

# **Internal Control and Compliance Assessment**

## **Arkansas Legislative Audit**

### **Arkansas State Board of Election Commissioners**

For the Fiscal Year Ended June 30, 2022



## **INTRODUCTION**

This report is issued to inform the Legislative Joint Auditing Committee of compliance with state fiscal laws and regulations as well as deficiencies in internal controls for the Arkansas State Board of Election Commissioners. Assessment procedures disclosed no reportable items of noncompliance.

## **SCOPE AND METHODOLOGY**

We performed an internal control and compliance assessment of the Arkansas State Board of Election Commissioners, a board of Arkansas state government, as of and for the year ended June 30, 2022, and have issued our report dated August 16, 2023. Management of the Agency is responsible for establishing and maintaining internal controls and complying with applicable laws and regulations.

The assessment included cash on deposit, expenditures, liabilities, capital assets, and data entry to the Arkansas Administrative Statewide Information System (AASIS). The assessment consisted principally of inquiries, observations, analytical procedures, and selected tests of internal control policies and procedures, accounting records, and other relevant documents. We relied on financial data in AASIS recorded by the Agency and audit work conducted in the fiscal year 2022 State Annual Comprehensive Financial Reports (ACFR) and Single Audit Reports.

## **RESULTS OF ASSESSMENT**

Assessment procedures did not disclose instances of noncompliance considered reportable.

## **ENABLING LEGISLATION AND ORGANIZATIONAL STRUCTURE**

Act 465 of 1969 created the Arkansas State Board of Election Commissioners (SBEC). Duties and responsibilities of the SBEC are included in Arkansas Code Title 7, as amended.

SBEC's mission is to improve the conduct of elections in the State by promoting fair and orderly election procedures through education, assistance, and monitoring. SBEC develops resources to educate and assist candidates and county election administrators; develops specialized training programs; conducts and coordinates statewide training of county election commissioners and election officials; monitors compliance by local election authorities with federal and state election laws; investigates complaints of alleged election misconduct and election law violations; and distributes funds to the counties for state-supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections. SBEC's organizational chart is depicted in **Exhibit I on page 2**.

#### **ARKANSAS LEGISLATIVE AUDIT**

500 Woodlane Street, Suite 172, Little Rock, AR 72201

Phone: 501-683-8600 Fax: 501-683-8605

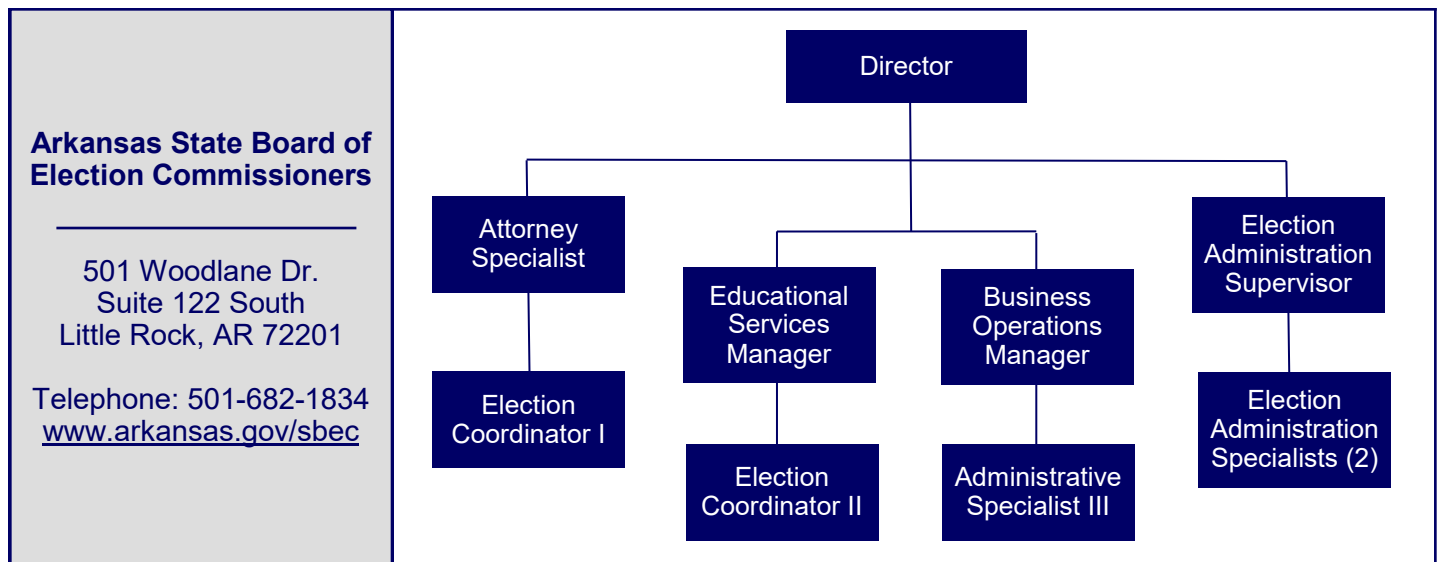
[www.arklegaudit.gov](http://www.arklegaudit.gov)

Report ID: SR0723222

Report Date: August 16, 2023



Exhibit I  
Arkansas State Board of Election Commissioners  
Organizational Chart



Source: Arkansas State Board of Election Commissioners

## FISCAL ANALYSIS

### Revenues, Expenditures, and Transfers

Agency revenues, expenditures, and transfers for fiscal years 2018 through 2022 are provided in **Exhibit II on page 3**. The Agency reported \$199,458 in total revenue for the fiscal year ended June 30, 2022. The majority of revenue is reported in even-numbered fiscal years when elections are held and the Board receives candidate filing fees.

For the year ended June 30, 2022, expenditures at the Agency totaled \$5.2 million. Expenditures fluctuate from year-to-year due to elections. In even-numbered years, when most elections are held, expenditures are greater than in odd-numbered years.

The Agency is also supported with State General Revenues. Net transfers totaled \$4.8 million for the year ended June 30, 2022.

### Assets and Liabilities

For the year ended June 30, 2022, Agency assets and liabilities totaled \$6 million and \$4.4 million, respectively. Asset and liability balances at year-end for fiscal years 2018 through 2022 are presented in **Exhibit III on page 3**. Of Agency assets, 99% consisted of cash in State Treasury for the fiscal year ended June 30, 2022.

## Exhibit II

**Arkansas State Board of Election Commissioners  
Revenues, Expenditures, and Transfers  
For the Years Ended June 30, 2018 through 2022**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Revenues</b>					
Fees	\$ 198,690	\$ 0	\$ 483,450	\$ 0	\$ 97,162
Other income	768	267	424	391	63
<b>Total Revenues</b>	<u>\$ 199,458</u>	<u>\$ 267</u>	<u>\$ 483,874</u>	<u>\$ 391</u>	<u>\$ 97,225</u>
<b>Expenditures</b>					
Salaries	\$ 602,485	\$ 512,053	\$ 500,581	\$ 445,605	\$ 469,264
Utilities and rent	59,292	39,915	59,888	75,692	76,571
Election expenss	4,449,165	0	3,455,894	0	3,379,426
Other expenses	142,255	44,427	92,425	27,615	89,523
<b>Total Expenditures</b>	<u>\$ 5,253,197</u>	<u>\$ 596,395</u>	<u>\$ 4,108,788</u>	<u>\$ 548,912</u>	<u>\$ 4,014,784</u>
<b>Net Transfers In (Out)</b>	<u>\$ 4,766,370</u>	<u>\$ (4,547)</u>	<u>\$ 4,691,411</u>	<u>\$ 630,485</u>	<u>\$ 3,491,236</u>

*Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)*

## Exhibit III

**Arkansas State Board of Election Commissioners  
Assets and Liabilities  
For the Years Ended June 30, 2018 through 2022**

	Fiscal Year				
	2022	2021	2020	2019	2018
<b>Assets</b>					
Cash in State Treasury	\$ 5,948,803	\$ 2,809,958	\$ 5,053,661	\$ 1,444,339	\$ 4,491,651
Fixed assets	33,737	31,303	31,840	49,819	48,740
Other assets	2,221	2,544	2,373	2,343	2,491
<b>Total Assets</b>	<u>\$ 5,984,761</u>	<u>\$ 2,843,805</u>	<u>\$ 5,087,874</u>	<u>\$ 1,496,501</u>	<u>\$ 4,542,882</u>
<b>Liabilities</b>					
Interfund due to	\$ 5,399	\$ 927,235	\$ 19,436	\$ 44,606	\$ 879
Payroll liability	35,156	26,857	22,853	18,426	15,547
Due to other governments	4,345,650	0	2,563,663	0	3,174,815
Other liabilities	348	9,004	0	65	1,281
<b>Total Liabilities</b>	<u>\$ 4,386,553</u>	<u>\$ 963,096</u>	<u>\$ 2,605,952</u>	<u>\$ 63,097</u>	<u>\$ 3,192,522</u>

*Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)*

