

Illinois State Board of Elections

STATE COMPLIANCE EXAMINATION

**FOR THE TWO YEARS ENDED
JUNE 30, 2023**

**PERFORMED AS SPECIAL
ASSISTANT AUDITORS FOR THE
AUDITOR GENERAL,
STATE OF ILLINOIS**

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023

TABLE OF CONTENTS

| <i>State Compliance Examination Report</i> | <u>Page(s)</u> |
|--|-----------------------|
| Board Officials | 1 |
| Management Assertion Letter | 2-3 |
| State Compliance Report | |
| Summary | 4-6 |
| Independent Accountant's Report on State Compliance and on Internal Control Over Compliance | 7-9 |
| Schedule of Findings | |
| Current Findings | 10-36 |
| Prior Finding Not Repeated | 37 |

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023

BOARD OFFICIALS

| | |
|--|-------------------------|
| Executive Director (01/19/22 - Present) | Ms. Bernadette Matthews |
| Acting Executive Director (07/01/21 - 01/18/22) | Ms. Bernadette Matthews |
| Assistant Executive Director (02/15/22 - Present) | Mr. Jeremy Kirk |
| Assistant Executive Director (01/19/22 - 02/14/22) | Vacant |
| Assistant Executive Director (07/01/21 - 01/18/22) | Ms. Bernadette Matthews |
| Chief Fiscal Officer (02/16/24 - Present) | Ms. Elena Goutsalenko |
| Acting Chief Fiscal Officer (12/01/23 – 02/15/24) | Mr. Jeremy Kirk |
| Chief Fiscal Officer (06/10/22 - 11/30/23) | Mr. Eric Bolinger |
| Chief Fiscal Officer (07/01/22 - 06/09/22) | Mr. Jeremy Kirk |
| General Counsel | Ms. Marni Malowitz |

BOARD OFFICERS

| | |
|---|---------------------|
| Chair of the Board (07/01/23 - Present) | Ms. Casandra Watson |
| Chair of the Board (05/17/23 – 06/30/23) | Vacant |
| Chair of the Board (07/01/21 - 05/16/23) | Mr. Ian Linnabary |
| Vice Chair of the Board (07/01/23 - Present) | Ms. Laura Donahue |
| Vice Chair of the Board (07/01/21 - 06/30/23) | Ms. Casandra Watson |

BOARD MEMBERS

| | |
|-------------------------------|----------------------------|
| Member (07/01/23 – Present) | Mr. Jack Vrett |
| Member (07/01/21 – 06/30/23) | Mr. William Cadigan |
| Member (06/21/2023 – Present) | Ms. Cristina Cray |
| Member (01/04/22 - Present) | Ms. Tonya Genovese |
| Member (08/17/21 - 01/03/22) | Vacant |
| Member (07/01/21 – 08/16/21) | Mr. William Haine |
| Member | Ms. Catherine McCrory |
| Member | Mr. Rick Terven, Sr. |
| Member (07/01/23 – Present) | Ms. Jennifer Ballard Croft |
| Member (07/01/21 – 06/30/23) | Mr. William McGuffage |

BOARD OFFICES

The State Board of Elections' primary administrative offices are located at:

69 West Washington St., Suite LL08
Chicago, Illinois 60602

2929 South MacArthur Blvd.
Springfield, Illinois 62704

STATE BOARD OF ELECTIONS

STATE OF ILLINOIS

2329 S. MacArthur Blvd.
Springfield, Illinois 62704
217/782-4141
Fax: 217/782-5959

69 W. Washington St., Pedway LL-08
Chicago, Illinois 60602
312/814-6440
Fax: 312/814-6485



EXECUTIVE DIRECTOR
Bernadette M. Matthews

BOARD MEMBERS
Casandra B. Watson, Chair
Laura K. Donahue, Vice Chair
Jennifer M. Ballard Croft
Cristina D. Cray
Tonya L. Genovese
Catherine S. McCrory
Rick S. Terven, Sr.
Jack Vrett

MANAGEMENT ASSERTION LETTER

March 7, 2024

Roth & Company, LLP
815 W. Van Buren St., Suite 500
Chicago, Illinois 60607

Ladies and Gentlemen:

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 of Illinois, 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 specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the Board has materially complied with the specified requirements listed 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 truly,

State of Illinois, Board of Elections

SIGNED ORIGINAL ON FILE

Bernadette M. Matthews, Executive Director

SIGNED ORIGINAL ON FILE

Jeremy L. Kirk, Assistant Executive Director/Acting Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Marni M. Malowitz, General Counsel

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
 STATE COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2023

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

| Number of | <u>Current Report</u> | <u>Prior Report</u> |
|---|------------------------------|----------------------------|
| Findings | 13 | 9 |
| Repeated Findings | 8 | 7 |
| Prior Recommendations Implemented or Not Repeated | 1 | 1 |

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Last/First Reported</u> | <u>Description</u> | <u>Finding Type</u> |
|-------------------------|-------------|----------------------------|--|--|
| Current Findings | | | | |
| 2023-001 | 10 | New | Voucher Processing Internal Controls Not Operating Effectively | Material Noncompliance and Material Weakness |
| 2023-002 | 12 | New | Receipt Processing Internal Controls Not Operating Effectively | Material Noncompliance and Material Weakness |
| 2023-003 | 14 | 2021/2021 | Inadequate Controls over Service Providers | Material Noncompliance and Material Weakness |
| 2023-004 | 17 | 2021/2019 | Lack of Formal Change Management Process | Material Noncompliance and Material Weakness |

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023

SCHEDULE OF FINDINGS (CONTINUED)

| <u>Item No.</u> | <u>Page</u> | <u>Last/First Reported</u> | <u>Description</u> | <u>Finding Type</u> |
|-------------------------------------|-------------|----------------------------|--|--|
| Current Findings (Continued) | | | | |
| 2023-005 | 19 | New | System Access Weaknesses | Material Noncompliance and Material Weakness |
| 2023-006 | 21 | 2021/2019 | Weaknesses in Cybersecurity Programs and Practices | Noncompliance and Significant Deficiency |
| 2023-007 | 24 | New | Inadequate Controls over Implementation of New Accounting Standards | Noncompliance and Significant Deficiency |
| 2023-008 | 26 | New | Inadequate Controls over State Property | Noncompliance and Significant Deficiency |
| 2023-009 | 28 | 2021/2017 | Noncompliance with Election Code | Noncompliance and Significant Deficiency |
| 2023-010 | 29 | 2021/2017 | Noncompliance with Raffles and Poker Runs Act | Noncompliance and Significant Deficiency |
| 2023-011 | 31 | 2021/2019 | Failure to Enter into Agreement with Other State Agencies for the Transmission of Registration Member Data | Noncompliance and Significant Deficiency |
| 2023-012 | 33 | 2021/2019 | Inadequate Disaster Recovery Planning | Noncompliance and Significant Deficiency |
| 2023-013 | 35 | 2021/2019 | Lack of System Development Standards | Noncompliance and Significant Deficiency |
| Prior Finding Not Repeated | | | | |
| A | 37 | 2021 | Noncompliance with the Civil Administration Code | |

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with the Board personnel at an exit conference on February 29, 2024.

Attending were:

Board of Elections

Bernadette Matthews, Executive Director
Jeremy Kirk, Assistant Executive Director
Jeremy Owens, Chief Information Security Officer
Jason Kilhofer, Deputy Chief Information Security Officer
Elena Goutsalenko, Chief Fiscal Officer
Joelle Egger, Accounting Manager

Office of the Auditor General

Courtney Dzierwa, Statewide Single Audit Manager

Roth & Co, LLP

Marites Sy, Partner
Lou Jonathan Cabrera, Manager
Camille Beatriz Policar, Associate

The responses to these recommendations were provided by Jeremy Kirk, Assistant Executive Director, in a correspondence dated March 7, 2024.



INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Board of Elections

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Board of Elections (Board) with the specified 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, 2023. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Board during the two years ended June 30, 2023. As described in the accompanying Schedule of Findings as items 2023-001 through 2023-005, the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Board complied with the specified requirements during the two years ended June 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2023-006 through 2023-013.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on



the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 through 2023-005 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-006 through 2023-013 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 internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 7, 2024



STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (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.

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 Enterprise Resource Planning (ERP) System based 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 date of the goods and/or services.

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.**

The Statewide Accounting Management System (SAMS) (Procedure 17.20.20) requires the Board to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Comptroller's Office to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Board maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Due to this condition, we qualified our opinion because we determined the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

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:

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-002. **FINDING** (Receipt Processing Internal Controls Not Operating Effectively)

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

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 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.

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.**

In addition, we noted the Board maintained a receipts ledger separate from the ERP system. While the receipts ledger is reconciled with the Comptroller's Monthly Revenue Status Report (SB04), the receipts ledger was not reconciled with the receipts recorded in the ERP. As such, ERP receipts records were not reconciled with the SB04.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Board to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. Additionally, the Statewide Accounting Management System (Manual) (Procedure 25.10.10) requires the Department to segregate the moneys into funds and document the source of the moneys. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to the operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Board management indicated the issues were due to data entry errors. In addition, Board management indicated reconciliations were performed through May 2022; however, the subsequent reconciliations were not performed when internal processes changed due to a change in personnel.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-003. **FINDING** (Inadequate Controls over Service Providers)

The State Board of Elections (Board) had not implemented adequate internal controls over its service providers.

During our testing, we requested the Board provide the population of service providers utilized during the examination to determine if the Board had reviewed the internal controls of its service providers. In response to our request, the Board provided a population; however, they did not provide documentation demonstrating the population was complete and accurate. In addition, they did not have a process to identify service providers.

Due to these conditions, we were unable to conclude the Board's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

Even given the population limitations noted above, we performed testing on two of the five service providers identified. The Board utilized these service providers for software as a service. During our testing, we noted the Board had not:

- Entered into an agreement with one (50%) service provider to ensure the roles and responsibilities, and the security, integrity, availability, confidentiality, and privacy controls over the Board's applications and data of both the Board and service providers, were documented, and
- Documented their review of two (100%) service providers' System and Organization Control (SOC) reports, including the impact of noted deviations, Complementary User Entity Control, and subservice organizations.

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 controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The *Center for Internet Security, Critical Security Controls, version 8*, Service Provider section, requires entities to establish and maintain an inventory of service providers, and assess the service providers' internal controls.

Board management indicated they disagreed with the finding, as they believe the controls were sufficient.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-003. **FINDING** (Inadequate Controls over Service Providers) (Continued)

Without maintaining a complete population of service providers and proper documentation of the Board's review of the SOC reports and Complementary User Entity Controls (CUECs), the Board does not have assurance the service provider's internal controls are adequate. Additionally, failure to enter into an agreement with service providers may result in contractual terms, obligations and services not being met and corrected. (Finding Code No. 2023-003, 2021-008)

RECOMMENDATION

We recommend the Board:

- Develop a process for identifying service providers.
- Define the roles and responsibilities and the security, integrity, availability, confidentiality, and privacy controls over the Board's applications and data of both parties through an agreement.
- Document the review of SOC reports or independent review of internal controls associated with service providers, including the review of CUECs to ensure they are implemented on the Board's environment, impact of deviations identified by service auditors, and controls of subservice organizations.

BOARD RESPONSE

The Board disagrees with the finding. The finding is largely based on auditor recommended best practices vs. NIST CSF and CIS Controls framework requirements, which are the standards the Board aligns with. The Board has established documented internal procedures related to the evaluation of Service Providers. Those procedures ensure a comprehensive review of the providers' security assessment documentation (SOC 2 Type II) and certifications, tracking of service providers, and authorization to engage in procurement and contractual agreements, which satisfy the NIST CSF and CIS Controls framework requirements.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-003. **FINDING** (Inadequate Controls over Service Providers) (Continued)

ACCOUNTANT'S COMMENT

The Accountants agree the Board has documented procedures related to the evaluation of Service Providers. However, the Board's review of the SOC reports of the Service Providers was not sufficiently detailed to include the impact of deviations in the SOC reports, consideration of the CUECs, and subservice organizations. These are necessary to ensure controls are in place and operating effectively, in compliance with the *Center for Internet Security, Critical Security Controls, version 8*.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-004. **FINDING** (Lack of Formal Change Management Process)

The State Board of Elections (Board) had not developed a change management process.

As a result of the Board's mission to administer the State of Illinois' election laws and campaign laws, the Board maintained several critical, confidential, and/or financial applications, such as the Voter Registration System (IVRS), eCanvass (precinct upload election data), and Elections App (ballot certification).

During our examination, we noted the Board had not developed a comprehensive change management policy to control changes to their environment, applications, and data. As a result, we were unable to test the internal controls over changes to the Board's environment, applications, and data.

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 controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The *Center for Internet Security, Critical Security Controls, version 8, Secure Configuration of Enterprise Assets and Software* section, requires entities to establish and maintain controls over changes to their environment, applications, and data.

Board management indicated the lack of change management process was due to competing priorities.

This finding was first noted during the Compliance Examination of the two years ended June 30, 2019. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

The lack of change management controls could lead to unauthorized, improper, or erroneous changes to the Board's environment, applications, and data. (Finding Code No. 2023-004, 2021-005, 2019-006)

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-004. **FINDING** (Lack of Formal Change Management Process) (Continued)

RECOMMENDATION

We recommend the Board develop and implement a change management policy which documents, at a minimum, management and user authorization, the programmer completing the change, the testing conducted and results, and approval to move into production environment as well as who completed the move to the production environment.

BOARD RESPONSE

The Board disagrees with the finding. The Board has documented change management processes within established project management documentation. The Board believes those processes align with the recommendations presented by the auditors. However, the Board will create a separate document, solely dedicated to change management, to alleviate any future findings regarding change management.

ACCOUNTANT'S COMMENT

The Board's Development Project Management Standards did not address the processes and controls to request system changes, approval, user acceptance testing, and migration of changes to production which are necessary to control changes to applications, data, and environment.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-005. **FINDING** (System Access Weaknesses)

The State Board of Elections (Board) did not have adequate internal controls over access to their applications and data.

During testing, we examined the Board’s access provisioning controls over:

- eCanvass
- Elections App
- Illinois Voter Registration System (IVRS)

Our testing noted the Board had not established procedures for requesting, approving, modifying, and periodic review of user accounts. Also, we noted:

- Three (12%) of 25 access requests for IVRS were not properly documented,
- Three (100%) of three access requests for Elections App were not properly documented, and
- One (17%) of six access requests for eCanvass was not properly documented and the user was not authorized to access the system.

Our testing of terminated users noted three of three (100%) IVRS users continued to have access after termination.

Additionally, periodic review of internal users of IVRS and the Elections App was not performed.

The *Center for Internet Security, Critical Security Controls, version 8*, Account Management and Access Control Management sections, requires entities to establish and maintain processes and tools to ensure proper authorization of user accounts, timely termination of user accounts, and review of user accounts.

Furthermore, 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 controls to provide assurance that revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-005. **FINDING** (System Access Weaknesses) (Continued)

Board management stated the findings were due to employees' competing priorities and oversight.

Without the implementation of adequate access controls, there is an increased risk unauthorized individuals may gain access to applications and data. (Finding Code No. 2023-005)

RECOMMENDATION

We recommend the Board establish procedures for requesting, approving, and reviewing user access rights across all information systems of the Board. We also recommend the Board ensure access rights are properly approved, timely terminated, and are reviewed at least annually.

BOARD RESPONSE

The Board agrees with the finding. The Board is in the process of developing formalized internal controls and processes for requesting, approving, and reviewing user access rights across all information systems of the Board.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-006. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The State Board of Elections (Board) had weak internal controls related to cybersecurity programs and practices.

As a result of the Board's mission to administer the State of Illinois' election laws and campaign laws, the Board maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, and Social Security numbers of the citizens of the State.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Board's cybersecurity program, practices, and control of confidential information, we noted the Board had not:

- Developed an adequate risk management methodology. The methodology did not cover the following:
 - Selection of security controls,
 - Implementation of security controls,
 - Assessment of the security controls,
 - Authorization of information system access, and
 - Monitoring of security controls.
- Conducted a comprehensive risk assessment or implemented risk reducing controls.
- Ensured their data was classified to ensure proper safeguards.
- Ensured information security policies had been formally communicated to staff and contractors to acknowledge their understanding of responsibilities.
- Developed policies and procedures for reporting identified and suspected security violations.
- Formalized and approved standard operating procedures for the security of computer programs and data.
- Developed an adequate project management framework to ensure new applications were adequately developed and implemented in accordance with management's expectations.

The *Center for Internet Security, Critical Security Controls, version 8* requires entities to establish controls over the risk, threats, and security of their environment, applications, and data.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-006. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

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 controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Additionally, the *Guide to the Project Management Body of Knowledge* requires entities to apply the five project management processes – including initiating, planning, executing, monitoring and controlling, and closing – to provide assurance a project meets the entity's requirements.

Board management indicated the weaknesses were due to competing priorities.

This finding was first noted during the Compliance Examination for the two years ended June 30, 2019. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Weak cybersecurity programs and practices could result in unidentified risks and vulnerabilities, which could ultimately lead to the Board's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-006, 2021-001, 2019-001)

RECOMMENDATION

The Board has ultimate responsibility for ensuring their systems and data are properly protected. Specifically, we recommend the Board:

- Develop an adequate risk management methodology, which covers the following:
 - Selection of security controls,
 - Implementation of security controls,
 - Assessment of the security controls,
 - Authorization of information system access, and
 - Monitoring of security controls.
- Ensure comprehensive risk assessments are performed, and implement risk reducing controls to identify and ensure adequate protection of information (i.e., confidential, or personal information) most susceptible to attack,
- Ensure their data is classified to ensure proper safeguards,
- Communicate the information security policies to staff and contractors and require them to acknowledge their understanding of their responsibilities,

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-006. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

- Develop policies and procedures for reporting identified and suspected security violations,
- Formalize, approve, and implement the standard operating procedures for the security of computer programs and data, and
- Ensure an adequate project management framework is utilized to ensure new applications are adequately developed and implemented in accordance with management's expectations.

BOARD RESPONSE

The Board partially agrees with this finding. The Board disagrees with the conditions noted related to deficiencies in performing a comprehensive risk assessment. The Board performed multiple assessments, including risk, vulnerability, web application, compliance, and penetration test assessments. Information systems that store and transmit PII were in the scope of these assessments. The Board also disagrees with the noted conditions related to documented procedures for reporting security violations. Documented procedures are in place and were shared with the auditing team. Lastly, the Board disagrees with the conditions noted relating to formalizing and approving standard operating procedures. These requirements are documented and were shared with the auditors.

ACCOUNTANT'S COMMENT

The Accountants agree the Board conducted risk assessments on web application, performed vulnerability scans, and penetration tests. However, the risk assessments on the web applications, vulnerability scans, and penetration tests are only part of a comprehensive risk assessment. A comprehensive risk assessment also includes identifying, classifying, and assessing all the Board's information systems, applications, and data containing confidential and personally identifiable information and apply risk-reducing controls to address the identified risks.

The Board has a policy regarding security violations; however, it lacked the procedures to be followed for reporting security violations.

The Board has standard operating procedures; however, they were not formally approved and implemented.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-007. **FINDING** (Inadequate Controls over Implementation of New Accounting Standards)

The State Board of Elections (Board) did not have adequate controls to ensure new accounting standards applicable to the Board are implemented.

In Fiscal Year 2022, Governmental Accounting Standards Board (GASB) Statement No. 87 – *Leases* became effective. The standard requires the recognition of certain assets and liabilities for leases that previously were classified as operating leases. Additionally, in Fiscal Year 2023, GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* became effective. The standard defines subscription-based information technology arrangements (SBITA) and requires recognition of a right-to-use subscription asset and a corresponding subscription liability. According to the Board, the Board did not have contracts that fell within the scope of GASB Statement Nos. 87 and 96.

During our testing of two lease contracts and 10 information system related contracts, we noted the following:

- One (50%) contract totaling \$2,029,510 for the lease of the Board’s Springfield Office was determined to fall within the scope of GASB No. 87. The Board did not prepare and submit the Accounting for Leases-Lessee Form (SCO-560) to enable the Office of Comptroller to calculate the lease liability and right-to-use assets as required by GASB Statement No. 87. At June 30, 2022 and 2023, the Board did not record the right-to-use assets on its books and did not report the right-to-use assets on the Board’s Capital Asset Summary (SCO-538) submitted to the Office of Comptroller.

The Statewide Accounting Management System (SAMS) Procedure 27.20.60 requires all agencies who lease property to complete Form SCO-560 for each multiple period lease that falls within the scope of GASB Statement No. 87.

- Three (30%) contracts totaling \$579,271 involved SBITAs and therefore would fall within the scope of GASB No. 96. The Board did not prepare and submit the Accounting for Subscription-Based Information Technology Arrangements Forms (SCO-560S) to enable the Office of Comptroller to calculate the subscription asset and liability as required by GASB Statement No. 96. At June 30, 2023, the Board did not recognize subscription assets on its books and did not report the subscription assets on the Boards Capital Asset Summary (SCO-538) submitted to the Office of Comptroller.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-007. **FINDING** (Inadequate Controls over Implementation of New Accounting Standards) (Continued)

SAMS Procedure 27.20.60S requires all agencies who have subscriptions-based information technology arrangements (SBITAs) to complete Form SCO-560S for each multiple period arrangement that falls within the scope of GASB Statement No. 96.

Board management indicated failure to properly implement new accounting standards was due to managerial oversight.

Failure to maintain adequate controls over the implementation of new accounting standards resulted in misstatements of accounting records including the SCO-538. (Finding Code No. 2023-007)

RECOMMENDATION

We recommend the Board design and implement controls to ensure new accounting standards are properly implemented as they apply to the Board.

BOARD RESPONSE

The Board agrees with the finding. The Board has already initiated corrective action to become compliant with the applicable accounting standards and reinforced internal controls to ensure future compliance.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
 SCHEDULE OF FINDINGS
 For the Two Years Ended June 30, 2023

2023-008. **FINDING** (Inadequate Controls over State Property)

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

During testing of C-15 reports, annual inventory certifications, and general vouchers, we noted the following:

- The detailed property records from the Enterprise Resource Planning System (ERP) did not agree with the C-15 reports filed with the Office of Comptroller. Subsequently, we have determined from the supporting evidence that the C-15 information is accurate. The following were the unreconciled variances between the ERP records and the C-15:

| Quarter Ended | Per C-15 | Per ERP | Unreconciled Variance |
|----------------|-------------|-------------|-----------------------|
| September 2021 | \$3,304,187 | \$2,925,643 | \$378,544 |
| December 2021 | 3,314,534 | 2,936,089 | 378,445 |
| March 2022 | 3,474,785 | 3,098,835 | 375,950 |
| June 2022 | 3,476,268 | 3,333,835 | 142,433 |
| September 2022 | 3,342,683 | 3,333,835 | 8,848 |
| December 2022 | 3,354,886 | 3,333,835 | 21,051 |
| March 2023 | 3,412,385 | 3,356,385 | 56,000 |
| June 2023 | 3,845,041 | 3,356,385 | 488,656 |

The Statewide Accounting Management System (SAMS), Procedure 29.10.10 requires the Board to maintain detailed property records and update property records as necessary to reflect the current balance of the State property. The C-15 should be reconciled to the agency records.

- The Board used information from its ERP records to prepare its annual inventory certification to the Department of Central Management Services (CMS); however, since the ERP records were not reconciled with the C-15, the annual certification submitted to CMS was not accurate.

The Statewide Accounting Management System (SAMS), Procedure 29.10.10 requires the Board to conduct an inventory of its assets on an annual basis in order to support the existence and accuracy of amounts reported. The asset records should be reconciled to the results of inventory and updated accordingly.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-008. **FINDING** (Inadequate Controls over State Property) (Continued)

- Equipment purchases, consisting of various servers from two vouchers totaling \$469,544, were not recorded on the Board's ERP detailed property records.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Board to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

Moreover, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Board management indicated the variances were due to challenges faced in the transition from the legacy system to the new ERP system, delays in recording additions in the ERP, and the C-15 not including low value assets.

Failure to ensure detailed property records reconciles with the C-15 submitted to the Office of Comptroller and inventory information submitted to CMS may result in inaccurate Statewide capital assets information and may hinder the State's oversight function. Failure to timely record additions in the ERP resulted in inaccurate records and noncompliance with the Code. (Finding Code No. 2023-008)

RECOMMENDATION

We recommend the Board allocate sufficient time and resources to reconcile its ERP records of capital assets against the C-15. Additionally, we recommend the Board record equipment additions timely.

BOARD RESPONSE

The Board agrees with the finding. The Board has reinforced and strengthened internal controls to ensure compliance with applicable requirements. Corrective action has already been taken.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-009. **FINDING** (Noncompliance with Election Code)

The State Board of Elections (Board) did not comply with certain requirement of the Election Code (10 ILCS 5) (Code) during the examination period.

The Board had not established monitoring mechanisms to determine whether business entities were updating their registrations as needed, thus it was not able to determine if it should assess the requisite civil penalty.

Section 9-35(e) of the Code states the Board shall impose a civil penalty of \$1,000 per business day for failure to update a registration by a business entity as required by Section 20-160 of the Illinois Procurement Code.

Board management indicated the Board believes the monitoring or enforcement requirement of the mandate are beyond the Board capability and authority. The Board is continuing to seek legislative remedy, either by eliminating the penalty requirement or by modifying the registration requirement to include a period-based affirmation that all required registration information is up to date.

This finding was first noted during the examination of the two years ended June 30, 2017. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Failure to comply with the specific elements of the Code represents statutory noncompliance. (Finding Code No. 2023-009, 2021-002, 2019-002, 2017-001)

RECOMMENDATION

We recommend the Board comply with the requirements of the Election Code. If the requirements of the Code require monitoring or enforcement resources beyond the present capabilities of the Board, we recommend the Board seek assistance from outside parties to perform these duties as presently prescribed in the Election Code. Otherwise, we recommend the Board continue its efforts to seek legislative remedies from the requirements.

BOARD RESPONSE

The Board agrees with this finding. The Board has started the process of developing a system and mechanism to monitor and enforce these provisions of the Code, which may include seeking assistance from external resources.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-010. **FINDING** (Noncompliance with Raffles and Poker Runs Act)

The State Board of Elections (Board) could not demonstrate compliance with all restrictions of the Raffles and Poker Runs Act (Act) when granting raffle licenses.

The Act (230 ILCS 15/8.1(c)) restricts the raffle licenses issued by the Board and states the following are ineligible entities for licenses:

- (i) Any political committee which has an officer who has been convicted of a felony;
- (ii) Any political committee which has an officer who is or has been a professional gambler or gambling promoter;
- (iii) Any political committee which has an officer who is not of good moral character;
- (iv) Any political committee which has an officer who is also an officer of a firm or corporation in which a person defined in item (i), (ii), or (iii) has a proprietary, equitable, or credit interest, or in which such a person is active or employed;
- (v) Any political committee in which a person defined in item (i), (ii), or (iii) is an officer, director, or employee, whether compensated or not;
- (vi) Any political committee in which a person defined in item (i), (ii), or (iii) is to participate in the management or operation of a raffle as defined in this Section.

We tested 40 raffle applications received from political action committees and acted upon by the Board during the examination period. We were not able to determine whether or not the Board issued raffle licenses during the examination period to entities ineligible for licenses based upon the criteria prescribed in the Act because the Board had not established a monitoring mechanism to vet this information; therefore, no information was available for review.

The Board indicated that it is beyond its means to enforce the specified provisions of the mandate. In an attempt to meet the requirements of the statute, the Board indicated they have added a self-verification statement to the raffle license application form which requires the political committee submitting the application to attest that they are not in violation of the requirements. Board management also indicated they continue to seek a legislative remedy.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-010. **FINDING** (Noncompliance with Raffles and Poker Runs Act) (Continued)

This finding was first noted during the examination for the two years ended June 30, 2017. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Failure to comply with all required restrictions when granting raffle licenses is in violation of the Act. (Finding Code No. 2023-010, 2021-003, 2019-003, 2017-002)

RECOMMENDATION

We recommend the Board establish, maintain, and document procedures for tracking and monitoring raffle licenses to ensure compliance under the Raffles and Poker Runs Act. If these specific requirements of the Act require monitoring or enforcement resources beyond the present capabilities of the Board, we recommend the Board seek assistance from outside parties to perform these duties as presently prescribed in the Act. Otherwise, we recommend the Board continue its efforts to seek legislative remedies from the requirement.

BOARD RESPONSE

The Board agrees with this finding. The Board will attempt to develop a mechanism to monitor these provisions of the Code, which may include seeking assistance from external resources. The Board is currently seeking a legislative remedy.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-011. **FINDING** (Failure to Enter into Agreement with Other State Agencies for the Transmission of Registration Member Data)

The State Board of Elections (Board) failed to enter into a formal agreement with other State agencies and provide necessary information to transmit member data under the Electronic Registration Information Center Membership Agreement.

Effective June 1, 2015, the Election Code (10 ILCS 5/1A-45(b-5)) required the Board to enter into an agreement with the Department of Human Services (DHS), the Department of Healthcare and Family Services (HFS), the Department on Aging (DoA), and the Department of Employment Security (IDES) to require each department to provide the Board with any information necessary to transmit member data under the Electronic Registration Information Center Membership Agreement.

During our testing, we noted the Board did not enter into agreement with all of the required agencies. Specifically, the Board did not enter into agreements with DHS or IDES.

Board management indicated they have continuously attempted to enter into a data-sharing agreement with DHS and IDES. However, leadership changes and staffing shortages contributed to diminished efforts to finalize formal agreements with these two entities.

This finding was first noted during the examination for the two years ended June 30, 2019. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Failure to enter into a data-sharing agreement with other State agencies represents noncompliance with the Election Code and inhibits the transmission of crucial member data as required by the Electronic Registration Information Center Membership Agreement. (Finding Code No. 2023-011, 2021-004, 2019-005)

RECOMMENDATION

We recommend the Board comply with the Election Code or seek a legislative remedy.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-012. **FINDING** (Inadequate Disaster Recovery Planning)

The State Board of Elections (Board) did not have an adequate disaster recovery plan and had not conducted testing.

As a result of the Board’s mission to administer the State of Illinois’ election laws and campaign laws, the Board maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, and Social Security numbers of the citizens of the State.

The Board had not conducted a business impact analysis, developed a disaster recovery plan, or conducted recovery testing during the examination period.

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 controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State’s resources.

The *Center for Internet Security, Critical Security Controls, version 8*, Data Recovery section, requires entities to establish and maintain data recovery practices sufficient to restore its information technology assets.

Board management indicated the cause to be prioritization of other initiatives.

This finding was first noted during the Compliance Examination for the two years ended June 30, 2019. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Without an adequately documented and tested disaster recovery plan, the Board’s applications may not be able to be recovered within an acceptable time period. (Finding Code No. 2023-012, 2021-006, 2019-007)

RECOMMENDATION

We recommend the Board conduct business impact analysis, develop a disaster recovery plan, and conduct recovery testing of its applications and data at least annually.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-012. **FINDING** (Inadequate Disaster Recovery Planning) (Continued)

BOARD RESPONSE

The Board agrees with the finding. The Board is currently working toward a viable disaster recovery solution that will include analysis, planning, and testing on an annual basis.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-013. **FINDING** (Lack of System Development Standards)

The State Board of Elections (Board) did not have standards to ensure system developments were adequately planned, developed, tested, documented, approved and implemented.

During our review, we noted the Board had not developed a comprehensive system development methodology to ensure system developments were properly completed, documented, and properly approved.

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 controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The *Center for Internet Security, Critical Security Controls, version 8, Secure Configuration of Enterprise Assets and Software and Application Software Security* sections, requires entities to establish and maintain controls over the development and modification of their assets.

This finding was first noted during the Compliance Examination for the two years ended June 30, 2019. In the subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Board management indicated the lack of comprehensive system development methodology was due to their belief that their current standards were sufficient.

The lack of a comprehensive system development methodology could result in system developments which fail to meet the Board's expectations and requirements, and which result in additional costs. (Finding Code No. 2023-013, 2021-007, 2019-008)

RECOMMENDATION

We recommend the Board develop and implement a comprehensive system development methodology to ensure system development projects are adequately planned, developed, tested, documented, approved and implemented.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2023

2023-013. **FINDING** (Lack of System Development Standards) (Continued)

BOARD RESPONSE

The Board agrees with this finding. The Board is in the process of creating and implementing a comprehensive and actionable system development methodology.

STATE OF ILLINOIS
STATE BOARD OF ELECTIONS
SCHEDULE OF FINDINGS – NOT REPEATED
For the Two Years Ended June 30, 2023

A. **FINDING** (Noncompliance with the Civil Administration Code)

During the prior examination, the State Board of Elections (Board) did not submit its employment plans to the Department of Central Management Services (DCMS) and the Department of Human Rights as required by the Civil Administration Code (20 ILCS 30/20 and 20 ILCS 405/405-120 and 125).

During the current examination, the Board submitted its employment plans to DCMS and Department of Human Rights as required by the Civil Administration Code. (Finding Code 2021-009)