



U.S. ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL
1335 East West Highway - Suite 4300
Silver Spring, MD 20910

October 21, 2016

Memorandum

To: Thomas Hicks
Chairman, U.S. Election Assistance Commission

A handwritten signature in blue ink that reads "Patricia L. Layfield".

From: Patricia L. Layfield
Inspector General

Subject: Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Election Assistance Commission

In accordance with the Reports Consolidation Act of 2000, I am submitting our annual statement summarizing the areas which the Office of Inspector General considers to be the most serious management and performance challenges facing the U.S. Election Assistance Commission. This list is based upon our audit, inspection and evaluation work; and general knowledge of the agency's operations.

This year's management challenges are the same as last year: (1) performance management and accountability and (2) records management. We have noted the progress that EAC has made on each of the challenges identified.

If you have any questions or need additional information, please contact me at (301) 734-3104 or at playfield@eac.gov.

Attachment

cc: Commissioner Matthew Masterson, U.S. Election Assistance Commission
Commissioner Christy A. McCormick, U.S. Election Assistance Commission
Executive Director, U.S. Election Assistance Commission
Chief Financial Officer, U.S. Election Assistance Commission



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

U.S. ELECTION ASSISTANCE COMMISSION MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES

Introduction

The Reports Consolidation Act of 2000 requires the Office of Inspector General (OIG) to report annually on what it considers to be the most serious management and performance challenges facing the U.S. Election Assistance Commission (EAC). Management challenges are derived from cross-cutting issues that arise during our regular audit, evaluation and investigatory work. They are also influenced by our general knowledge of the agency's operations and the works of other evaluative bodies such as the Government Accountability Office (GAO).

For fiscal year 2016, the OIG is reporting on two management and performance challenges facing the EAC. Each of these management challenges have been reported in prior years:

- Performance Management and Accountability
- Records Management

CHALLENGE 1: PERFORMANCE MANAGEMENT AND ACCOUNTABILITY - ISSUED IN 2008

In February of 2008, the OIG issued a report that identified long-standing and overarching weaknesses related to EAC operations. The assessment disclosed that the EAC needed to establish:

- Short and long-term strategic plans, performance goals and measurements to guide the organization and staff.
- An organizational structure that clearly defines areas of responsibility and an effective hierarchy for reporting.
- Appropriate and effective internal controls based on risk assessments.
- Policies and procedures in all program areas to document governance and accountability structure and practices in place. It is imperative that the Commissioners define their roles and responsibilities in relationship to the daily operations of the EAC and to assume the appropriate leadership role.

Effective management and accountability are integral to any operation and must start with senior management. The Help America Vote Act (HAVA), which created EAC, specified that direction and management are carried out by four full-time Commissioners, an Executive Director, and General Counsel. Generally, the Commissioners establish policy and the executive director carries out policy by administering the day-to-day operations of the organization. The Help America Vote Act requires that any action of the Commissioners be carried out by the approval (vote) of at least three. For almost five years through December



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2014, EAC lacked a quorum and from May 2012 until December 2014, EAC leadership consisted solely of the Chief Operating Officer, acting as Executive Director. Thus, critical business requiring a quorum of Commissioners was not carried out during that period. These conditions and some confusion over the roles and responsibilities of the Commissioners and the Executive Director resulted in a leadership vacuum, an inability of EAC to focus on key duties, a failure to hold people accountable, and a decline in staff morale.

Prior to the loss of its quorum, EAC had taken some actions to address the OIG reported findings. In September 2008, the Commission adopted a document titled *Roles and Responsibilities of the Commissioners and Executive Director of the U.S. Election Assistance Commission Policy*. In March 2009, the Commission adopted the *United States Election Assistance Commission Strategic Plan, Fiscal Years 2009 Through 2014*. However, by the time the next strategic plan was due, the Commission had lost its quorum, so no official actions on a new strategic plan were possible.

EAC's Progress

EAC continues to make progress toward meeting this challenge. The Senate confirmed three new Commissioners who were sworn-in on January 13, 2015. The Commissioners issued new policy in February 2015, which (1) defined the Commission and its duties¹, (2) provided for the division of duties regarding policy making and day-to-day operations, and (3) established an order of succession in the case of key vacancies.

In November and December 2015, the Commissioners also hired an Executive Director and a General Counsel, respectively. With the EAC's top level executives in place, the agency began to rethink its mission and organization. Management consolidated its corrective action plans for key OIG recommendations concerning development and communication of strategic plans and goals and documentation of policies and procedures into a plan to develop a comprehensive Communications and Clearinghouse Plan. In addition, EAC management continues to restructure assignment of duties, a process that began with the hiring of the Executive Director and General Counsel. New positions devoted to the direction and operation of the Clearinghouse function have been created and are either filled or in the process of being filled. A new webmaster and digital communications specialist has been hired to manage EAC's transition to a new website platform and develop a social media plan that will be part of the overall Communications and Clearinghouse Plan.

CHALLENGE 2: RECORDS MANAGEMENT - ISSUED IN 2010

Maintaining complete and accurate records of the operations, policies, procedures and practices are critical to effective agency performance. Furthermore, retention of government records is mandated by federal law. Without these records, an agency cannot retain an institutional

¹ The February 2015 policy superseded the 2008 *Roles and Responsibilities of the Commissioners and Executive Director of the U.S. Election Assistance Commission Policy*.



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knowledge. In that regard, since its inception in December 2003, the EAC has seen eight commissioners, two general counsels, and program directors come and go.

The EAC did not have documented policies and procedures for management and retention of records. The OIG first noted the EAC's lack of a records management system in 2008, when it issued the Assessment of EAC's Program and Financial Operations.

The lack of an approved system for records retention leaves the EAC vulnerable to suit by information requesters and susceptible to waste, fraud, or abuse of its resources and the intentional destruction of government records in violation of federal law. The EAC should take steps to complete its remaining records retention schedules, obtain approval of those schedules as needed from the National Archives and Records Administration (NARA), and train its staff on the proper retention of federal government records.

EAC's Progress

In March 2013, the Executive Director of EAC signed a document titled, *U.S. Election Assistance Commission (EAC) Records Management Standard Operating Procedures*. EAC has completed the records retention schedules for the Office of Inspector General, Human Resources, the Executive Director, the Commissioners, the General Counsel, the Chief Financial Officer, and Grants and Communications and submitted the schedules to NARA as needed. The schedule for the Research Division is pending completion of a records inventory. The schedule for Testing and Certification has been submitted to and returned by NARA for wording changes multiple times. Finally, EAC has begun to plan for a system to organize and archive EAC emails, which is due to be completed by December 31, 2016. Staff turnover and the agency reorganization that is in the planning process have caused some delays in the completion of the Records Management project.