Audit Report

State Board of Elections

March 2014

OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Karl S. Aro
Executive Director

Thomas J. Barnickel III, CPA
Legislative Auditor

March 24, 2014

Senator James C. Rosapepe, Co-Chair, Joint Audit Committee
Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the State Board of Elections (SBE) for the period beginning July 1, 2009 and ending August 22, 2012. SBE is responsible for managing and supervising elections and voter registrations in the State. SBE directs, supports, monitors, and evaluates the activities of each of the 24 local boards.

Our audit disclosed that SBE consolidated the procurement of voting system support services into one $20.9 million contract in 2010 that may have resulted in limiting competition. Only one proposal was received and SBE could not provide documentation that it had adequately evaluated this proposal. SBE also did not modify the contract when the scope was reduced to exclude one component valued by SBE at $6.5 million and did not submit a number of other contract modifications to the Board of Public Works for approval, as required.

Our audit also disclosed that SBE has recently made progress in addressing known security risks associated with the Online Voter Registration System and it needs to continue to take actions to mitigate risks, as appropriate. We also noted that adequate procedures were not in place to ensure certain felons were removed from the voter registration system.

Adequate accountability and control was not established over purchasing transactions, cash receipts, and accounts receivable. For example, deposit verification procedures were not sufficient to ensure all cash receipts were deposited and SBE did not adequately investigate and resolve certain delinquent accounts receivable from our preceding audit.

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An executive summary of our findings can be found on page 5. SBE's response to this audit is included as Appendix A to this report. Auditor comments related to SBE's response can be found in Appendix B. We wish to acknowledge the cooperation extended to us during the course of this audit by SBE.

Respectfully submitted,

Thomas J. Barnickel III, CPA
Legislative Auditor

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*** Denotes item repeated in full or part from preceding audit report**

Executive Summary

Legislative Audit Report on the
State Board of Elections (SBE)
March 2014

- **SBE's bundling of tasks in a consolidated procurement of its voting system support services contract in 2010 may have resulted in limiting competition. Only one proposal for $20.9 million was received and SBE could not provide sufficient documentation that evaluations of the technical and price proposals were performed to ensure that costs were reasonable and that all requirements were met prior to awarding the contract. Additionally, SBE did not modify the voter system support services contract when the contract's scope was significantly reduced and did not submit contract modifications to the Board of Public Works (BPW), as required by State regulations (Findings 1 and 2).**

  SBE should ensure that procurements promote maximum competition and that it documents the evaluation of bidder proposals before awarding contracts. Additionally, SBE should ensure that contract modifications are formally executed and submitted to the BPW for approval.

- **SBE had not established internal controls over purchasing transactions to ensure they were properly reviewed and approved, and appropriate justification was not always provided for sole source procurements (Finding 3).**

  SBE should ensure that all purchases are properly reviewed and approved and document compliance with State procurement regulations.

- **Procedures over cash receipts, which totaled approximately $7 million in fiscal year 2012, lacked control and accountability. For example, deposit verifications were not properly performed and deposits were not made timely. Furthermore, SBE did not adequately investigate and resolve delinquent accounts receivable totaling $2 million that were noted in our preceding audit report, and did not adequately review non-cash credit adjustments (Findings 4, 5, and 6).**

  SBE should take the recommended actions to improve cash receipt controls, investigate and resolve delinquent accounts receivable, and ensure that non-cash credit adjustments are reviewed and approved by supervisory personnel.

- **SBE did not prepare an indirect cost recovery plan as required by State budget policy. Consequently, a portion of the federal funds received for the grants, which could have been used to cover certain indirect costs of administering the grants, was instead used for direct program costs (Finding 7).**

  SBE should comply with State budget policy regarding the recovery of the costs of administering federal grants.

- **Known security concerns over the Online Voter Registration System, which allows citizens to register to vote and update voter registration records online, were not being properly addressed until recently. In addition, adequate procedures were not in place to ensure convicted felons serving court-ordered sentences were removed from the voter registration database (Findings 8 and 9).**

  SBE should continue to take actions to mitigate security risks, as appropriate, for the Online Voter Registration System and take the recommended actions to help ensure that convicted felons serving court-ordered sentences are removed from the voter registration database.

Background Information

Agency Responsibilities

The Election Law Article, Section 2-101 of the Annotated Code of Maryland, established the State Board of Elections (SBE) under the direction of a five-member Board appointed by the Governor, with the advice and consent of the Senate. In addition, in accordance with Section 2-201 of the aforementioned Article, the Governor has appointed local election boards within each of the State's 24 subdivisions. Each local board is charged with overseeing the conduct of all elections within its respective jurisdiction.

SBE is responsible for managing and supervising elections and voter registrations in the State. SBE directs, supports, monitors, and evaluates the activities of each local board. In addition, SBE administers sections of the Election Law Article of the Annotated Code of Maryland that govern the receipt and expenditure of funds for election campaigns, and administers the Public Financing Act, which provides for public financing of the campaigns of eligible gubernatorial candidates who elect to use such funds. SBE also serves as a depository for election and registration records, campaign financial reports, and other election information. According to the State's records, during fiscal year 2012, SBE had 32.6 authorized positions and expenditures totaling approximately $22.6 million.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the fourteen findings contained in our preceding audit report on SBE dated June 10, 2010. We determined that SBE satisfactorily addressed ten of those items. The remaining four items are repeated in this report.

Findings and Recommendations

Financial Management

Voting System Support Services Contract

On February 24, 2010, the Board of Public Works (BPW) approved awarding a voting system support services contract totaling $20.9 million for a three-year term beginning in February 2010 to the sole bidder. Among the component services included in the contract were poll worker training, transportation of voting equipment, inventory management, regional managers, and election day staff. As of March 12, 2013, payments to the contractor totaled $16.7 million.

The Budget Reconciliation and Financing Act of 2010 required the Department of Legislative Services (DLS) to contract with a consultant to review various SBE voting system procurements, including this support services contract and costs associated with implementing an optical scan voting system. Among other issues, the General Assembly was interested in determining whether this voting system support services contract was cost-effective and included only the services clearly necessary for the conduct of elections.

Finding 1
SBE's structure of the voting system support services contract may have limited competition and SBE lacked documentation that the sole proposal for the contract was sufficiently evaluated.

Analysis
SBE's consolidated procurement of its $20.9 million voting system support services contract in 2010 may have resulted in limiting competition. Only one proposal was received and SBE did not sufficiently document its evaluation of the sole bidder's technical and cost proposals. The independent consultant who reviewed this procurement under contract to DLS concluded, in part, that this support services contract bundled tasks together and, therefore, limited competition for the component parts of the solicitation. We were advised that, upon conclusion of this contract, SBE began procuring these services through separate contracts or using in-house resources.

Our review of the contract also disclosed that the contract's bundling of tasks may not have provided the best value to the State. The sole bidder's proposal stated its intention to subcontract approximately 90 percent of the contractual services, rather than directly provide the services. Our review of contractor billing documents for one component of the contract disclosed that SBE appeared to pay a significant premium to the contractor for managing the work of at least one subcontractor. Specifically, we noted that SBE paid the contractor $3.7 million for transporting the voting equipment, while the contractor in turn paid a subcontractor $2.3 million to provide the actual services.

SBE also could not document that it had conducted a thorough evaluation of the sole bidder's price and technical proposals to ensure that the costs for services were reasonable, all requirements were met, and the contractor was qualified. SBE could not provide the price evaluations performed by any of the six evaluators and could only provide two unsigned technical evaluations. A similar comment regarding the evaluation of a different contract procurement was noted in our preceding audit report.

Recommendation 1
We recommend that SBE

a. **ensure that future support services procurements are separated to promote maximum competition; and**
b. **document the evaluation of proposals (repeat), including both the technical and cost components.**

Finding 2
SBE did not modify the voter system support services contract to reflect a significant modification and did not submit other contract modifications to the Board of Public Works for approval.

Analysis
SBE did not modify its voter system support services contract when the contract's scope was significantly reduced and did not submit other contract modifications to the Board of Public Works (BPW) as required.

- In January 2010, prior to obtaining BPW approval of the contract, SBE noted that funding was not appropriated in the State's fiscal year 2011 operating budget to purchase an optical scan voting system. However, SBE did not modify the contract, which included a significant component to support the optical scan system. During the February 2010 BPW meeting, when the $20.9 million contract was approved by BPW, in response to an inquiry, BPW was advised that costs included in the contract related to the optical scan services were, "very, very negligible." While the costs associated with the optical scan services were not specifically delineated in the contract the value of this material scope change was subsequently determined by SBE in July 2010 to be $6.5 million. BPW officials advised us that once the dollar value of this material scope change became known, a formal contract modification should have been submitted to the Board for its approval. However, SBE neither formally modified the contract nor submitted it for BPW approval.

Because SBE did not reduce the contract by $6.5 million, it was able to use this portion of the contract value to finance certain contract modifications (as noted below) as well as to pay the contractor an additional $1.9 million for work performed without processing additional contract modifications.

- SBE executed five contract modifications totaling $1.4 million, each increasing or decreasing the value of this contract by at least $50,000, without requesting BPW approval. For example, SBE processed three contract modifications totaling $571,000 that added two new positions to the voter system support services contract and did not obtain BPW approval.

State regulations requires that contract modifications that materially change the scope of the original contract or individually change any cost component of the contract by more than $50,000 be reported to the BPW for approval.

Recommendation 2
We recommend that SBE

a. **ensure that all contract modifications are formally executed and the State's accounting system is appropriately updated;**
b. **completely and accurately disclose to the BPW all significant information concerning contract award approvals; and**
c. **submit all significant contract modifications (including those mentioned in the analysis) for BPW approval, as required.**

Purchase Transactions

Finding 3
SBE had not established proper controls over purchases and did not always comply with sole source procurement regulations.

Analysis
SBE had not established proper internal controls over purchase transactions and our testing noted instances of sole source purchases not made in accordance with State procurement regulations. According to the State's accounting records, during fiscal year 2012, SBE's expenditures through the Financial Management Information System (FMIS) totaled approximately $11 million of which $9.2

million were processed without sufficient approval. The two employees who approved purchases on FMIS did not ensure that the related procurements were reasonable and properly procured by reviewing supporting documentation, such as related bidding quotes and contracts. Consequently, improper purchases could be made and not timely detected.

Furthermore, our test of 16 payments totaling approximately $1.1 million disclosed that 2 payments to two vendors totaling $14,500 were improperly made through sole source procurements. The total sole source payments to these vendors was $94,200 during the period from July 2009 to August 2012. Although SBE's written justification for both sole source procurements was that the particular vendors used were the only ones that could provide the necessary goods (for example, e-poll book paper) within the required time frame or specifications, SBE did not have documentation to support its assertion. Furthermore, we identified other vendors who could provide identical goods within the necessary time frame or specifications. State procurement regulations permit a sole source procurement when a requirement is available from only a single vendor.

Recommendation 3
We recommend that SBE

a. **review supporting documentation when approving purchasing transactions; and**
b. **procure goods and services in accordance with State procurement regulations, including using sole source procurements only when a single vendor can meet the requirement.**

Cash Receipts

Finding 4
SBE's cash receipts procedures did not establish adequate control and accountability.

Analysis
SBE's procedures over cash receipts lacked control and accountability. These receipts totaled approximately $7 million in fiscal year 2012 and were generally reimbursements received through the mail from local jurisdictions for expenses such as local election board employees' salaries.

- The processing of cash receipts and the deposit verifications were not properly performed. Receipts were initially recorded in a log and were forwarded with the log to a cashier for processing through SBE's cash register. Since the cashier had access to both the cash receipts and the log, there was a risk that funds could be misappropriated without detection. Furthermore, the cash receipts log was not subsequently used in the deposit verification. Rather, a cash register report was used for the verification. As a result, there was a lack of assurance that all receipts were deposited.

- Accountability was not established over collections recorded in SBE's cash register. Separate cash drawers and individual userids were not used by the four cashiers and voided transactions were not subject to supervisory review and approval.

- Cash receipts were not deposited timely. Our test of 16 days of cash receipts, totaling approximately $3.4 million, disclosed that 9 days of cash receipts, totaling approximately $1.8 million, were deposited from three to seven business days after the dates received.

The Comptroller of Maryland's *Accounting Procedures Manual* requires agencies to have provisions to affix individual responsibility and accountability for collections until deposited. For example, it specifically requires reconciliation of the initial recordation to the deposit and supervisory review of voided transactions. It further requires that cash receipts be deposited no later than one business day after the date of receipt. Since the majority of these collections are from local jurisdictions, the processing of cash receipts could be enhanced by requiring the jurisdictions to submit reimbursements via electronic funds transfer.

Similar conditions were commented upon in our preceding audit report.

Recommendation 4

We recommend that SBE establish procedures to ensure the control and accountability over cash receipts. Specifically, we recommend that SBE

a. provide the documentation used to initially record collections directly to the employee who verifies the deposit (repeat),

b. implement separate cash drawers and userids for the cash register,

c. establish supervisory review and approval of voided transactions,

d. deposit cash receipts within one business day after the date received (repeat), and

e. pursue the use of electronic funds transfer for reimbursements from local jurisdictions.

Accounts Receivable

Finding 5
Sufficient collection efforts were not made on delinquent accounts receivable.

Analysis
SBE lacked sufficient collection efforts on its delinquent accounts receivable. SBE's accounts receivable generally represented reimbursements due from local jurisdictions for their share of certain costs, such as employees' salaries and equipment purchases. According to SBE's records as of August 2012, the accounts receivable balance totaled $2.8 million of which approximately $2 million was outstanding for more than 60 days, with $1.6 million of that dating from our preceding audit.

- SBE did not adequately investigate and resolve delinquent accounts receivable totaling $2 million that were noted in our preceding audit report and were, at that time, older than 60 days. Because we also noted that the accounts receivable records were inaccurate, we recommended that SBE investigate these accounts and correct the records accordingly. During our current audit, we reviewed SBE's follow-up of these records and noted that SBE did not take any action for accounts receivable totaling $1.3 million. For the remaining $700,000, SBE advised that it had investigated the accounts and concluded that payments may have been received for some of the accounts and that others were unsupported. Consequently, it had removed them from its accounts receivable records or was in the process of doing so. Our test of $424,000 of these investigated accounts disclosed that SBE had no documentation of the results of its investigation for $419,000.

- SBE did not send delinquent notices and forward delinquent accounts to the State's Central Collection Unit (CCU) as required by State regulations. Specifically, our test of five accounts totaling $592,000 that became delinquent in 2012 disclosed that, for two accounts totaling $189,000, none of the required dunning notices were sent nor were they forwarded to CCU. For the remaining three accounts totaling $421,905, the dunning notices did not state, as required by State regulations, that unpaid accounts would be forwarded to CCU and they were not referred to CCU within 75 days as required. These three accounts were later collected between 98 and 227 days after being invoiced. A similar comment was made during our preceding audit.

According to SBE records, payments on accounts receivable totaled approximately $14.1 million during fiscal year 2012. State regulations require agencies to take aggressive actions to collect outstanding accounts receivable and that delinquent accounts be referred to CCU.

Recommendation 5
We recommend that SBE

a. **investigate and appropriately resolve the accounts that have been delinquent since the preceding audit report (repeat);**
b. **ensure that delinquent accounts are sent dunning notices and referred to CCU in a timely manner, as required by State regulations (repeat); and**
c. **include a statement in its dunning notices to inform the debtor that unpaid accounts will be referred to CCU.**

Finding 6
Non-cash credit adjustments to accounts receivable records were not adequately reviewed and approved.

Analysis
Non-cash credit adjustments to accounts receivable records, which totaled approximately $1.4 million during our audit period, were not adequately reviewed to ensure their propriety. Three employees had system access capabilities to record non-cash credit adjustments in the accounts receivable records without supervisory approval. One of these three employees also maintained the accounts receivable control account. Consequently, unauthorized adjustments could be made that may not be detected.

Although there was to be a subsequent review of the propriety of non-cash credit adjustments processed, the procedure in place did not ensure that all non-cash credits were subject to supervisory review and approval. Specifically, the supervisor who performed the review relied on a record of non-cash credits prepared by the processor of the credits to identify the credits subject to review rather than obtain a report directly from the accounts receivable system. Our test of 10 non-cash credit adjustments, totaling $760,770, disclosed that 5 of the adjustments, totaling $343,741 were not included on the record prepared by the processor of the credits. Therefore, they were not reviewed and approved by supervisory personnel.

The Comptroller of Maryland's *Accounting Procedures Manual* requires supervisory review and approval of adjustments (such as, non-cash credits) to accounts receivable records.

Recommendation 6
We recommend that SBE

a. **establish a procedure to ensure that all non-cash credit adjustments are reviewed as to their propriety and approved by a supervisory employee, and**
b. **review the aforementioned adjustments for propriety.**

Federal Funds

Finding 7
SBE had not recovered indirect costs for federal grants because it had not prepared an indirect cost recovery plan, as required by the Department of Budget and Management.

Analysis
SBE had not recovered indirect costs for federal grants related to the Help America Vote Act and the Federal Voting Assistance Project. In this regard, SBE had not prepared an indirect cost recovery plan, which is required by the Department of Budget and Management (DBM) as well as the federal grantor, to obtain an indirect cost rate. Consequently, a portion of the federal funds received for the grants, which could have been used to cover certain indirect costs of administering the grants (such as defraying the cost of support services), was instead used for direct program costs of the grants.

According to the State's records, during fiscal years 2010 through 2012, federal fund expenditures for the aforementioned grants totaled approximately $19.8 million. The cognizant federal agency advised that, once SBE submits a plan and negotiates an indirect cost rate, it can claim indirect costs for future expenditures, but not for past federal expenditures. The extent of reimbursable indirect costs for future expenditures could not be readily determined.

DBM's policy requires that State agencies recover all costs, direct and indirect, associated with the administration of federally funded programs. State agencies are also required to establish an indirect cost recovery plan with the federal government, including a negotiated indirect cost recovery rate, and to report this information to DBM. Consistent with this policy, annual budget language requires DBM to report on Statewide indirect costs to the General Assembly, and agencies are required to specify indirect costs recoveries in their annual budgets. We were advised by SBE management that the cost allocation plan was not prepared because there was a miscommunication with DBM as to who was responsible for preparing the plan.

A similar comment was noted in our prior audit report.

Recommendation 7
We recommend that SBE comply with the aforementioned DBM policy (repeat).

Statewide Voter System

Online Voter Registration System

Finding 8
Known security concerns over the Online Voter Registration (OLVR) system were not being properly addressed until recently.

Analysis
Known security concerns over the OLVR system were not adequately addressed when the matter was first reviewed during our audit. Subsequently, actions have been taken to improve security over the voter registration process.

Effective August 7, 2012, SBE implemented the OLVR system allowing citizens of Maryland to register to vote and update information on existing voter registration records (for example to change a voter's address) via the Internet.

In a letter dated September 25, 2012, an independent security research team notified the SBE of security concerns related to the OLVR system. The research team advised that the integrity of Maryland's voting process relies heavily on the online registration process to authenticate voters and to ensure that fraudulent registrations are not accepted.

The research team's OLVR security concerns focused on the use of Maryland driver's license and identification numbers for user authentication. The team noted that these numbers are derived in a straightforward manner, using a known formula, from the citizens' names and birth dates, both of which are readily available to the public. In addition, the team noted the existence of an Internet website, which, when provided with the aforementioned information, would accurately generate the Maryland driver's license number or Maryland identification number. Because of this, the research team advised that the OLVR system allowed an attacker to process fraudulent voter registrations or changes.

The research team's letter provided multiple attack scenarios (for example, changing voter addresses to legitimate but incorrect addresses). The security team concluded that these attacks could cause problems at the polls on election day, and could disenfranchise legitimate voters or enable fraud that could affect the outcome of elections. Also, the research team warned that the security risk for the OLVR process far exceeded risks of similar improper voter registration changes made by paper-based systems because of factors related to scale (high volumes possible), cost (small costs) and likelihood of detection (origins of online changes are not apparent). The security team provided numerous recommendations to SBE to reduce the risks of a successful attack against the OLVR system.

We independently assessed the concerns and related recommendations raised in the aforementioned September 25, 2012 letter. Based on our assessment, we concurred with the independent research team that a significant security exposure existed for the OLVR system. Therefore, during early February 2013, we assessed SBE's efforts to implement five of the recommendations in the September 25, 2012 letter that we deemed viable and significant. For example, these recommendations included requiring additional readily available, non-public personal information for authenticating users; recording complete transaction logs for each attempted and completed online voter registration submission; and regularly running exception reports of unusual activity (for example changes made from overseas or out-of-state). We determined that limited action had been taken to address these recommendations at that time.

We revisited this issue as of November 2013 and determined that progress had been made in addressing the recommendations. For example, SBE began requiring users to provide additional non-public personal information to authenticate to the system and was developing exception reports to identify unusual activity.

We were advised by SBE that, as of February 7, 2014, additional preventive and detective controls have been implemented and that it will continue to analyze the system and processes to identify and implement any further measures that it deems to be necessary.

Recommendation 8
We recommend that SBE continue to take actions to mitigate security risks, as appropriate, for the OLVR system.

Voter Registrations - Felons

Finding 9
SBE did not have an effective process to ensure that individuals serving a sentence for a felony conviction were removed from the voter registration database, as required by law.

Analysis
SBE did not have sufficient procedures to ensure individuals who are not qualified to vote because of a felony conviction were removed from the statewide voter registration database. State law provides that an individual who has been convicted of a felony and is serving a court-ordered sentence for the conviction (including any term of parole or probation) or who has violated the terms of probation and has been given an extended sentence is ineligible to be a registered voter, and may not vote or attempt to vote. Furthermore, the law states that such an individual who votes is guilty of a felony and is subject to imprisonment for a term of one to five years.

- Records of felony convictions provided to the local boards for removal of individuals from the voter registration database were not comprehensive. On a monthly basis, in accordance with State law, the Judiciary sent a report to SBE that included all convictions from the various Maryland circuit and district courts. SBE manually excluded any misdemeanor convictions that would not warrant removal from the voter registration database and sent the adjusted report to the local boards that were responsible for removing the convicted felons from the database. According to SBE records, in calendar year 2012, there were 1,888 registered voters removed from the voter database due to criminal convictions.

  Since March 2003, the Judiciary's monthly report did not include all of the felons for the circuit court of one large county; however, SBE did not detect this until July 2012. The Judiciary subsequently provided SBE with a file containing 3,311 felons who had previously been excluded. We matched this file to SBE's file of registered voters who voted during the 2010 gubernatorial election and we noted that 15 convicted felons improperly voted while serving their sentence or probation. After we brought these improper votes to the attention of SBE, it referred the related individuals to the Office of the State Prosecutor, which is responsible for investigating and prosecuting criminal offenses under the State election law.

  Additionally, our review of SBE's process for excluding misdemeanor convictions identified 25 convicted felons, serving a court-ordered sentence, who had been improperly excluded from the files sent to the local boards during the period from October 2011 through March 2012. SBE could not readily explain why these felons were excluded from the files sent to the local boards but has advised that it is working with the Judiciary to obtain files in the future that would include only convicted felons, eliminating the need for this manual process.

- SBE did not have procedures to remove from the voter registration database felons who had violated the terms of probation and had been given extended sentences. Except for one large jurisdiction which Judiciary advised it inadvertently provided, SBE did not obtain information from the Judiciary regarding violations of probation and extended sentences for individuals. For the jurisdiction for which it did receive this information, SBE did not forward it to the local board so that the individuals' disqualification periods could be extended. We reviewed the Judiciary's report of violations of probation for this one jurisdiction for the period from October 2011 through March 2012 and identified 382 individuals who violated probation but were not identified by SBE so that their disqualification periods could be extended. We tested 17 of these and noted that 16 felons had extended sentences ranging from four months to eight years, of which, according to SBE's voter registration system, 6 were improperly registered to vote and 4 improperly voted in an election.

  SBE advised that it did not remove individuals who violated probation from the voter registration database because it was not required by law to obtain this information from the Judiciary. However, we were informed by counsel to the General Assembly that, although the law does not require the Judiciary to provide this information to SBE, there was nothing precluding SBE from obtaining such information.

We performed various matches of the data contained in these Judiciary reports to SBE voter records and our tests of the match results were found to be sufficiently reliable for the purposes of this audit.

Recommendation 9
We recommend that SBE
a. establish appropriate procedures to ensure the completeness and accuracy of felony conviction data used by the local boards for removal from the voter registration database, and
b. refer the aforementioned four individuals who improperly voted to the Office of the State Prosecutor.

Audit Scope, Objectives, and Methodology

We have audited the State Board of Elections (SBE) for the period beginning July 1, 2009 and ending August 22, 2012. The audit was conducted 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 our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine SBE's financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the findings contained in our preceding audit report.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included procurements and disbursements, voter registration system and local election board oversight, accounts receivable, cash receipts, equipment, and payroll.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, observations of SBE's operations, and tests of transactions. We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these various sources were sufficiently reliable for the purposes the data were used during this audit. Finally, we performed other auditing procedures that we considered necessary to achieve our objectives. The reliability of data used in this report for background or informational purposes was not assessed.

Our audit did not include an evaluation of internal controls for federal financial assistance programs and an assessment of SBE's compliance with federal laws and regulations pertaining to those programs because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including SBE.

SBE's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect SBE's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to SBE that did not warrant inclusion in this report.

SBE's response to our findings and recommendations is included as Appendix A to this report. Auditor comments related to SBE's response can be found in Appendix B. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise SBE regarding the results of our review of its response.

MARYLAND

STATE BOARD OF ELECTIONS

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March 19, 2014

Via Electronic Mail and DGS Courier

Thomas J. Barnickel III, CPA
Legislative Auditor
Department of Legislative Services
301 West Preston Street, Room 1202
Baltimore MD 21201

Dear Mr. Barnickel:

Thank you for the opportunity to respond to the Legislative Auditor's audit report for the period from July 1, 2009, through August 22, 2012.

Before responding to the report and its recommendations, I would like to recognize Terry Gibson, Senior Auditor, and the other members of the auditing team. They demonstrated professionalism and were cooperative during their assignment to this agency.

The audit has been very informative, and we are pleased to report that we have addressed all of the audit's recommendations. Enclosed is the full response to the audit report, including specifics steps taken for each recommendation.

If you have any questions, please feel free to contact me.

Sincerely,

Linda H Lamone

Linda H. Lamone
State Administrator

Enclosure

cc: Members, State Board of Elections

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Response to Legislative Audit Report

Submitted by

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Maryland State Board of Elections (SBE)

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General Comments

SBE worked diligently to address fully all of the Office of Legislative Audit's (OLA) recommended actions from the prior audit and made tremendous progress on each corrective action. These improvements were implemented while simultaneously conducting the 2010 Gubernatorial Election, which included the first implementation of early voting, and preparations for the 2012 Presidential Election.

In the current audit report, OLA states that cash receipts *could* be misappropriated or adjustments *could* be recorded without detection. While SBE is committed to all recommended accounting practices and has implemented OLA's financial and accounting recommendations as indicated in this response, it is important to note that OLA did **not** report that any funds were misappropriated or any improper adjustments were detected.

Voting System Support Contracts

For decades, the voting system management model had been for one vendor to provide the voting system and all related services and supplies. When the local boards of elections (LBEs) selected their own voting systems, most LBEs had a full service agreement with a voting system vendor to supply equipment, ballots and other supplies as well as full election management and support. When SBE procured the statewide voting system in 2001, the same model was used, and the State entered into a single, comprehensive contract with a vendor. This was the preferred model because of SBE's limited resources and the efficiencies gained in managing one - rather than multiple - contracts.

In 2007, SBE began unbundling support services, when SBE used a separate vendor to print ballots and supplies for the Baltimore City elections. Next, in 2010, SBE separated the support services from the voting system equipment contract to create an opportunity for different businesses to compete for the services contract. SBE's next step – which began prior to OLA's audit – was to hire regional voting system managers as State employees and give notice to the support services vendor that SBE would end the contract at the expiration of the base period. Since that time, SBE has awarded separate contracts for project management services, temporary election related staffing, and transportation. Two of the procurements had multiple bids, but one had only one bid.

Turnover of Lead Procurement Personnel
During this audit period, the agency experienced a turnover in finance and procurement personnel, and some of the resulting audit findings are the likely consequence of this turnover. SBE's current Director of Budget and Finance had understood that a prior finding had been addressed, when it had been only partially completed. During the audit, the current procurement officer could not locate documentation related to procurements performed before her tenure and therefore could not explain why certain procurement activities did not occur. When the procurement officer position was vacant (about 10 months), procurement activity obviously continued but suffered due to the lack of a dedicated resource and specialized procurement knowledge.

Finding 1 – SBE's structure of the voting system support services contract may have limited competition and SBE lacked documentation that the sole proposal for the contract was sufficiently evaluated. (pgs. 9-10)
Agency Response: The "General Comments" section of this response explains how voting systems support contracts have evolved over the last ten years. SBE now has in-house expertise and resources to make managing multiple contracts possible. Issuing multiple procurements for these services has produced some additional competition, and the most recent round of procurements appears to have produced some cost savings. SBE is committed to continuing with the current structure.

While SBE performed a thorough evaluation of the bidder's price and technical proposals, SBE agrees that adequate documentation of the evaluation process could not be produced. The lack of documentation was due to turnover in the procurement officer position. SBE notes that technical and financial evaluations have been conducted for subsequent procurements and documentation supporting those evaluations is on file.

Response to Recommendation 1
SBE has complied with these recommendations.

a. SBE has unbundled the services under the prior voting system support contract and awarded several specific service contracts, including voting system transportation, election staffing, and project management support.
b. SBE consistently conducts thorough evaluations of bids and maintains all documents related to an evaluation.

Finding 2 – SBE did not modify the voter system support services contract to reflect a significant modification and did not submit other contract modifications to the Board of Public Works for approval. (pgs. 10-11)
Agency Response: On January 22, 2010, and four weeks prior to the Board of Public Works (BPW) meeting, SBE learned that the funding for the new voting system was not in the proposed FY2011 budget and that the budget did not include funds for the voting system

support services contract. Most of the services under this contract were necessary to conduct an election, regardless of what voting system was used. As of the February BPW meeting, SBE did not know whether or how much funding would be available for those election critical services.

According to the transcript of this BPW meeting, there were discussions as to whether the contract was necessary if a new voting system was not implemented and whether the contract should be approved without the authorizing appropriation. It was clear from the BPW agenda item that this was a time and materials contract, which gives "SBE the ability to purchase only those services required for each upcoming election at prices that have been negotiated in advance."[1] Because of the type of contract, the actual services used by SBE and the LBEs vary by election and SBE could reduce the contract amount for any number of reasons.

SBE provides BPW with complete information about the contracts being considered. Written explanations of each contract are complete, and SBE representatives provide as much information as they can during the meeting. The response provided at the February 2010 meeting was most likely an attempt to explain that the contract was critical to future elections (*i.e.*, the majority of the contracted services were for regular ongoing voting system support and maintenance – not new system implementation). Without a new voting system to implement, the full contract value could be reduced by approximately 15%.

OLA states that SBE improperly processed contract modifications to the voting system support services contract without obtaining BPW approval. While SBE does not dispute this finding, all of the contract modifications were within the scope of the contract (*i.e.*, the addition of services to support the voting system) and were within the contracted and budgeted amounts. These modifications supported six elections from 2010 - 2012, and in most cases, the contract modifications provided additional resources to the local boards of elections at critical election deadlines. SBE was not aware of the need for BPW approval after BPW's initial approval.

Response to Recommendation 2

a. SBE has implemented this recommendation. All contract modifications have been properly exercised, and that the State's accounting system is appropriately updated. SBE has also updated its internal procurement documents to include control agency approval, contract modifications, change orders, and work orders. SBE's procurement officer reviews all contract modifications and where appropriate, obtains approval from the appropriate control agency.

[1] BPW Agenda Item, 4-IT Information Technology Contract, SBE-2010-01, February 24, 2010.

b. SBE concurs with the need to accurately disclose information to BPW and notes that it works very closely with all of the procurement oversight agencies in bringing items to BPW for review and approval. All significant information concerning contract award approvals will be provided to BPW, whether in the pre-meeting documents or if asked to speak at a BPW meeting.

c. SBE has incorporated the BPW or control agency approval process into SBE's contract modification process. SBE will work with the Department of Budget and Management to obtain any required approvals regarding the referenced contract modifications.

Finding 3 – SBE had not established proper internal controls over purchases and did not always comply with sole source procurement regulation. (pgs. 11-12)

Agency Response: The audit report states that two payments to two vendors were improperly made through sole source procurements. One of the procurements was to purchase tamper tape[2] for the voting units. This supplier was deemed the only vendor that could produce tamper tape with the same numbering scheme and appearance of existing inventory. The sole source determination for this purchase referenced the need for uniform appearance and SBE's belief that the supplier was the only available vendor to provide non-residue tamper tape.

The second procurement was for paper rolls for the voting units and electronic pollbooks. Based on prior experience, the contract manager recommended a sole source procurement because there was only one vendor that could meet SBE's and LBE's technical requirements for paper quality. SBE previously tested paper rolls from different vendors and found that this vendor's reports did not fade and could be clearly read after storage.

While the audit report states that OLA found vendors who could produce identical goods within the necessary time frame and specifications, an Internet search is not sufficient to determine whether the product meets SBE's strict requirements. Previously ordered tamper tape left residue that required toxic chemicals, protective gloves, and well ventilated areas to remove and print on the paper faded during the required retention period. After two months of in-house testing, SBE has identified two other vendors that produce customizable, non-residue tamper tape. SBE will conduct market research and test paper rolls before the next procurement of paper rolls.

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[2] Tamper tape is an integral part of the voting system security plan and provides assurances that there is no unauthorized access to a voting unit. Each piece of tamper tape has a unique number scheme; the first two digits designate the county and the remaining digits represent a specific numeric range for the election cycle. To ensure that pollworkers can immediately identify tampering, the tape must have a uniform appearance throughout the county. Each LBE had an existing inventory of tamper tape, and any supplemental order had to mirror this existing numbering system and uniform appearance.

Response to Recommendation 3

a. SBE has implemented this recommendation. SBE's internal procurement review process is thorough, and all individuals in the internal approval path - the Director of IT (if applicable), the Director of Budget and Management, and the Deputy Administrator or Assistant Deputy - review supporting documentation and initial that the review has been completed.

b. SBE will procure goods and services in accordance with State procurement laws and regulations, including limiting the use of sole source procurements to procurements when only a single vendor can meet the requirement.

Finding 4 – SBE's cash receipts procedures did not establish adequate control and accountability (pgs. 12-13)

Agency Response: Approximately 95% of SBE's cash receipts are checks from county governments reimbursing SBE for employee payroll and other shared contract costs. While SBE has implemented OLA's recommendations, it is important to note that OLA did not report any misappropriation of cash receipts.

SBE's revised procedures no longer allow the cashier to have access to the cash receipts and daily log. To establish accountability over mailed in collections, the individual opening the mail completes the daily verification form and provides it to the cashier. The cashier validates the payments received and signs the daily verification form. The individual opening the mail then gives the signed daily verification form to fiscal personnel. The cashier processes the deposit and gives the deposit documents to fiscal personnel. Fiscal personnel compare the daily log and daily verification form before the cash receipts are deposited. The cashier never maintains the daily log.

In response to the prior audit, SBE implemented a policy requiring checks to be deposited daily. However, only one backup was assigned to this task, which created situations where no one was available to deposit checks on certain days. As discussed below, SBE has remedied this situation by assigning additional back-ups. Since SBE's Finance Division has only two employees, the individuals serving as backups are outside of the division.

Response to Recommendation 4

SBE has implemented all of OLA's recommendations.

a. The employee who verifies the deposit receives the document on which cash receipts are initially recorded. This procedure is described in SBE's Cash Management Standard Operating Procedures.

b. All cashiers have their own individual password to access the register, and each is assigned a cash drawer.

c. All cashiers must document all voided transactions and notify an individual authorized to void transactions. An individual authorized to void transactions reviews the documentation and if appropriate, enters his or her individual password to void the transaction. The Director of Budget and Finance reviews and signs off daily all transactions, including voided transactions.
d. Starting December 2012, SBE designated additional individuals to deposit cash receipts when the primary person is unavailable and in February 2014, started using SBE's bank's remote deposit service. The additional backup employees and now using an online deposit system have helped ensure consistent and timely deposits.
e. To reduce the amount of cash receipts, SBE has transitioned 19 county governments to electronic payments. The remaining five county governments will continue to send checks.

Finding 5 – Sufficient collection efforts were not made on delinquent accounts receivable (pgs. 14-15)
Agency Response: Following the 2009 audit, SBE began reviewing and researching previous fiscal years' accounts receivables. This effort was not completed during this audit period, because of the scope of the project and the challenge of re-creating transactions several years after they occurred.

SBE researched each accounts receivable balance for accounts older than 60 days and determined whether payment had been received or whether there was a balance because of a data entry error. After a year of research, SBE removed those balances if payment had been received or if the invoice was posted in error. For the remaining balances, SBE asked county governments to provide proof of payment or pay the balance. The counties submitted proof of payment or paid the remaining balances, and SBE updated the financial management system to reflect these proofs of payments or payments. For the remaining accounts, SBE asked the Department of Budget and Management's Central Collection Unit (CCU) for permission to write off these balances. SBE's research suggests that there were data entry errors in the accounting system and the resulting invoices were incorrectly issued and had errors. SBE's request is now before CCU's abatement committee for review.

All of SBE's accounts receivable are owed by county governments, not commercial vendors or other entities doing business with SBE. While SBE did not send formal collection notices to the delinquent county governments as required by State regulations, SBE routinely contacted the counties by email and telephone to try to collect outstanding accounts receivable. Ultimately, all outstanding accounts receivables were paid in full by the counties. In the future, however, SBE will send the notice required by State regulations.

Response to Recommendation 5
SBE has implemented the recommendations.

a. SBE has completed its investigation and is awaiting final action from CCU.
b. SBE is reviewing monthly the account receivable aging report and when necessary, promptly sending delinquent statements.
c. SBE's collection notices have the content required by the CCU manual. The revised notices notify the customer that, if payment is not received, the account will be sent to CCU. OLA reviewed the updated notices and concurred that the revised notices include the required information.

Finding 6 – Non-cash credit adjustments to accounts receivable records were not adequately reviewed and approved. (pgs. 15-16)
Agency Response: Because SBE was not previously aware that supervisors could approve in the State's financial system non-cash credit adjustments, SBE implemented manual controls to approve these adjustments. Under this control procedure, a supervisor reviewed for propriety a manual record of non-cash credits. After learning that an accounting system report is available to validate all non-cash credit adjustment, the supervisor is now using this report to validate these types of adjustments.

Response to Recommendation 6
SBE has complied with these recommendations.

a. The Director of Budget and Finance uses the accounting system report to confirm that all non-cash adjustment transactions are accounted for and proper.
b. The Director of Budget and Finance has reviewed for propriety the five non-cash credit adjustments and concluded that the adjustments were necessary because five invoices were generated in error.

Finding 7 – SBE had not recovered indirect costs for federal grants because it had not prepared an indirect cost recovery plan, as required by the Department of Budget and Management (DBM). (pgs. 16-17)
Agency Response: OLA acknowledges that SBE did not initially prepare a cost allocation plan because SBE was informed by the Department of Budget and Management (DBM) that it would complete the plan on behalf of SBE. Once SBE was notified that DBM's initial instruction was in error, SBE quickly created an indirect cost recovery plan and submitted it to DBM. SBE applied the indirect cost recovery plan to a new federal grant and will recover indirect costs associated with this grant.

Response to Recommendation 7
SBE has implemented this recommendation and believes that it was implemented in response to the prior audit report.

Finding 8 – Known security concerns over the Online Voter Registration (OLVR) system were not being properly addressed until recently. (pgs. 17-18)

Agency Response: SBE has taken significant steps to enhance the security of OLVR and other online voting services. SBE's independent security consultant has suggested and reviewed security enhancements, and as noted in the audit report, OLA determined that SBE had responded to the suggested security enhancements.

In 2013, legislation was enacted that authorized SBE to require OLVR users to provide the last four digits of a user's social security number and other information identified by the State Board that is not generally available to the public but is readily available to the individual."[3] After discussions with OLA and other security experts, SBE concluded that the date a driver's license or MVA-issued ID card was issued would be the "other information" required by new law and in May 2013, proposed regulations requiring OLVR users to provide the issue date. Starting June 14, 2013, individuals were required to provide a driver's license or MVA-issued ID card number, the date the license or ID card was issued, and the last four digits of the individual's social security number.

With this June 2013 release, SBE also created a log for all OLVR transactions. With this data and historical data from prior OLVR transactions, SBE analyzes data from the transaction logs to identify any suspicious patterns of activity and has developed automated reports to identify any suspicious activity. SBE reviews the reports daily or weekly depending on the type of behavior and takes necessary steps to protect the integrity of the system.

In addition to these steps, SBE hired a security consultant to make recommendations to enhance OLVR's security and conduct vulnerability assessments and penetration testing on OLVR. After performing many scans and attempts to penetrate the system, the security consultant wrote that the "results of the assessment demonstrate that [OLVR] and the underlying network system infrastructure are resilient and that reasonable security controls have been put in place."[4] The consultant's recommendations have been extremely helpful, and SBE has implemented many of the recommendations and slated the remaining recommendations for future releases.

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[3] *See* Chapters 157 and 158 of the 2013 Laws of Maryland. Under Election Law Article, §3-204.1(b)(3)(i), *Annotated Code of Maryland*, a driver's license or MVA-issued ID card number was already required under this provision.

[4] *See* "Maryland State Board of Elections Online Voter Services Vulnerability Assessment and Penetration Testing Report," December 30, 2013, page 1, www.elections.state.md.us/press_room/documents/Voter%20Services%20Security%20Assessment%20Executive%20Report%20_Final.pdf.

Response to Recommendation 8
SBE is committed to making OLVR as secure as possible and will continue to analyze the system and where appropriate, implement additional preventive and detective controls to enhance the security of the system.

Finding 9 – SBE did not have an effective process to ensure that individuals serving a sentence for a felony conviction were removed from the voter registration database, as required by law. (pgs. 19-20)
Agency Response: The Judiciary provides SBE with monthly files of individuals who have recent felony or misdemeanor convictions. Under State law, an individual who is convicted of a felony is not eligible to vote while she or he is serving a court-ordered sentence, including parole and probation. Because Judiciary's list includes individuals whose convictions do not affect their voter registration, SBE reviews the file and manually deletes records with misdemeanor convictions and convictions in which no sentence was ordered. When this review is complete, SBE forwards the file to the LBEs for processing.

SBE discovered that Judiciary files for felony convictions for one large county had considerably fewer records than anticipated. After SBE reported the issue to Judiciary, Judiciary made the necessary corrections and provided a revised list of felony convictions for that county, and SBE referred to the State Prosecutor the names of individuals who voted after they had been convicted of a felony and were no longer eligible to vote.

In 2012, SBE received information on 6,637 individuals convicted of a felony. While OLA identified 25 individuals who had been convicted of a felony and were mistakenly removed from the Judiciary file provided to the LBEs, only seven of these 25 individuals were registered to vote. Of these seven records, SBE subsequently confirmed that:

1. Four were removed because the sentence was complete by the time the LBE would have received and processed the file.
2. One was removed in error. The individual had multiple sentences – one for a misdemeanor conviction and one for a felony conviction, and SBE staff missed the felony conviction.
3. Two had suspended sentences, and staff missed the probation penalty.

Because this is a manual process, three of these records were removed due to human error.

OLA proposes that SBE use probation or parole information in maintaining the voter registration list. Election Law Article, § 3-504 is specific as to the sources and types of information that SBE is to rely on to maintain the statewide voter registration list and requires that the clerks of court "shall report the names and addresses of all individuals convicted, in the respective court, of a felony since the date of the last report."[5] The statute does not otherwise direct the clerks to supply information on sentencing, probation, or parole, nor does any other

[5] Election Law Article, § 3-504(a)(iii)

law require, expressly or by implication, that SBE collect or use such information for voter registration purposes.

Sentencing information, and in particular probation and parole information, can be difficult to interpret from a summary and cannot be relied upon to determine with accuracy when a felony sentence has been fully served. For example, the summaries provided to SBE might indicate an official length of sentence but would not show how much of the sentence had already been served. Where multiple convictions are reported, it may be difficult to distinguish between consecutive and concurrent sentences or to know whether a violation of probation or parole relates to a felony or misdemeanor sentence. In short, expanding the use of sentencing information (including probation and parole information) for voter registration purposes would be administratively burdensome, susceptible to error, and of limited utility in improving the accuracy of the voter registration list. Whether the possible benefits of the procedures proposed by OLA outweigh their certain and substantial costs is purely a question of policy, not a requirement under current law.

Response to Recommendation 9
SBE has implemented these recommendations.

a. SBE has established appropriate procedures to ensure the completeness and accuracy of felony conviction data.
    1. At SBE's request, the Judiciary is revising its software to provide SBE only with the names of individuals who have been convicted of a felony, and SBE and Judiciary are now testing the new file structure. Once this change is implemented, SBE will no longer need to determine whether a conviction was for a felony or misdemeanor and perform the manual review process. Until the Judiciary has implemented these changes, however, SBE has implemented an internal control process to verify that the names removed from the Judiciary's list are only individuals convicted of a misdemeanor or convicted of a felony without a court ordered sentence. This process started with the July 2013 file from the Judiciary.
    2. SBE will no longer remove from the Judiciary's list a name because the sentence is complete. Instead, the names of these individuals will be transmitted to the LBEs, and the LBEs will contact the voter to confirm eligibility.
    3. If the Maryland General Assembly amends Election Law Article, §3-504 to require the clerks of the court to provide information on sentencing, probation, or parole, SBE will comply with the requirement. *****

b. SBE has referred to the Office of the State Prosecutor the four voters identified by OLA.

***See Appendix B for related auditor's comment.**

APPENDIX B

Auditor’s Comments on the State Board of Elections’ Response

In its response to the audit report (Appendix A), the State Board of Elections (SBE) disagreed with one of the recommendations for Finding 9. Our comments addressing this disagreement are presented below. In accordance with State law, all areas of disagreement will be addressed through separate correspondence between this Office and SBE.

Finding 9:

The report noted that SBE did not have procedures to remove from the voter registration database felons who had been given extended sentences due to probation violations. Under State law, these felons are not qualified to be registered voters. Therefore, we recommended that SBE establish appropriate procedures to ensure the completeness and accuracy of felony conviction data used by the local boards for removal from the voter registration database. In its response, SBE stated that State law does not direct the clerks of the court (that is, the Judiciary) to provide SBE with such sentencing information on felons. Accordingly, SBE stated it would remove these registrations from the database only if the Election Law Article is amended to require the clerks of the court to provide this sentencing information on felons.

SBE is responsible, under State Election Law, for the integrity of the State’s voter registration database and, as such, we believe SBE should use available information sources to help fulfill this responsibility. As stated in the audit report, counsel to the General Assembly informed us that, although the law does not require the Judiciary (via the clerks of the courts) to provide this information to SBE, there was nothing precluding SBE from obtaining such information. Therefore, we believe an amendment to the law requiring the Judiciary to provide this information is unnecessary.

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