

**STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2013

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

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STATE BOARD OF ELECTIONS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

BOARD OFFICIALS

Executive Director	Rupert Borgsmiller
Chief Fiscal Officer	Michael Roate
General Counsel	Steve Sandvoss
Director of Administrative Services (10/1/11 to present)	Michael Roate
Director of Administrative Services (7/1/09 to 9/30/11)	Jim Withers

BOARD MEMBERS

Chair	Jesse R. Smart (7/1/13 - present) William M. McGuffage (7/1/11 - 6/30/13)
Vice Chair	Charles W. Scholz (7/1/13 - present) Jesse R. Smart (7/1/11 - 6/30/13)
Member	Harold D. Byers
Member	Betty J. Coffrin
Member	Ernest L. Gowen
Member	William M. McGuffage (7/1/13 - present)
Member	Judith C. Rice (7/1/11 - 6/30/13)
Member	Bryan A. Schneider
Member	Charles W. Scholz (7/1/11 - 6/30/13)
Member	Casandra B. Watson (7/1/13 - present)

Board offices located at:

2329 South MacArthur Blvd.
Springfield, IL 62704

James R. Thompson Center
100 W. Randolph, Suite 14-100
Chicago, IL 60601

STATE BOARD OF ELECTIONS

STATE OF ILLINOIS

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EXECUTIVE DIRECTOR
Rupert T. Borgsmiller

January 29, 2014

BOARD MEMBERS
Jesse R. Smart, Chairman
Charles W. Scholz, Vice Chairman
Harold D. Byers
Betty J. Coffrin
Ernest L. Gowen
William M. McGuffage
Bryan A. Schneider
Casandra B. Watson

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State Board of Elections (Board). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following assertions during the two-year period ended June 30, 2013. Based on this evaluation, we assert that during the years ended June 30, 2012 and June 30, 2013, the Board has materially complied with the assertions below:

- A. The Board has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

State Board of Elections



Mr. Rupert T. Borgsmiller, Executive Director



Mr. Michael Roate, Chief Fiscal Officer



Mr. Steve Sandvoss, General Counsel

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	5	4
Repeated findings	2	1
Prior recommendations implemented or not repeated	2	4

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2013-001	9	Noncompliance with statutory requirements over political committee audits	Significant Deficiency and Noncompliance
2013-002	11	Failure to promulgate rules	Significant Deficiency and Noncompliance
2013-003	13	Inadequate controls over personal services	Significant Deficiency and Noncompliance
2013-004	15	Inadequate controls over Agency Workforce Reports	Significant Deficiency and Noncompliance

2013-005	17	Inadequate controls over voucher processing	Significant Deficiency and Noncompliance
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PRIOR FINDINGS NOT REPEATED

A	18	Inaccurate calculation of civil penalties
B	18	Incomplete Internet Voter's Guide

EXIT CONFERENCE

The Board waived an exit conference in correspondence dated January 13, 2014.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, State Board of Elections' (Board) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2013. The management of the Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2013. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2013-001 through 2013-005.

Internal Control

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Board's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We

did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2013-001 through 2013-005, which we consider to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Board's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2013 and June 30, 2012 in Schedules 1 through 9 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 and June 30, 2012 accompanying supplementary information in Schedules 1 through 9. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2011 accompanying supplementary information in Schedules 3 through 8 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board management, and the members of the State Board of Elections and is not intended to be and should not be used by anyone other than these specified parties.



BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois

January 29, 2014

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

2013-001. **FINDING** (Noncompliance with statutory requirements over political committee audits)

The State Board of Elections (Board) did not comply with the Election Code (Code) and the Board's administrative rules regarding required political committee audits.

During testing, we noted:

- Five of 12 (42%) audits conducted were received by the Board between 1 and 20 days late. In addition, late fees totaling \$6,750 were not assessed for the late audit submissions.

The Code (10 ILCS 5/9-13(d)) requires the Board select political committees and order them to conduct an audit of the financial records required to be maintained by the committee to ensure compliance with the contribution limitations established in Section 9-8.5 and the reporting requirements established in Section 9-3 and Section 9-10. The Code also requires the committees to submit a certified copy of the audit to the Board within 60 calendar days after the receipt of notice from the Board, unless the Board grants an extension to complete the audit. In addition, the Code (10 ILCS 5/9-13(f)) requires a fee of \$250 per day late, up to a maximum of \$5,000 to be assessed to the committees submitting late audits.

- The Board did not follow their own procedures established to excuse committees from audits by allowing 7 of 7 (100%) committees to submit final reports after the allotted timeframe. Further, committees that failed to adhere to the requirements to be excused from conducting an audit were not required to conduct an audit per the Code and the Administrative Code.

The Board's Illinois Administrative Code (26 Ill. Adm. Code 100.175(h)) allows committees to dissolve due to the lack of funds required to conduct the audit but they must submit a final report within 10 business days after the receipt of notice. If the committee fails to dissolve and submit the final report within 10 business days, the Administrative Code requires the Board to contact the committee within 2 business days of the due date and inform them that the option of excusing themselves from conducting an audit will not be available unless they dissolve and submit the final report within 5 business days after being informed. The Administrative Code further states if committees fail to dissolve within the 5 business days, they will no longer be excused and will be required to conduct an audit.

Board officials stated that calendar year 2012 was the first year the law was implemented and the first time random audits were ordered by the Board. The Board

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

encountered unexpected time constraints from the political committees, which caused the Board to deviate from predetermined policies and procedures.

Failure to assess fines for late submissions and adhere to the Board's Administrative Code is noncompliance with State statute and resulted in lost revenue to the Board. In addition, failure to adhere to their own administrative rules lessens governmental oversight and inhibits receiving information in a timely manner. (Finding Code No. 2013-001)

RECOMMENDATION

We recommend the Board assess the required late fees for the late submission of political committee audits as required by the Election Code and follow their procedures to excuse committees from audits as established in the Administrative Code.

BOARD RESPONSE

Concur. The Board generally concurs with the OAG's finding regarding compliance with the statute referenced and supporting rules. During the implementation of this new political committee audit mandate, the Board discovered that the original administrative rules supporting this initiative were unworkable with regards to certain operational procedures and deadlines. Proper and effective implementation of this statute would require adjustments to the administrative rules supporting this initiative. Those rules changes have been drafted and are presently submitted to JCAR for review/action.

The Board also agrees that the statute as written requires fines to be assessed, but the Board continues to assert that because of the statute's classification of violation as a 'business offense', the fine must be levied by the applicable local State's Attorney, not directly by the Board itself. The Board will adjust procedures to ensure that all future violations giving rise to possible fines will be promptly referred to the appropriate local State's Attorney for review and final decision as to levy of appropriate fines.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

2013-002. **FINDING** (Failure to promulgate rules)

The State Board of Elections (Board) did not promulgate rules as required by the Election Code (Code).

The Code (10 ILCS 5/22-6) requires local election authorities to report to the Board the unit-by-unit vote totals within 22 days after each election. The Code further specifies that this information is to be provided to the Board in an electronic format and requires the Board to promulgate rules necessary for implementation of this electronic reporting.

During testing, we noted the Board has not promulgated rules for electronic unit-by-unit vote total reporting as required by the Code. This portion of the Code became effective on November 9, 2007.

Board personnel stated this requirement in the Code went largely unfunded since it became effective. In FY12 and FY13, however, the Board did receive lump-sum appropriations (Electronic Canvassing) totaling \$332,400 in FY12 and \$300,000 in FY13 which allowed for the completion of a majority of the design, development and implementation phases of this project. The Electronic Canvassing project is still in its review and revision phases; correspondingly, the Board feels that comprehensive rule development would be neither feasible nor practical until all development and implementation phases are complete. The Board currently estimates that full implementation of Electronic Canvassing will occur during FY14.

Failure to promulgate rules for implementation of electronic unit-by-unit vote total reporting is noncompliance with State statute. (Finding Code No. 2013-002, 11-2)

RECOMMENDATION

We recommend the Board continue to work towards full implementation of electronic unit-by-unit vote total reporting and adopt rules to govern the electronic reporting as required.

BOARD RESPONSE

Concur. The Board is in the final development and implementation phase of the Electronic Canvassing system. Upon completion of remaining Electronic Canvassing development and implementation tasks (expected late in the 2014 fiscal

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STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

year) the Board will develop and promulgate rules in accordance with the Election Code (10 ILCS 5/22-6).

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

2013-003. **FINDING** (Inadequate controls over personal services)

The State Board of Elections (Board) did not maintain adequate controls over personal services.

During testing we noted:

- Two of 9 (22%) employees tested had leave slips for time taken that did not agree to the Board's timekeeping system. We noted 2 discrepancies resulting in an overstatement of employees' accrued compensated balances of 3 hours when comparing leave slips to the Board's timekeeping system.

Good internal controls require agencies to ensure attendance and payroll records are adequately documented and reconciled to ensure proper payroll expenditures. In addition, the Board's Administrative Code (26 Ill. Adm. Code 212) requires employees to obtain approval of a Director for vacation leave and personal leave time. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative control, which shall prevent waste and maintain accountability over the State's resources. Allowing employees to inaccurately submit paid leave slips could result in payments to individuals not entitled to the benefit and is noncompliance with the Board's Administrative Code and State law.

- The Board did not maintain adequate segregation of duties. The employee with the authority to transfer accrued leave time balances when an employee transfers employment to another State agency transferred her own time before leaving the employment of the Board. In addition, the Board did not maintain documentation for the transfer made by the former employee of her accrued leave time.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems of internal fiscal and administrative controls. A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found.

- The Board underpaid a retired employee \$166 of a lump sum payment for accrued and unused vacation time by failing to accrue one day of earned vacation time. As of the date of testing the employee had not been reimbursed.

STATE OF ILLINOIS
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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

The State Finance Act (30 ILCS 105/14a (c) & (e)) requires that upon the retirement of a State employee from State services, his or her accrued vacation, overtime, and qualifying sick leave shall be payable to the employee in a single lump sum payment. In addition, the employing agency is required to certify, in writing, the unused leaves the employee has accrued. Inaccurately calculating a retiring employee's accrual of vacation time could result in the underpayment or overpayment of benefits for services rendered during the employment period.

Board management stated the problems noted above were due to administrative oversight.

Failure to maintain adequate control over personal services increases the risk of the Board paying for services not rendered by employees and is noncompliance with the State laws noted above. (Finding Code No. 2013-003)

RECOMMENDATION

We recommend the Board review employee leave slips for proper completion and reconcile employee leave slips to the timekeeping system. Further, we recommend the Board maintain segregation of duties over personal services by ensuring employees do not transfer their own time before leaving the employment of the Board. Finally, we recommend the Board correctly calculate retiring employees' accrual of vacation time.

BOARD RESPONSE

Concur. The Board has already revised procedures to add regular cross-checking of monthly timesheets to employee-submitted calendar reports to enhance consistency in timekeeping data entry at month-end. In addition, the Board has revised its data capture timeframes to prevent instances where lump-sum payouts are calculated before all accruable benefit time has been posted to the CTAS system. The previous employee did not have the authority to transfer her own benefit time despite established procedures and existing internal controls; the current employee has been specifically instructed regarding this control to prevent recurrences of this kind in the future.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

2013-004. **FINDING** (Inadequate controls over Agency Workforce Reports)

The State Board of Elections (Board) did not include complete and accurate information on its FY11 and FY12 Agency Workforce Reports (Report) submitted to the Office of the Governor and the Office of the Secretary of State.

During testing, we noted the following:

- The Board reported amounts on its FY11 and FY12 Reports which did not agree to supporting documentation provided to the auditors.
- The Board inaccurately calculated percentage totals in its FY11 Report.
- The Board did not include total minority information and the statistical percentage for all amounts on its FY12 Report.

The State Employment Records Act (5 ILCS 410/15) (Act) requires State agencies to collect and maintain information and annually publish reports which include specified demographic and salary data regarding State employees.

- The Board inaccurately reported the number of “Professionals” in its FY11 and FY12 Reports. It appears the Board defined professionals used for Equal Employment Opportunity Reporting rather than the correct definition set forth by the Act.

The Act (5 ILCS 410/15(a)(v)) requires agencies to submit a report, including the total number of persons employed within the agency work force as professionals. The Act (5 ILCS 410/10(e)) defines "Professional employee" as a person employed to perform employment duties requiring academic training, evidenced by a graduate or advanced degree from an accredited institution of higher education, and who, in the performance of those employment duties, may only engage in active practice of the academic training received when licensed or certified.

- The Board did not timely submit its FY12 Report with the Office of the Secretary of State and the Office of the Governor. The Report was filed 14 and 13 days late, respectively.

The Act (5 ILCS 410/20) requires agencies to file, as public information by January 1 of each year, a copy of the Report with the Office of the Secretary of State and the Governor.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

Board management stated the above problems were due to a lack of detailed instructions for preparation of the Reports and oversight.

Failure to include complete and accurate information on the Board's Report and submit reports timely could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce. (Finding Code No. 2013-004)

RECOMMENDATION

We recommend the Board implement controls over Agency Workforce Reports to ensure they are complete, accurate, and timely filed with the Office of the Secretary of State and the Office of the Governor. In addition, we recommend the Board file corrected FY11 and FY12 Agency Workforce Reports in accordance with the Illinois State Auditing Act (30 ILCS 5/3-2.2(b)).

BOARD RESPONSE

Concur. A significant portion of the operational issue with Agency Workforce Reports is the lack of published instructions and guidelines for classification and preparation of the report itself. After receiving guidance from the Auditor General's Office as to their interpretation of classification and compilation procedures, the Board has revised its preparation processes to ensure that future Agency Workforce Reports are completed in accordance with supportive statute. In addition, the Board will file amended FY11 and FY12 Agency Workforce Reports with the Secretary of State and the Governor.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

2013-005. **FINDING** (Inadequate controls over voucher processing)

The State Board of Elections (Board) did not exercise adequate control over voucher processing.

During testing, we noted the following:

- Twenty-six of 39 (67%) vouchers tested, totaling \$478,120, did not include required payments for interest, totaling \$3,608.

The State Prompt Payment Act (Act) (30 ILCS 540/3-2) requires State agencies to determine whether interest is due. For FY12 and future fiscal years, interest shall begin accruing on the 91st day after the proper bill date. The Act requires agencies to pay interest amounting to \$50 or more automatically. Interest due to a vendor amounting to greater than \$5 but less than \$50 shall not be paid but shall be accrued until all interest due the vendor exceeds \$50. Interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time.

Board management stated the required interest was not paid due to a procedural issue with how Board personnel entered data into the Accounting Information System (AIS).

Failure to pay the required interest on vouchers is noncompliance with the Act. (Finding Code No. 2013-005, 11-1, 09-5)

RECOMMENDATION

We recommend the Board implement controls and procedures to ensure all required interest payments are made on vouchers not paid within 90 days.

BOARD RESPONSE

Concur. The Board has addressed the procedural issues related to voucher entry into Accounting Information System, and will process all future interest payments in accordance with the State Prompt Payment Act (30 ILCS 540/3-2).

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2013

A. **FINDING** (Inaccurate calculation of civil penalties)

During the previous examination period, the State Board of Elections (Board) did not comply with the Election Code (Code) regarding civil penalties for late filing of Statements of Organization.

During the current examination period, the Board complied with the Code by correctly assessing and computing civil penalties for late filing of Statements of Organization. (Finding Code No. 11-3)

B. **FINDING** (Incomplete Internet Voter's Guide)

During the previous examination period, the Board did not comply with the Code regarding required components of the Internet Voter's Guide. The Board did not include the instructions for properly using the balloting equipment used by each election authority within the Internet Voter's Guide as required by the Code.

During the current examination period, we noted the Board included instructions for properly using the balloting equipment used by each election authority in the Internet Voter's Guide. However, we noted an additional exception regarding required components of the Internet Voter's Guide which will be reported in the Letter of Immaterial Findings. (Finding Code No. 11-4)

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations (Not Examined):
 - Board Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Emergency Purchases (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 and June 30, 2012 accompanying supplementary information in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2013

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
Public Acts 97-0726 & 98-0017					
GENERAL REVENUE FUND-001					
Operating					
Operational Expenses	\$ 6,279,400	\$ 5,185,115	\$ 207,870	\$ 5,392,985	\$ 886,415
Redevelopment and Replacement of IDIS Campaign	100,000	63,374	-	63,374	36,626
Reimbursement County Election Day Judge Support	1,347,100	1,347,100	-	1,347,100	-
HAVA Maintenance of Effort Contribution-State	550,000	306,928	14,107	321,035	228,965
Statewide Voter Canvassing Operations and Reporting Systems	300,000	4,067	-	4,067	295,933
Reimbursement to Local Election Jurisdictions	1,580,400	1,429,484	995	1,430,479	149,921
Lump Sum Awards for Compensation for Additional Duties	644,800	642,841	-	642,841	1,959
Total Fund 001	<u>\$ 10,801,700</u>	<u>\$ 8,978,909</u>	<u>\$ 222,972</u>	<u>\$ 9,201,881</u>	<u>\$ 1,599,819</u>
HELP ILLINOIS VOTE FUND-206					
Elections					
Distribution to Local Election Authorities	\$ 13,100,000	\$ 2,053,664	\$ -	\$ 2,053,664	\$ 11,046,336
Statewide Voter Registration System	3,900,000	1,451,696	284,637	1,736,333	2,163,667
Discretionary Grants to Local Election Authorities	3,600,000	628,355	34	628,389	2,971,611
Total Fund 206	<u>\$ 20,600,000</u>	<u>\$ 4,133,715</u>	<u>\$ 284,671</u>	<u>\$ 4,418,386</u>	<u>\$ 16,181,614</u>
PERSONAL PROPERTY TAX REPLACEMENT FUND-802					
Elections					
County Clerk Records Chief Elect	\$ 161,200	\$ 158,689	\$ -	\$ 158,689	\$ 2,511
Total Fund 802	<u>\$ 161,200</u>	<u>\$ 158,689</u>	<u>\$ -</u>	<u>\$ 158,689</u>	<u>\$ 2,511</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 31,562,900</u>	<u>\$ 13,271,313</u>	<u>\$ 507,643</u>	<u>\$ 13,778,956</u>	<u>\$ 17,783,944</u>

Note 1: Appropriations, expenditures, and lapsed balances were taken from State Comptroller records and reconciled to Agency records.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2012

Eighteen Months Ended December 31, 2012

Public Acts 97-0057 & 97-642	Appropriations (Net After Transfers)	Expenditures Through 6/30/12	Lapse Period Expenditures 7/01 - 12/31/12	Total Expenditures	Balances Lapsed
GENERAL REVENUE FUND-001					
Operating					
Operational Expenses	\$ 11,258,800	\$ 9,457,653	\$ 160,732	\$ 9,618,385	\$ 1,640,415
Redevelopment and Replacement of IDIS Campaign	85,000	-	-	-	85,000
IL Voter Registration Support	1,000,000	1,000,000	-	1,000,000	-
Reimbursement County Election Day Judge Support	1,000,000	999,990	-	999,990	10
Total Fund 001	<u>\$ 13,343,800</u>	<u>\$ 11,457,643</u>	<u>\$ 160,732</u>	<u>\$ 11,618,375</u>	<u>\$ 1,725,425</u>
HELP ILLINOIS VOTE FUND-206					
Elections					
Distribution to Local Election Authorities	\$ 17,000,000	\$ 4,665,550	\$ 39,710	\$ 4,705,260	\$ 12,294,740
Statewide Voter Registration System	4,100,000	697,993	147,937	845,930	3,254,070
Replacement of Punch-Card System	200,000	-	-	-	200,000
Discretionary Grants to Local Election Authorities	4,200,000	297,438	63,890	361,328	3,838,672
Total Fund 206	<u>\$ 25,500,000</u>	<u>\$ 5,660,981</u>	<u>\$ 251,537</u>	<u>\$ 5,912,518</u>	<u>\$ 19,587,482</u>
FEDERAL TRUST FUND-647					
Elections					
EAC Data Collection Grant	\$ 290,000	\$ 268,599	\$ -	\$ 268,599	\$ 21,401
Total Fund 647	<u>\$ 290,000</u>	<u>\$ 268,599</u>	<u>\$ -</u>	<u>\$ 268,599</u>	<u>\$ 21,401</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 39,133,800</u>	<u>\$ 17,387,223</u>	<u>\$ 412,269</u>	<u>\$ 17,799,492</u>	<u>\$ 21,334,308</u>

Note 1: Appropriations, expenditures, and lapsed balances were taken directly from State Comptroller records and reconciled to the Agency's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2013, 2012, and 2011

	2013	2012	2011
	P.A. 97-0726 & 98-0017	P.A. 97-0057 & 97-642	P.A. 96-0956
General Revenue Fund-001			
Appropriations (Net After Transfers)	\$ 10,801,700	\$ 13,343,800	\$ 15,521,250
Expenditures			
Operating			
Operational Expenses	\$ 5,392,985	\$ 9,618,385	\$ -
Operational Expenses (9000)	-	-	1,079,677
Operational Expenses (9900)	-	-	5,344,259
Redevelopment and Replacement of IDIS Campaign	63,374	-	-
IL Voter Registration Support	-	1,000,000	-
Reimbursement County Election Day Judge Support	1,347,100	999,990	-
HAVA Maintenance of Effort Contribution-State	321,035	-	-
Statewide Voter Canvassing Operations and Reporting Systems	4,067	-	-
Reimbursement to Local Election Jurisdictions	1,430,479	-	-
Lump Sum Awards for Compensation for Additional Duties	642,841	-	-
Operational Exp. Awards, Grants, & Perm. Improvements	-	-	6,120,571
Total Operating	<u>\$ 9,201,881</u>	<u>\$ 11,618,375</u>	<u>\$ 12,544,507</u>
Governor's Discretionary Appropriation			
Governor's Discretionary Appropriation	\$ -	\$ -	\$ 1,999,980
Total Governor's Discretionary	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,980</u>
Total Expenditures	<u>\$ 9,201,881</u>	<u>\$ 11,618,375</u>	<u>\$ 14,544,487</u>
Lapsed Balances	<u>\$ 1,599,819</u>	<u>\$ 1,725,425</u>	<u>\$ 976,763</u>
Help Illinois Vote Fund-206			
Appropriations (Net After Transfers)	<u>\$ 20,600,000</u>	<u>\$ 25,500,000</u>	<u>\$ 25,300,000</u>
Expenditures			
Elections			
Distribution to Local Election Authorities	\$ 2,053,664	\$ 4,705,260	\$ 2,757,174
Statewide Voter Registration System	1,736,333	845,930	1,219,049
Replacement of Punch-Card System	-	-	136,049
Discretionary Grants to Local Election Authorities	628,389	361,328	928,160
Total Expenditures	<u>\$ 4,418,386</u>	<u>\$ 5,912,518</u>	<u>\$ 5,040,432</u>
Lapsed Balances	<u>\$ 16,181,614</u>	<u>\$ 19,587,482</u>	<u>\$ 20,259,568</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2013, 2012, and 2011

	2013 P.A. 97-0726 & 98-0017	2012 P.A. 97-0057 & 97-642	2011 P.A. 96-0956
Federal Trust Fund-647			
Appropriations (Net After Transfers)	\$ -	\$ 290,000	\$ -
Expenditures			
Elections			
EAC Data Collection Grant	\$ -	\$ 268,599	\$ -
Total Expenditures	\$ -	\$ 268,599	\$ -
Lapsed Balances	<u>\$ -</u>	<u>\$ 21,401</u>	<u>\$ -</u>
Personal Property Tax Replacement Fund-802			
Appropriations (Net After Transfers)	\$ 161,200	\$ -	\$ -
Expenditures			
Elections			
County Clerk Records Chief Elect	\$ 158,689	\$ -	\$ -
Total Expenditures	\$ 158,689	\$ -	\$ -
Lapsed Balances	<u>\$ 2,511</u>	<u>\$ -</u>	<u>\$ -</u>
GRAND TOTAL - ALL FUNDS			
Appropriations (Net After Transfers)	\$ 31,562,900	\$ 39,133,800	\$ 40,821,250
Total Expenditures	13,778,956	17,799,492	19,584,919
Lapsed Balances	<u>\$ 17,783,944</u>	<u>\$ 21,334,308</u>	<u>\$ 21,236,331</u>
STATE OFFICERS' SALARY			
State Officer Appropriations	\$ 332,100	\$ 332,100	\$ 332,100
State Officer Expenditures	\$ 331,871	\$ 331,871	\$ 316,612
Lapsed Balance	<u>\$ 229</u>	<u>\$ 229</u>	<u>\$ 15,488</u>

Note: FY11 expenditures and related lapsed balances do not include interest payments approved for payment and submitted by the Agency to the Comptroller for payment after August.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2013

	Total	Buildings and Building Improvements	Equipment
Balance at July 1, 2011	\$ 2,590,916	\$ 240,502	\$ 2,350,414
Additions	111,834	-	111,834
Deletions	(5,339)	-	(5,339)
Net Transfers	-	-	-
Balance at June 30, 2012	<u>\$ 2,697,411</u>	<u>\$ 240,502</u>	<u>\$ 2,456,909</u>
Balance at July 1, 2012	\$ 2,697,411	\$ 240,502	\$ 2,456,909
Additions	179,996	-	179,996
Deletions	(255,861)	(10,432)	(245,429)
Net Transfers	-	-	-
Balance at June 30, 2013	<u>\$ 2,621,546</u>	<u>\$ 230,070</u>	<u>\$ 2,391,476</u>

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

<u>General Revenue Fund - 001</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Sale of Voter Information Tapes	\$ 2,890	\$ 19,905	\$ 15,976
Sale of Petition Copies	48,624	8,643	11,533
Penalties Imposed by the Board	264,443	339,979	161,795
Indirect Cost Reimbursements/Miscellaneous	1,060,233	565,582	619,908
System Testing	1,250	2,450	600
Refund	-	-	900
	<u> </u>	<u> </u>	<u> </u>
Total - Fund 001	<u>\$ 1,377,440</u>	<u>\$ 936,559</u>	<u>\$ 810,712</u>
<u>Help Illinois Vote Fund - 206</u>			
Help American Vote Act	\$ 328,826	\$ 185,056	\$ 7,666,029
Interest	48,935	85,028	115,547
Penalties Imposed by the Board	35	-	782
State Match	-	2,690	375,188
Refunds	-	69	35,565
	<u> </u>	<u> </u>	<u> </u>
Total - Fund 206	<u>\$ 377,796</u>	<u>\$ 272,843</u>	<u>\$ 8,193,111</u>
<u>State Board of Elections Federal Trust Fund - 647</u>			
Interest	\$ -	\$ 349	\$ 1,752
	<u> </u>	<u> </u>	<u> </u>
Total - Fund 647	<u>\$ -</u>	<u>\$ 349</u>	<u>\$ 1,752</u>
TOTAL RECEIPTS - ALL FUNDS	<u>\$ 1,755,236</u>	<u>\$ 1,209,751</u>	<u>\$ 9,005,575</u>

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
**RECONCILIATION OF CASH RECEIPTS
TO DEPOSITS REMITTED TO THE COMPTROLLER**
For the Fiscal Years Ended June 30,

<u>General Revenue Fund - 001</u>	2013	2012
Receipts per Board Records	\$ 1,377,439	\$ 936,559
Add: Deposits in Transit, Beginning of Year	18,199	12,036
Less: Deposits in Transit, End of Year	21,732	18,199
Deposits Recorded by the Comptroller	\$ 1,373,906	\$ 930,396
<u>Help Illinois Vote Fund - 206</u>		
Receipts and Interest per Board Records	\$ 377,796	\$ 272,843
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	-	-
Interest	48,935	85,028
Deposits Recorded by the Comptroller	\$ 328,861	\$ 187,815
<u>SBEL Federal Trust Fund - 647</u>		
Receipts per Board Records	\$ -	\$ 349
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	-	-
Interest	-	349
Deposits Recorded by the Comptroller	\$ -	\$ -

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013

The following is a summary of explanations for significant variations in expenditures. Variations between fiscal years were considered significant if greater than \$20,000 and 20%.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012

General Revenue Fund (001)

OPERATING

Operational Expenses, Redevelopment and Replacement of IDIS Campaign, IL Voter Registration Support, Reimbursement County Election Day Judge Support, HAVA Maintenance of Effort Contribution-State, Reimbursement to Local Election Jurisdictions, Lump Sum Awards for Compensation for Additional Duties

The difference was due to changes in the format by which the General Assembly provided the Board's annual General Revenue Fund (GRF) appropriations in FY12 and FY13. In FY12, the lump sum format allocated the majority of funds to the Operational Expenses line item as well as amounts for Redevelopment and Replacement of the Illinois Disclosure Information System (IDIS) Campaign, IL Voter Registration Support and Reimbursement County Election Day Judge Support. In FY13, the General Assembly broke out operational expenses even further into operational expenses, Redevelopment and Replacement of IDIS Campaign, Reimbursement County Election Day Judge Support, Help America Vote Act (HAVA) Maintenance of Effort Contribution – State, Statewide Voter Canvassing Operations and Reporting Systems, Reimbursement to Local Election Jurisdictions, and Lump Sum Awards for Compensation for Additional Duties.

Help Illinois Vote Fund (206)

ELECTIONS

Distribution to Local Election Authorities

The decrease was due to the diminishing amount of federal HAVA grant money available for distribution to local election authorities.

Statewide Voter Registration System

The increase was due to several modifications/maintenance upgrades to the Illinois Voter Registration System (IVRS), which required additional contractual service spending. In addition, FY13 had two years worth of Indirect Cost Reimbursement payments to the GRF as opposed to only one year worth of Indirect Cost Reimbursements in FY12.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012, continued

Discretionary Grants to Local Election Authorities

The increase was due primarily to FY13 having two years worth of Indirect Cost Reimbursement payments to the GRF as opposed to only one year worth of Indirect Cost Reimbursements in FY12.

Federal Trust Fund (647)

ELECTIONS

Election Assistance Commission (EAC) Data Collection Grant

The decrease was due to the refund of unspent EAC Data Collection Grant funds (including interest) back to the EAC in FY12. The Grant program operations were terminated on 6/30/10.

Personal Property Tax Replacement Fund (802)

ELECTIONS

County Clerk Records Chief Elect

This increase was due to a onetime supplemental appropriation received in FY13 for the reimbursement of County Clerk/Recorder Stipends.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2011

General Revenue Fund (001)

OPERATING

IL Voter Registration Support

The increase was due to a one-time supplemental appropriation received in FY12 for awards & grants to local election authorities for maintenance of IVRS. This expense was paid out of the "Operational Exp. Awards, Grants, & Perm. Improvements" line in FY11.

Reimbursement County Election Day Judge Support

The increase was due to a one-time supplemental appropriation received in FY12 for the reimbursement of expenses to local election authorities for Election Day Judges. This expense was paid out of the "Operational Exp. Awards, Grants, & Perm. Improvements" line in FY11.

Operational Expenses, Operational Expenses (9000), Operational Expenses (9900), Operational Exp. Awards, Grants, and Permanent Improvements

The difference was due to changes in the format by which the General Assembly provided the Board's annual general revenue appropriations in FY11 and FY12. In FY11, the lump-sum format was allocated for Operational Expenses (9000/9900) and Awards/Grants. In FY12, the lump-sum format allocated funds for Operational Expenses (9900) and Award/Grant expenditures.

GOVERNORS DISCRETIONARY APPROPRIATION

Lump Sum Awards for Compensation for Additional Duties

The decrease was due to a one time Governor's Discretionary appropriation received in FY11 as a supplemental funding mechanism, which was not received in FY12.

Help Illinois Vote Fund (206)

ELECTIONS

Distribution to Local Election Authorities

The increase was due to new HAVA disbursements to local election jurisdictions that were initiated during FY12, as well as a continuation of existing program activities during FY12.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2011, continued

Statewide Voter Registration System

The decrease was due to the substantial implementation of IVRS and the corresponding decrease in implementation expenditures as the IVRS project nears final completion.

Replacement of Punch-Card System

The decrease was due to the Punch-Card Replacement project being completed in FY11.

Discretionary Grants to Local Election Authorities

The decrease was due to the increased spending in FY11 for the implementation of new HAVA Voting Assistance to Individuals with Disabilities disbursement program (VAID III). A smaller VAID IV program was initiated in FY12.

Federal Trust Fund (647)

ELECTIONS

EAC Data Collection Grant

The increase was due to the refund of unspent EAC Data Collection Grant funds (including interest) back to the EAC. The Grant program operations were terminated on 6/30/10.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2013

The following is a summary of explanations for significant variations in receipts. Variations between fiscal years were considered significant if greater than \$10,000 and 20%.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2013 AND FISCAL YEAR 2012

General Revenue Fund (001)

Sale of Voter Information Tapes

The decrease was due to a general decrease in demand for voter information tapes.

Sale of Petition Copies

The increase was due to three elections being held in FY13; only one election was held in FY12.

Penalties Imposed by the Board

The decrease was due to fewer penalty assessments levied in FY13 than in FY12. The assessments are expected to fluctuate between fiscal years.

Indirect Cost Reimbursements/Miscellaneous

The increase was due to two indirect cost allocation reimbursements from Help America Vote Act (HAVA) activities in FY13; only one reimbursement was received in FY12.

Help Illinois Vote Fund (206)

Help America Vote Act

The increase was due to the cyclical nature of federal program reimbursements. Odd-numbered years have three elections, resulting in more reimbursements than even-numbered years which only have one election.

Interest

The decrease was due to a lower cash balance available for investment in FY13, which generated less interest revenue.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2013

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2012 AND FISCAL YEAR 2011

General Revenue Fund (001)

Penalties Imposed by the Board

The increase was due to more penalty assessments levied in FY12 than in FY11. The assessments are expected to fluctuate between fiscal years.

Help Illinois Vote Fund (206)

Help America Vote Act

The decrease was due to the receipt of an additional \$7,128,540 in HAVA Requirements grant funds during FY11 that was unavailable in FY12.

Interest

The decrease was due to a lower cash balance available for investment in FY12, which generated less interest revenue.

State Match

The decrease was due to State Match receipts being directly proportionate to the amount of reimbursement money received, which the State is required to match 5% of any new Requirements money received.

Refunds

The decrease was due to a one-time return of Polling Place Accessibility Grant funds from Rock Island County received in FY11.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2013

The following is a summary of explanations for significant lapse period spending. Lapse period spending was considered significant if 20% or greater of total expenditures for the fiscal year occurred during the lapse period.

FISCAL YEAR 2013

We did not note any instances of significant lapse period spending during FY13.

FISCAL YEAR 2012

We did not note any instances of significant lapse period spending during FY12.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
BOARD FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

Board Functions

In 1973, the 78th General Assembly established the State Board of Elections (Board), which implemented Article III, Section 5 of the Illinois Constitution. The Board is responsible for general supervision over the administration of the registration and election laws throughout the State, which are contained in 10 ILCS 5/et seq. The Board serves as the central authority for all election laws, information and procedures in Illinois.

Elections are administered locally by that county or city's responsible election authorities. The Board works closely with these election authorities to assure that elections are conducted in accordance with Illinois law. In addition, the Board is in the process of simplifying election procedures and bringing uniformity to the election process.

The Board also supervises the administration of the Disclosure of Campaign Contributions and Expenditures Act, which requires the disclosure of certain campaign contributions and expenditures. As required by law, candidates and committees complete various reports and forms, which contain financial information and submit them to the Board for audit and review. These disclosure statements are available for public inspection. If suspected violations of the Campaign Finance Act occur, the Board is authorized to hold hearings, levy fines and convey evidence of wrongdoing to local prosecutors.

The Board also maintains a research library, which includes abstracts of primary and general elections, precinct maps and poll lists. The library is to be open to the public during regular business hours.

Two divisions of the Board are responsible for numerous election-related publications. The Elections Division publishes the Board's election calendar, composes uniform forms approved by the Board, and responds to public and election authority inquiries concerning election law provisions. The Campaign Disclosure Division publications include instruction for candidates and pamphlets explaining the filing requirements of the Illinois Campaign Financing Act.

With the passage of the Help America Vote Act of 2002 (HAVA) in October of 2002, the Board is responsible for ensuring the provisions of HAVA are implemented in a proper and timely fashion. Illinois legislation was passed and signed by the Governor to implement provisions under HAVA on August 21, 2003.

Public Act 93-0574 established the Help Illinois Vote Fund so that Illinois could receive federal funds; establish new criteria in the Election Code for provisional voting; provide for the definition of a vote for punch card systems, optical scan systems and the Populex system; and authorize the use of direct recording electronic voting systems in Illinois.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
BOARD FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

Planning Program

The Board has adopted a two-year planning program, which lists all of the functions and activities to be performed by the Board during the period. The majority of the goals and objectives established by the Board are concerned with implementing the provisions of the Illinois Election Code and HAVA. The remaining goals and objectives consist of programs and activities that will enhance the efficiency of the Board, such as employee training seminars and public awareness programs.

For implementation of HAVA, a State Plan was developed through a committee of appropriate individuals (State Planning Committee), including the chief election officials of the two most populous jurisdictions, other election officials, stakeholders (such as representatives of groups of individuals with disabilities) and other citizens as well as the Chief Election Official (Executive Director of the State Board of Elections).

The State Plan outlines how the State will distribute and monitor the monies received and how the State is meeting or will meet the requirements of HAVA. The Chief Election Official is responsible for updating the State Plan every year by October 25th of that year. In addition, the Chief Election Official will conduct meetings with the HAVA State Planning Committee and its task forces as necessary to discuss the progress and objectives of the State Plan.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
AVERAGE NUMBER OF EMPLOYEES
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

Division	2013	2012	2011
Administrative Services	17	17	17
Campaign Financing	16	16	16
Elections Operations	24	24	26
Information Technology	10	10	10
General Counsel	4	4	3
Total average full-time employees	71	71	72

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
EMERGENCY PURCHASES
(NOT EXAMINED)
For the Two Years Ended June 30, 2013

EMERGENCY PURCHASES (NOT EXAMINED)

The Board reported the following emergency purchase to the Office of the Auditor General during FY12 and FY13:

DESCRIPTION OF EMERGENCY PURCHASE	AMOUNT
Obtain a Technical Services Provider (TSP) to ensure the accuracy of the Illinois Voter Registration System (IVRS) due to an expiring TSP master contract. The Board is required to spend money on the voting system in order to ensure that current and future federal funds are appropriated for such purposes.	\$ 45,750
TOTAL COST	\$ 45,750

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

The State Board of Elections (Board) consists of several functional areas/divisions that perform the operational functions of the agency. One of the primary divisions that assists the Board in carrying out its mandated operations is the Election Division.

Elections Division

The Election Division is primarily responsible for the administration of the candidate petition filing process, administration of objections filed against a candidate's nominating petitions, and certification of ballots. Following are output indicators relating to the Elections Division:

<u>Output Indicators</u>	Fiscal Year		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
• Number of election publications requested in reporting period	823	1,772	1,980
• Number of election judge schools requested by local election jurisdictions	175	105	221
• Number of county voting systems available for pre-test in reporting period	12	4	14
• Number of election jurisdictions submitting voter registration database files	110	110	110
• Number of nominating petitions filed in reporting period	141	1,352	94
• Number of petition objections filed in reporting period	34	199	0
• Number of petition copy requests received in reporting period	14	1,625	15

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

Campaign Financing Division

The Campaign Financing Division oversees the submission of required campaign disclosure reports by applicable campaign committees and related groups, performs required disclosure reports, and administers corrective action to those entities found in noncompliance. In addition, this division reviews and approves raffle applications from political committees and other related entities for fund-raising programs. Following are output indicators relating to the Campaign Financing Division:

<u>Output Indicators</u>	<u>2013</u>	<u>Fiscal Year 2012</u>	<u>2011</u>
• Number of semi-annual campaign disclosure reports required to be filed during period (estimated)	0	0	7,500
• Number of candidates for public office that qualify as political committees	2,322	2,390	2,207
• Number of organizations that qualify as political action committees	1,036	1,083	1,021
• Number of organizations that qualify as party organizations	400	370	369
• Number of organizations that qualify as miscellaneous organizations	56	54	48
• Number of raffle applications submitted for approval by political committees	521	832	852
• Number of outside complaints filed with the State Board of Elections	65	24	42
• Number of raffle applications approved	1,000	777	779
• Number of financial disclosure reports reviewed by operations staff	18,280	16,080	21,179
• Number of report amendments filed pursuant to the operational review process	2,300	2,100	2,601