

DEPARTMENT OF STATE

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Procedural Report
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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



Department of State

July 2024

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Introduction

The primary purpose of our procedures at the Department of State (DOS) was to evaluate certain controls DOS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds.

Results of Our Procedures

We evaluated DOS's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of DOS's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to monitoring of parish Registrar of Voters offices, the Dominion Voting Systems lease agreement for early voting machines, and election expenditures.

Monitoring of Parish Registrar of Voters Offices

Parish Registrar of Voters (ROV) offices are responsible for the registration of voters in the parish they serve and for the enforcement of laws and the rules and regulations of the Secretary of State relating to the registration of such voters. DOS requires evaluation certifications to be completed by each parish ROV as a mechanism to monitor the offices and identify any deficiencies needing to be addressed and corrected. We obtained an understanding of DOS's policies and procedures over monitoring ROV offices and performed procedures on a sample of ROV offices to determine if evaluation certifications were properly reviewed and supported by appropriate documentation. Based on the results of our procedures, DOS had adequate controls in place to ensure evaluation certifications from ROV offices were obtained and reviewed to monitor performance.

Dominion Voting Systems Lease Agreement for Early Voting Machines

DOS began leasing early voting machines in 2019 from Dominion Voting Systems, a sole source provider. The original agreement was for the period March 1, 2019, through December 31, 2020; however, a one-year continuance of rental was granted each year through the end of calendar year 2024. We reviewed the documentation for the original agreement and each continuance of rental to determine if appropriate approvals were obtained from the Office of State Procurement and if the agreement complied with state law. Based on the results of our procedures, we did not report any findings.

Election Expenditures

Election program expenditures comprised approximately 64% and 65% of DOS's expenditures in fiscal years 2022 and 2023, respectively. The Louisiana Election Code (Title 18 of the Louisiana Revised Statutes) allows DOS to reimburse parish offices for certain election expenditures incurred. We obtained an understanding of DOS's policies and procedures over election expenditure reimbursements. We performed procedures on a sample of parish expenditure reports to determine if these expenditures were allowable under the Louisiana Election Code. Based on the results of these procedures, we did not report any findings.

Trend Analysis

We compared the most current and prior-year financial activity using DOS's Annual Fiscal Reports and/or system-generated reports and obtained explanations from DOS's management for any significant variances.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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DOS2024

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of State (DOS) for the period from July 1, 2022, through June 18, 2024. Our objective was to evaluate certain controls DOS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the DOS's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The DOS's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated DOS's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to DOS.
- Based on the documentation of DOS's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to monitoring of parish Registrar of Voters offices, the Dominion Voting Systems lease agreement for early voting machines, and election expenditures.
- We compared the most current and prior-year financial activity using DOS's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from DOS's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at DOS, and not to provide an opinion on the effectiveness of DOS's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purpose.