

EXECUTIVE DIGEST

BUREAU OF ELECTIONS

INTRODUCTION This report contains the results of our performance audit of the Bureau of Elections, Department of State, for the period October 1, 1992 through September 30, 1995.

AUDIT PURPOSE This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND The Bureau's mission* is to carry out the responsibilities and duties assigned to the Secretary of State under the Michigan Election Law, the Campaign Finance Act, the Lobby Registration Act, and federal laws. The Bureau had 24 employees as of September 30, 1995 and expenditures of \$2,142,100 for the fiscal year ended September 30, 1995.

AUDIT OBJECTIVES, CONCLUSIONS, AND NOTEWORTHY *Audit Objective:* To assess the effectiveness and efficiency of the Bureau's administration of the Michigan Election Law, the Campaign Finance Act, and the Lobby Registration Act.

ACCOMPLISHMENTS

Conclusion: Our assessment disclosed that the Bureau was effective and efficient in its administration of the Michigan Election Law, the Campaign Finance Act, and the Lobby Registration Act.

Noteworthy Accomplishments: The Bureau has substantially implemented a new automated campaign finance reporting system which will improve the Bureau's efficiency. This system provides the general public with a means to obtain campaign finance and lobby registration information. The Bureau is implementing the National Voter Registration Act of 1993 (Public Law 103-31) and the State Motor Voter Act (Act 441, P.A. 1994). The Bureau developed a mail registration form and a guide for county and local officials to follow to comply with the National Voter Registration Act.

Audit Objective: To assess the effectiveness of selected aspects of the Department's internal control structure* related to the Bureau's administration of the Michigan Election Law, the Campaign Finance Act, and the Lobby Registration Act.

Conclusion: Our assessment disclosed that the selected aspects of the Department's internal control structure related to the Bureau's administration of the Michigan Election Law, the Campaign Finance Act, and the Lobby Registration Act were effective. However, our assessment disclosed four reportable conditions* related to uncollected late filing fees* and related accounts receivable, referrals to the Department of Attorney General, completeness and accuracy of

campaign finance reports, and the accuracy of data included on the Bureau's information systems* (Findings 1 through 4).

Audit Objective: To assess the Bureau's compliance with selected statutes, the *Michigan Administrative Code*, State procedures, and Department policies and procedures applicable to the Bureau's administration of Michigan elections, campaign financing, and lobbyist registrations.

Conclusion: Our assessment disclosed that the Bureau substantially complied with selected statutes, the *Michigan Administrative Code*, State procedures, and Department policies and procedures applicable to the Bureau's administration of Michigan elections, campaign financing, and lobbyist registrations. However, we noted one instance of noncompliance* related to uncollected late filing fees and related accounts receivable that is reported under the internal control structure objective (Finding 1).

**AUDIT SCOPE
AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Bureau of Elections for the period October 1, 1992 through September 30, 1995. 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.

Our methodology included reviewing selected statutes, the *Michigan Administrative Code*, State procedures, Department policies

and procedures, and Bureau activities and program records to assess the effectiveness and efficiency of the Bureau's administration of the Michigan Election Law, the Campaign Finance Act, and the Lobby Registration Act.

We evaluated policies and procedures and performed tests of program and financial records to determine the effectiveness of the Department's internal control structure related to Bureau-administered activities.

We analyzed the assessment, follow-up, and collection of fees related to statutes, administrative rules, and policies and procedures applicable to the Bureau's administration of Michigan elections, campaign financing, and lobbyist registrations.

**AGENCY
RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

Our audit report includes 4 findings and recommendations. The agency's preliminary response indicates that it will comply with the recommendations.

The Bureau complied with the 2 prior audit recommendations included within the scope of our current audit.