

STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

Release Date: January 28, 2016

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

STATE BOARD OF ELECTIONS

Compliance Examination
For the Two Years Ended June 30, 2015

FINDINGS THIS AUDIT: 3				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	<u>Total</u>	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2013		15-2	
Category 2:	2	1	3				
Category 3:	0	_0	_0				
TOTAL	2	1	3				
FINDINGS LAST AUDIT: 5							

SYNOPSIS

• (15-1) The Board failed to provide required notifications to nominated candidates.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.

Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

STATE BOARD OF ELECTIONS COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2015

EXPENDITURE STATISTICS	2015	2014	2013
Total Expenditures	\$19,725,898	\$14,631,371	\$13,778,956
OPERATIONS TOTAL% of Total Expenditures	\$ 7,322,742 37.1%	\$ 7,151,440 48.9%	\$ 8,199,481 59.5%
Personal Services Other Payroll Costs (FICA, Retirement) All Other Operating Expenditures	4,530,879 507,438 2,284,425	4,172,004 471,230 2,508,206	4,163,120 529,751 3,506,610
AWARDS AND GRANTS% of Total Expenditures	\$ 12,403,156 62.9%	\$ 7,479,931 51.1%	\$ 5,579,475 40.5%
Total Receipts	\$ 1,350,001	\$ 1,215,126	\$ 1,755,236
Average Number of Employees (Not Examined)	71	70	71

SELECTED ACTIVITY MEASURES			
(Not Examined)	2015	2014	2013
ELECTIONS DIVISION			
Number of election judge schools requested	200	106	175
Number of election jurisdiction submitting voter			
registration database files	110	110	110
Number of nominating petitions filed	28	636	141
Number of petition objections filed	1	151	34
Number of petition copy requests received	3	1,432	14
Number of election publications requested	267	779	823
CAMPAIGN DISCLOSURE DIVISION			
Number of organizations that qualify as party organizations	385	378	400
Number of organizations that qualify as political action committees.	1,021	995	1,036
Number of outside complaints filed	23	19	65
Number of raffle applications approved	909	1,063	1,000
Number of financial disclosure reports reviewed	17,440	15,116	18,280
Number of report amendments filed	1,463	960	2,300

EXECUTIVE DIRECTOR

During Examination Period: Steve Sandvoss (effective January 1, 2015)

Rupert Borgsmiller (through December 31, 2014)

Currently: Steve Sandvoss

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FAILURE TO PROVIDE REQUIRED NOTIFICATIONS TO NOMINATED CANDIDATES

Failure to properly notify candidates of their obligation to file required documents

The State Board of Elections (Board) did not properly notify candidates of their obligations to file statements of organizations, reports of campaign contributions, and annual reports of campaign contributions and expenditures as required by the Election Code (Code).

The Code requires the Board to notify the person from whom a petition for nomination has been filed of the obligation to file statements of organization, reports of campaign contributions, and annual reports of campaign contributions and expenditures under Article 9 of the Code. The Board developed and implemented the sending of the Notice of Obligation Form (D-5) to ensure notifications to candidates was performed.

Five candidates were not provided D-5 Form

Two notifications could not be located

We noted the Board failed to provide 5 of the 40 (13%) candidates tested a copy of the D-5 Form. Further, the Board could not locate and was unable to provide a copy of the D-5 Form for 2 of the 40 (5%) candidates tested. As a result, we were unable to perform test work to verify if the Board notified the two candidates of their obligation to file the required documents. (Finding 1, pages 9-10)

We recommended the Board properly notify candidates of the obligation to file statements of organization, reports of campaign contributions, and annual reports of campaign contributions and expenditures under Article 9 of the Code. Further, we recommended the Board maintain documentation in compliance with the State Records Act.

Board agrees with the auditors

Board officials agreed with the finding and stated the Board will strengthen internal controls and procedures to ensure compliance with the Election Code.

OTHER FINDINGS

The remaining findings pertain to inadequate controls over personal services and inadequate controls over Agency Fee Imposition Reporting. We will review the Board's progress toward implementation of our recommendations in our next examination.

ACCOUNTANT'S OPINION

We conducted a compliance examination of the Board for the two years ended June 30, 2015 as required by the Illinois State Auditing Act. The accountants stated the Board complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO Auditor General

FJM:jv

AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General's staff.