



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

STATE BOARD OF ELECTIONS

State Compliance Examination
 For the Two Years Ended June 30, 2023

Release Date: April 30, 2024

FINDINGS THIS AUDIT: 13				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	3	2	5	2021	23-3		
Category 2:	2	6	8	2019	23-4	23-6, 23-11, 23-12, 23-13	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2017		23-9, 23-10	
TOTAL	5	8	13				
FINDINGS LAST AUDIT: 9							

SYNOPSIS

- **(23-1)** The State Board of Elections' (Board) internal controls over its voucher processing function were not operating effectively during the examination period.
- **(23-2)** The Board's internal controls over its receipt processing function were not operating effectively during the examination period.

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.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**VOUCHER PROCESSING INTERNAL CONTROLS
NOT OPERATING EFFECTIVELY**

The State Board of Elections' (Board) internal controls over its voucher processing function were not operating effectively during the examination period.

Attribute testing conducted

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System base on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt ate of the goods and/or services.

**Attributes not properly entered into
the ERP System**

Our testing noted 4 of 140 (3%) attributes were not properly entered into the ERP System. Therefore, the Board's internal controls over voucher processing **were not operating effectively**.

Even given the limitations noted above, we conducted an analysis of the Board's expenditure data for fiscal years 2022 and 2023 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Code (74 Ill. Admin. Code 900.70). We noted the following noncompliance:

**Vouchers approved 1 to 281 days
late**

- The Board did not timely approve 134 of 1,116 (12%) vouchers processed during the examination period, totaling \$3,984,366. These vouchers were approved 1 to 281 days late.
- One voucher, totaling \$4,640, did not have a duly approved purchase order or purchase requisition to support the invoice paid. (Finding 1, pages 10-11)

**No purchase order or purchase
requisition**

We recommended the Board design and maintain internal controls to ensure proper and timely processing of vouchers.

Board officials agreed

Board officials agreed with the finding and noted corrective action had already been taken.

RECEIPT PROCESSING INTERNAL CONTROLS NOT OPERATING EFFECTIVELY

The Board's internal controls over its receipt processing function were not operating effectively during the examination period.

Attribute testing conducted

Due to our ability to rely upon the processing integrity of the ERP operated by DoIT, we were able to limit our receipt testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board's internal controls related to receipt processing, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP System based on supporting documentation. The attributes tested were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code.

Attributes not properly entered

Our testing noted 24 of 140 (17%) attributes were not properly entered into the ERP System. Therefore, the Board's internal controls over receipt processing **were not operating effectively**. (Finding 2, pages 12-13)

We recommended the Board design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate.

Board officials agreed

Board officials agreed with the finding and noted corrective action had already been taken.

OTHER FINDINGS

The remaining findings pertain to instances of inadequate controls, weaknesses in information systems, instances of statutory noncompliance, and the failure to enter into an agreement regarding data sharing. We will review the Board's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Board for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001 through 2023-005. Except for the noncompliance described in those findings, the accountants stated the Board complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth & Co., LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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