



Report Highlights

Department of State

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Audit Control # 80200060
Financial Audit Services • September 2020

Why We Conducted This Work

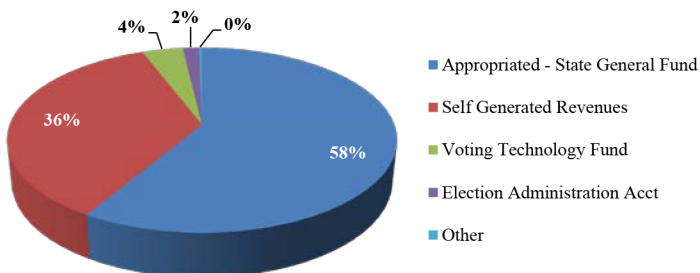
We conducted procedures at the Department of State (DOS) to evaluate certain controls that DOS uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and accountability over public funds for the period July 1, 2018, through June 30, 2020.

What We Found

- We followed up on the status of the prior-report finding and determined that management has resolved the prior-year findings related to Inadequate Controls and Lack of Written Policies over the Filing of Annual Reports.
- We evaluated the controls and transactions relating to election day expenditures, commercial revenues, payroll expenditures, travel, professional service contracts and leases, and the Elections Compliance Unit. We found these controls provided reasonable assurance of accountability over public funds for the period examined.
- We compared the most current and prior-year financial activity to identify trends and obtained explanations from management for any significant variances that could potentially indicate areas of risk. Management provided reasonable explanations for all significant variances.
- DOS is funded with state general fund appropriations and self-generated revenues. The self-generated revenues primarily consist of fees chargeable to businesses filing with DOS and the billing of local governments for their portion of election expenses. The following charts illustrate DOS’s sources of revenues and expenditures for fiscal year 2020.

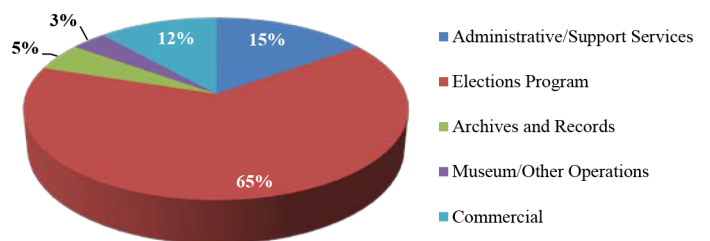
Fiscal Year 2020 Sources of Revenue

Total: \$ 79,763,674



Fiscal Year 2020 Expenditures

Total: \$ 79,330,266



Source: DOS 2020 Schedule of Revenue and Expenditures

View the full report at www.la.gov.