATION #5

We recommend that BOE improve its efforts related to election official and election precinct inspector training coordinator accreditation programs.

ANTICIPATED ACTION: Will Comply

DESCRIPTION OF ANTICIPATED ACTION: Note that a bill was signed into law earlier this month (Public Act 271 of 2012) that requires the Secretary of State to establish a continuing education program for clerks. This law also requires clerks to complete the continuing education program at least once every two years. The Department is currently assessing all of its various training programs, in an effort to establish a clerk continuing education curriculum that will likely cover many prior courses and topics into a clerk accreditation series of courses (some in-person, some online). The Department's online training site will house all materials, related manuals and procedural information, and online courses. Clerk attendance and notification will be tracked using the tools available in the online training system. Part of this effort will also include the development of an accreditation curriculum for election precinct inspector training coordinators.

Anticipated Compliance Date: January 2013 (establishment of continuing education curriculum); compliance tracking will occur over the following two-year period (through the end of 2014).

RECOMMENDATION #6

We recommend that BOE improve its efforts to ensure compliance with the timeliness requirement established by Section 16 of the MCFA (Section 169.216(6) of the *Michigan Compiled Laws*) in its review of campaign statements and reports.

ANTICIPATED ACTION: Will Partially Comply

DESCRIPTION OF ANTICIPATED ACTION: The Department is evaluating additional automation that could be incorporated into its current review process, which could help to shorten the overall timelines for reviewing and reconciling Campaign Finance reports. While it was acknowledged in our preliminary response that the Department is unable to realistically meet the mandated four business day review requirement given current staffing levels, an analysis will be completed and possible improvements implemented to improve report review timeliness to the extent possible.

Anticipated Compliance Date: February 2013 (analysis and recommendations completed); December 2013 (further automation implemented)

RECOMMENDATION #7

We recommend that BOE revise its memorandum of understanding with MGCB to define each party's specific responsibilities to monitor for prohibited contributions by persons with casino interests.

ANTICIPATED ACTION: Complied with.

DESCRIPTION OF ANTICIPATED ACTION: The new MOU was put into place in March 2012.

Anticipated Compliance Date: Not applicable.

RECOMMENDATION #8

We recommend that BOE ensure that casino interest registration forms are complete. We also recommend that BOE directly notify persons who failed to register as holding a casino interest.

ANTICIPATED ACTION: Complied with.

DESCRIPTION OF ANTICIPATED ACTION: The Department sent letters to the Casinos and the respective employees with outstanding fees informing them that fees not paid immediately would be referred to Department of Treasury for collection. BOE agrees to request missing required information and late filing fee notices in writing. All future notices will be sent in writing and will be addressed to the registrant specifically. No further action is planned.

Anticipated Compliance Date: Not applicable.