
REPORT DIGEST

ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD

COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this audit: 4

Total last audit: 2

Repeated from last audit: 2

Release Date:
May 25, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- The Board failed to pay Facilities Management, Statistical Services, and Telecommunications invoices totaling \$45,303 for FY09.
- The Board did not timely issue Recommended Decision and Orders or make fair share payments.
- The Board did not maintain an adequate segregation of duties.

{Expenditures and Activity Measures are summarized on the reverse page.}

ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2009

EXPENDITURE STATISTICS	FY 2009	FY 2008	FY 2007
Total Expenditures (All Appropriated Funds).....	\$1,098,366	\$1,272,891	\$1,198,782
OPERATIONS TOTAL	\$1,098,366	\$1,272,891	\$1,198,782
% of Total Expenditures.....	100%	100%	100%
Personal Services	\$792,135	\$851,410	\$844,765
% of Operations Expenditures	72.12%	66.89%	70.47%
Average No. of Employees	12	13	14
Other Payroll Costs (FICA, Retirement)	\$223,557	\$202,186	\$158,410
% of Operations Expenditures	20.35%	15.88%	13.21%
Contractual Services	\$58,898	\$166,477	\$144,139
% of Operations Expenditures	5.36%	13.08%	12.02%
Electronic Data Processing	\$881	\$604	\$3,510
% of Operations Expenditures	0.08%	0.05%	0.29%
Travel.....	\$13,949	\$20,960	\$13,019
% of Operations Expenditures	1.27%	1.65%	1.09%
All Other Operations Items	\$8,946	\$31,254	\$34,939
% of Operations Expenditures	0.82%	2.45%	2.92%
Cost of Property and Equipment.....	\$283,212	\$466,567	\$466,158

SELECTED ACTIVITY MEASURES (Not Examined)	FY 2009	FY 2008	FY 2007
Representation Cases Filed.....	99	112	113
Unfair Labor Practice Cases Filed	247	246	295

AGENCY DIRECTOR(S)
During Audit Period: Victor Blackwell Currently: Victor Blackwell

INTRODUCTION

The Illinois Educational Labor Relations Board was created on January 1, 1984 to administer the Illinois Education Labor Relations Act (115 ILCS 5/1 et seq.). The Board consists of a chairman and four members appointed by the Governor with the advice and consent of the Senate. The Board has jurisdiction over collective bargaining matters between educational employees and public school educational employers. The Board's primary responsibilities under the Act are to process representation petitions including conducting elections, to process unfair labor practice charges, and to process mediation/arbitration requests.

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

NONPAYMENT OF REVOLVING FUNDS

**Failed to pay FY09 revolving
fund invoices totaling
\$45,303**

The Educational Labor Relations Board (Board) failed to pay Facilities Management, Statistical Services, and Telecommunications invoices totaling \$45,303 for FY09. The Board purchases Facilities Management, Statistical Services, and Telecommunications through the Department of Central Management Services (DCMS) and is billed for the services through the aforementioned revolving funds, which are accounted for as Internal Service Funds.

The Board failed to pay the following DCMS revolving fund invoices:

- Seven invoices totaling \$16,185 for the Statistical Services Revolving Fund;
- Fourteen invoices totaling \$15,005 for the Facilities Management Revolving Fund;
- Eleven invoices totaling \$14,113 for the Communications Revolving Fund (Finding 1, pages 10-11)

We recommended the Board timely process revolving fund invoices and initiate reductions in other line items to ensure sufficient funds are available to pay all incurred expenditures.

Board agrees with auditors

Board officials concurred with the recommendation and stated they were directed by GOMB to withhold payment to DCMS Revolving Accounts since funds were not available at the time to meet those obligations. Board officials also stated they paid all revolving fund accounts in full at the opening of FY10. Board officials further stated they will follow the recommendation to timely process revolving fund invoices and pay all incurred expenditures when due with the expectation that funds will be available.

UNTIMELY PROCESSING OF FAIR SHARE CASES AND PAYMENTS

The Board did not timely issue Recommended Decision and Orders or make fair share payments. We noted the following:

Recommended Decision and Orders issued

No payment had been made on two final orders

- Two of 4 (50%) consolidated cases tested did not have Recommended Decision and Orders (Order) issued within the required timeframe. The Orders were issued 32 and 263 days late.
- Two of 4 (50%) consolidated cases tested had final orders issued yet no payments had been made. As of March 1, 2010, these cases had not been paid for 256 and 447 days. (Finding 2, pages 12-13) **This finding was first reported in 2005.**

We recommended the Board issue Recommended Decision and Orders within the required timeframe. Also, the Board should implement controls to expedite fair share payments. Further, efforts to coordinate necessary information from outside parties should be documented to justify any delays. (For previous Board response, see Digest Footnote #1)

Board agrees with auditors

Board officials concurred with the recommendation and stated they will direct Administrative Law Judges to proceed and conclude fair share hearings within the required period. Board officials further stated they have implemented controls that are expected to minimize if not eliminate late payment to fair share fee objectors.

NEED TO IMPROVE INTERNAL CONTROLS

Inadequate segregation of duties

The Board had inadequate segregation of duties in the areas of procurement, payroll and expenditure control, State property and receipt processing. We noted the following:

- One person had the authority to perform procurement functions, including the approval of contracts, prepare and approve vouchers, maintain accounting records and perform monthly expenditure reconciliations.
- One person had the authority to approve all property purchases, tag all inventory, maintain the property records, and complete the quarterly reports of State property.
- One person had the authority to prepare payroll, make adjustments to payroll, approve payroll and distribute payroll stubs.
- One person had the authority to prepare receipts, deposit receipts, and maintain the ledger of receipts (Finding 3, page 14- 15)

We recommended the Board implement procedures to ensure they maintain effective internal control over the record keeping and accounting duties concerned with procurement, expenditures, property control, payroll, and receipts.

Board officials concurred with the recommendation and stated they will continue to request authority to hire an accountant in the Springfield Office to segregate these responsibilities.

**STATE COMPLIANCE EXAMINATION –
ACCOUNTANT’S REPORT**

The auditors qualified their report on State Compliance for finding 09-1. Except for the noncompliance described in this finding, the auditors state the Board complied, in all material respects, with the requirement described in the report.

WILLIAM G. HOLLAND, Auditor General

WGH:PH:pp

AUDITORS ASSIGNED

The examination was conducted by staff of the Office of the Auditor General.

DIGEST FOOTNOTES

**#1 – UNTIMELY PROCESSING OF FAIR SHARE CASES AND
PAYMENTS**

2007: The Board concurs with this finding. The Board plans to meet with responsible staff and implement appropriate controls to remedy potential hearing delays.