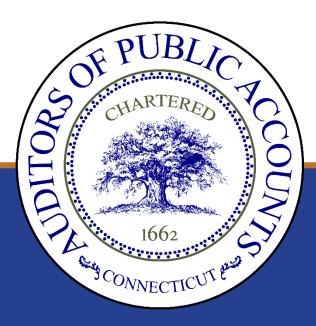
AUDITORS' REPORT

State Elections Enforcement Commission

FISCAL YEARS ENDED JUNE 30, 2022 AND 2023



STATE OF CONNECTICUT

Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINERState Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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CRAIG A. MINER

July 22, 2025

INTRODUCTION

We are pleased to submit this audit of the State Elections Enforcement Commission (SEEC) for the fiscal years ended June 30, 2022 and 2023 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

State Auditor Craig A. Miner recused himself from reviewing and signing the audit report to avoid the appearance of a conflict of interest. Mr. Miner served in the General Assembly during the audit period.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the State Elections Enforcement Commission during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

Jenny Banh Jennifer Courbin Maria Siciliano

> Jennifer Courbin Associate Auditor

Jennifer Combri

Approved:

John C. Geragosian State Auditor Craig A Miner State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the State Elections Enforcement Commission disclosed the following eight recommendations, of which four were repeated from the previous audit.

Finding 1

Untimely Post-Election Review of Campaign Committees

Background

The commission is authorized to inspect campaign finance reports and perform post-election examinations of the accounts and records. These examinations are intended to ensure compliance with campaign finance requirements in Chapter 155 and 157 of the General Statutes. The commission must randomly audit not more than 50% of the candidate committees, selected through a weighted lottery. The commission must consider the frequency of prior audits of a state representative or senate district over the previous three election cycles.

Criteria

Section 9-7b(a)(5)(A) of the General Statutes states that when the commission conducts an audit of the committee whose candidate runs in the next election cycle, the audit should be completed not later than two months preceding election day.

Condition

We reviewed seven and eight candidate committee commission audits selected from the 2020 and 2022 general elections, respectively. The commission did not promptly complete audits as follows:

- The commission issued four Final Summary of Examination reports between 132 and 454 days late from the 2020 election cycle.
- The commission had not issued eight reports from the 2022 election as of October 9, 2024.

Additionally, the commission informed us it did not complete 98 of 106 (92%) audits of the 2022 election cycle before the statutorily

required due date for candidate committees in the 2024 general election.

Context

In the 2020 election cycle, there were 166 house candidate committees and 43 senate committees selected for post-election audit. In the 2022 election cycle, there were 125 house candidate committees, 32 senate committees, and 21 statewide committees selected for post-election audit. We randomly selected 15 candidate committees which received \$2,095,930 in Citizens' Election Fund grants.

Effect

When the commission does not promptly complete post-election candidate committee reviews, there is an increased risk that SEEC and the candidate committee may not resolve audit issues, and the public may not be informed before the next election.

Cause

The commission indicated it has limited resources to process the statutorily required audits.

Prior Audit Finding

This finding has previously been reported in the last two audit reports covering the fiscal years 2017 through 2021.

Recommendation

The State Elections Enforcement Commission should complete its post-election audits within the statutory deadlines.

Agency Response

"We disagree with the finding in part. Due to staffing shortages and changes in the termination date for selected candidate committees chosen for audit, the staff has less than six months to obtain records and information controlled by committees. Once received they must commence post-election reviews in this short time frame both before the start of the new election cycle as well as prior to the statutory prohibition on the release of audits prior to an election."

Auditor's Concluding Comments:

If the commission believes it cannot meet the existing deadline, it should request a legislative amendment to Section 9-7b(a)(5)(A) of the General Statutes to adjust the due date of candidate committee audits.

Finding 2

Lack of General Control Over Statutory Reporting Requirements

Criteria

Section 9-7a(c) of the General Statutes requires that the commission reports its actions including, but not limited to, a list of all complaints investigated by the commission and the disposition of each complaint, by voting districts, where the alleged violation occurred; the names, salaries and duties of the individuals in its employ and the money it disbursed to the General Assembly and Governor each fiscal year.

Section 9-716(a) of the General Statutes requires that not later than June 1, 2007, and annually thereafter, the commission shall issue a report on the status of the Citizens' Election Fund during the previous calendar year. The report shall include the amount deposited in the fund, the sources received by category, the number of contributions and contributors, the amount expended by category, the recipients of moneys distributed from the fund and an accounting of the costs incurred by the commission in administering the Citizens' Election Fund.

Section 9-716(b) of the General Statutes requires that not later than January first in any year in which a state election is held, the commission shall determine whether the amount in the fund is sufficient to carry out the purposes of this chapter. The commission shall issue a report on said determination.

Section 9-719(a) of the General Statutes requires the commission, after each general election, to compile and analyze the amount of grants made during the election cycle from the Citizens' Election Fund (CEF); the amount of expenditures reported by each candidate participating in the Citizens' Election Program; the amount of money returned to the CEF; the overall and average amounts of spending for election contests for each office; and the amount of independent expenditures for each election contest for each office. Section 9-719(b) of the General Statutes requires the commission to biennially report its analysis to the General Assembly not later than January 1 in even years.

Section 4-60 of the General Statutes requires the commission to submit to the Governor annually on or before September 1st a report of its activities during the fiscal year ended on the preceding June 30th.

Condition

The commission did not file six of eight required reports as follows:

- Section 9-7a(c) report for fiscal year 2022
- Section 9-716(a) reports for calendar years 2022 and 2023
- Section 9-716(b) report for the 2022 election cycle
- Section 9-719(b) report for calendar year 2022
- Section 4-60 report for fiscal year 2022

Context The commission has five statutory reporting requirements. We

found exceptions with five of those requirements. The commission should have produced eight reports during the audited period but

only provided two.

Effect The commission did not provide required information to public

officials which could affect legislative decision making.

Cause The lack of reporting compliance appears to be the result of

managerial inaction and lack of staff.

Prior Audit FindingThis finding has previously been reported in the last five audit

reports covering the fiscal years 2009 through 2021.

Recommendation The State Elections Enforcement Commission should strengthen its

internal controls to ensure it complies with its statutory reporting

requirements.

Agency Response "We agree with the finding in part. The agency has been delayed in

the past due to staffing shortages and competing obligations. The staffing shortages are permanent in nature. The agency has appointed an individual staff attorney as our Information Policy Coordinator to mitigate this finding. His duties include coordinating

and prioritizing all required reports."

Finding 3

Software Inventory Deficiencies

Criteria Section 4-36 of the General Statutes requires state agencies to

establish and maintain inventory records as prescribed by the Office of the State Comptroller. The State Property Control Manual requires agencies to maintain a centralized, detailed software

inventory.

Condition The commission did not update its software library in compliance

with the State Property Control Manual. It last updated its software

library in fiscal year 2022.

Context The commission's software library listed 26 programs with an

estimated cost of \$53,743 as of fiscal year 2022.

Effect The commission has less ability to track, monitor, and report on its

software assets.

The commission's information technology manager position has Cause

been vacant since 2022. The current IT employees were not aware

of the software inventory requirement.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The State Elections Enforcement Commission should establish internal controls to ensure it maintains its software inventory listing in compliance with the State Property Control Manual. The commission should properly train its employees on the manual's

software inventory requirements.

Agency Response

"We agree with this finding in part. The agency has been without the services of an IT Manager for more than two years. Our prior IT Managers maintained the software library and our consistent use software programs for our internal systems. The agency has recently hired a new IT Manager and will remedy this finding."

Finding 4

Lack of Documentation Supporting Compensatory Time and Overtime

Criteria

State Elections Enforcement Commission management practices require supervisors to preapprove overtime and compensatory time. Prudent business practices suggest that controls over compensatory time and overtime should ensure that recorded hours are valid, properly authorized, and completely and accurately recorded.

Each collective bargaining agreement governs the amount, use, and expiration of compensatory time.

Condition

We found SEEC did not properly preapprove 23.75 of 57.75 hours (41%) of compensatory time.

We found that 11 of 18 (61%) of employees were enrolled in the wrong compensatory time plan.

We also found SEEC did not properly preapprove 43.25 of 49.75 hours (87%) of overtime.

Context

In the fiscal years 2022 and 2023, 15 and 11 employees earned 292.50 and 324 hours of compensatory time, respectively. We

judgmentally selected ten employees who earned 57.75 hours of compensatory time.

In the fiscal years 2022 and 2023, five and 12 employees earned \$4,278 and \$11,608 of overtime pay, respectively. We judgmentally selected 12 employees with the highest overtime payments.

Eighteen SEEC employees are eligible to earn compensatory time. We reviewed all eligible employees' compensatory time plan enrollment.

Effect

Failure to properly administer and approve overtime and compensatory time could lead to unnecessary expenses.

Employees enrolled in the wrong compensatory time plan may earn more or less time than they should, or use expired compensatory time.

Cause

A lack of administrative oversight of compensatory time and overtime contributed to this condition.

Prior Audit Finding

This finding has previously been reported in the last two audit reports covering the fiscal years 2017 through 2021.

Recommendation

The State Elections Enforcement Commission should properly approve and document overtime and compensatory time. The commission should review compensatory time plans to ensure they correspond to the employee's collective bargaining agreement.

Agency Response

"We agree with this finding in part. All employees seeking overtime and/or compensatory time were approved verbally in advance. Due to exigent circumstances, the paperwork to document said approval was sometimes signed after the work was completed. The agency will correct this program going forward."

Finding 5

Inadequate Documentation of Personnel Actions

Criteria

Proper internal controls dictate that an agency should support its hiring actions by adequately documenting employee qualifications and its justification for selecting a candidate.

Condition

The commission did not maintain adequate documentation to support hiring decisions for all four hires reviewed. We identified that the commission did not document:

- Reference checks for three hires
- Verification of bar admission for two hires
- Degree verification for one hire
- Verification of professional licensure for one hire

Additionally, the commission did not maintain documentation of interviews, hiring justification, or management's approval of selected candidates.

Context

The agency hired five employees during the audited period and promoted six. We judgmentally selected four hires and two promotions.

Effect

There is less assurance the commission selected the most qualified candidates.

Cause

Management failed to establish formal policies and procedures for processing personnel actions or requirements for maintaining adequate documentation.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The State Elections Enforcement Commission should establish formal policies and procedures to ensure personnel actions are adequately supported and documented.

Agency Response

"We disagree with this finding. Juris Numbers were all reviewed and confirmed for legal candidates. Furthermore, the qualifications for all prospective employees are verified by DAS prior to placing them on a qualified candidate list. Agencies are not allowed to request or obtain additional qualifying information, i.e. resumes or CV's based upon DAS/OLR protocols during the initial application process. Verification of licensure, degree and bar admissions should be completed by DAS prior to placing any candidate on a qualified list. All academic and professional qualifications are discussed and reviewed during the candidate interviews conducted by agency staff."

Auditors' Concluding Comments

Eligible candidate lists are based on information reported on applications. The commission is responsible for verifying that candidates possess required qualifications before they are hired.

Verification should be documented and maintained in the candidate's file.

Finding 6

Lack of Formal Written Human Resources Policies and Procedures

Criteria Proper internal controls dictate that formal written policies and

procedures should be established, maintained, and distributed to employees to provide guidance in the performance of their duties.

Condition The commission did not develop and implement comprehensive

human resources policies and procedures.

Context As of October 2024, SEEC had not formally adopted written

procedures for its 31 employees.

Effect The effectiveness and efficiency of human resources functions may

be diminished.

CauseThe commission did not allocate the necessary resources to fully

establish formal written personnel policies and procedures.

Prior Audit Finding This finding has previously been reported in the last two audit

reports covering the fiscal years 2017 through 2021.

Recommendation The State Elections Enforcement Commission should establish and

maintain formal written human resources policies and procedures.

Agency Response "We disagree with the finding in part. SEEC follows all required HR

policies as written and disseminated by DAS. Our individual agency HR policies do not diverge from the State mandated policies. However, our HR staff is reviewing and drafting any necessary and

allowable modifications specifically for SEEC."

Finding 7

Untimely Posting of Receipts

Criteria Section 4-32 of the General Statutes requires that each agency

account for receipts within 24 hours. The State Accounting Manual requires state agencies to post deposits in Core-CT as soon as they

complete the confirmation process.

Condition Our review of nine deposits identified seven deposits posted to

Core-CT between two and 12 days late.

Context The commission made 241 deposits totaling \$241,884 in fiscal years

2022 and 451 deposits totaling \$299,077 in fiscal year 2023. We reviewed four deposits totaling \$3,114 and five deposits totaling

\$6,200 for fiscal years 2022 and 2023, respectively.

Effect Late posting of deposits increases the risk of errors.

Cause Lack of managerial control contributed to this condition.

Prior Audit FindingThis finding has not been previously reported.

RecommendationThe State Elections Enforcement Commission should strengthen its

internal controls to ensure that it promptly records receipts in Core-CT in accordance with Section 4-32 of the General Statutes and the

State Accounting Manual.

Agency Response "We agree with the finding in part. The deposits are being timely

made by staff; however, due to a staffing shortage in fiscal years 2022 and 2023, the posting of the deposits in Core-CT has been delayed at times. The SEEC now has hired additional fiscal staff to remedy this problem and no delays in posting have occurred since

the date of hire."

Finding 8

Failure to Tag and Track Controllable Assets

Criteria Section 4-36 of the General Statutes requires state agencies to

establish and maintain inventory records as prescribed by the Office

of the State Comptroller. The State Property Control Manual identifies controllable property as assets with a value below \$5000 and a useful life beyond a single reporting period. Controllable assets are sensitive, portable, and theft-prone, and must be tagged and maintained on the agency's inventory record.

Condition We identified 17 controllable assets, totaling \$5,718, that the

commission did not tag or add to its inventory record.

Context As of June 30, 2023, SEEC had 105 controllable assets totaling

\$70,528 on its inventory record. We reviewed agency asset purchases from fiscal years 2020 through 2023 to identify missing

controllable assets.

Effect There is an increased risk of loss or theft of state property.

Cause The agency believed the requirement for tagging assets only

applied to capital assets valued at more than \$5000.

Prior Audit FindingThis finding has not been previously reported.

Recommendation The State Elections Enforcement Commission should develop

policies and procedures to properly tag and record controllable

assets.

Agency Response "We agree with this finding. SEEC's fiscal staff misunderstood the

capital asset valuation criteria and will now document all assets as

required in this finding."

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our prior <u>audit report</u> on the State Elections Enforcement Commission contained seven recommendations. Three have been implemented or otherwise resolved and four have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
The State Elections Enforcement Commission should submit an annual report of its inventory and perform an annual physical inventory as prescribed by the State Property Control Manual	RESOLVED
The State Elections Enforcement Commission should create procedures to ensure that candidate committees repay surplus grant funds by the statutory due date in accordance with Section 9-608(e) of the General Statutes. If candidate committees cannot practically meet the March 31st deadline, the commission should seek a statutory change to conform with its current practice.	RESOLVED
The State Elections Enforcement Commission should complete its post- election review of candidate committees within the statutory deadlines. The commission should also obtain timely audit responses and require repayment of grant funds to the Citizen's Election Fund in accordance with Section 9-703(a)(2) of the General Statutes, when applicable.	REPEATED Modified Form Recommendation 1
The State Elections Enforcement Commission should strengthen internal controls to ensure that it complies with its statutory reporting requirements.	REPEATED Recommendation 2
The State Elections Enforcement Commission should properly approve and sufficiently document overtime and compensatory time.	REPEATED Modified Form Recommendation 4
The State Elections Enforcement Commission should comply with the dual employment requirements of Section 5-208a of the General Statutes by documenting and certifying that there are no conflicts for employees who hold multiple state positions.	RESOLVED

Prior	Current			
Recommendation	Status			
The State Elections Enforcement Commission should establish and maintain formal written human resources policies and procedures.	REPEATED Recommendation 6			

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the State Elections Enforcement Commission in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2022 and 2023. The objectives of our audit were to evaluate the:

- 1. Commission's internal controls over significant management and financial functions;
- 2. Commission's compliance with policies and procedures internal to the commission or promulgated by other state agencies, as well as certain legal provisions; and
- 3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, asset management, reporting systems, information technology, post-election audits, election complaint investigations, and Citizen's Election Program grants. We also determined the status of the findings and recommendations in our prior audit report.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the commission. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the commission's management and state information systems. It was not subject to our audit procedures. For the areas audited, we identified

- 1. Deficiencies in internal controls;
- 2. Apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and

3. A need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the State Elections Enforcement Commission.

ABOUT THE AGENCY

Overview

The <u>State Elections Enforcement Commission</u> operates as an independent executive branch agency primarily under the provisions of Sections 9-7a and 9-7b of the General Statutes. SEEC oversees the state's election laws. and investigates compliance with laws pertaining to state and local elections, primaries, and referenda. It can hold hearings, subpoena witnesses, require production of records, issue orders, and impose civil penalties. The commission also maintains an electronic campaign reporting system (eCris), which serves as the state's repository for campaign finance filings.

The commission administers the Citizens' Election Program (CEP). The program is financed through the Citizens' Elections Fund (CEF) and provides public campaign grants to qualified candidates for the General Assembly and statewide offices.

The commission provides education to candidates, campaign officials, political parties, and citizens of their rights, duties, and obligations under state election law to ensure voluntary compliance with the law. In the case of violations of election law, the commission may levy civil penalties.

Organizational Structure

The commission consists of five members with the consent of the General Assembly. Michael J. Brandi, Esq. served as the executive director and general counsel of the commission from February 10, 2012, until February 20, 2025. Clare Kindall currently serves as the interim executive director, effective March 21, 2025.

Significant Legislative Changes

No notable legislative changes took effect during the audited period.

Financial Information

General Fund Receipts

A summary of General Fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,				
		2021		2022	2023
Civil Penalties - Imposed	\$	145,750	\$	15,283	\$ 12,000
Late Fee - Elections/Financial Disclosure		16,350		7,300	18,700
Other		1,605		85	(24)
Total	\$	163,705	\$	22,668	\$ 30,676

According to commission records, the commission closed 172, 121, and 119 cases in the fiscal years 2021, 2022, and 2023, respectively. Those cases were the result of sworn citizen' complaints, referrals

from election officials, or a commission decision to investigate concerns related to election administration, the voting process, or potential violations of the campaign finance laws. Of the closed cases, 60, 15, and 36 cases, respectively, resulted in monetary sanctions (late filing fees, civil penalties, or forfeitures) that were deposited into the General Fund.

General Fund Expenditures

A summary of General Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,				
	2021		2022		2023
Personal Services	\$ 3,003,769	\$	3,223,884	\$	3,329,096
Purchased and Contracted Services	147,802		182,147		123,591
Total	\$ 3,151,571	\$	3,406,031	\$	3,452,687

Expenditures for personal services represented approximately 95 percent of the General Fund expenditures throughout the audited period. Expenditures for personal services grew over the audited period due to new hires and planned wage increases.

Purchased and contracted services expenditures accounted for approximately five percent of the General Fund expenditures throughout the audited period. The expenditures included purchases of information technology and office equipment, board member fees, and a large document digitization project.

Federal and Other Restricted Accounts Fund Receipts

A summary of Federal and Other Restricted Accounts Fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,				
	2021		2022		2023
Non-Federal Aid, Restricted	\$ 12,334,172	\$	12,617,858	\$	13,526,344
Campaign Committee Contrib.	289,537		218,966		267,142
Investment Income	22,538		98,984		960,183
Civil Penalty - Imposed	428		250		1,000
Total	\$ 12,646,675	\$	12,936,058	\$	14,754,669

Non-Federal Aid, Restricted account receipts represent allocations from the General Fund to the Citizens' Election Fund (CEF), a non-lapsing account that receives most of its funding from the transfer of unclaimed property from various sources into the state's custody. In accordance with Section 3-69a(a)(2) of the General Statutes, the State Treasurer transfers the required amount to the Citizens' Election Fund account each fiscal year, which is restricted for expenditures of the Citizens' Election Program.

Federal and Other Restricted Accounts Expenditures

A summary of Federal and Other Restricted Accounts expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,					
		2021		2022		2023
Representative Campaign Grants	\$	6,317,076	\$	1,214,080	\$	5,527,325
Senate Campaign Grants		5,565.664		875,932		5,173,228
Statewide Campaign Grants		0		1,452,375		9,644,116
Total	\$	11,882,740	\$	3,542,387	\$	20,344,669

Federal and Other Restricted accounts expenditures were for Citizens' Election Program grants, which vary each election cycle. There is an increase in the General Assembly candidate grants every other year and in the statewide campaign grants every fourth year. The 2022-2023 fiscal year statewide campaign grants included the elections for Governor, Lieutenant Governor, Secretary of the State, State Comptroller, Attorney General, and State Treasurer.