



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

EDUCATIONAL LABOR RELATIONS BOARD

COMPLIANCE EXAMINATION
For the Two Years Ended: June 30, 2013

Release Date: January 23, 2014

Summary of Findings:

Total this audit:	4
Total last audit:	2
Repeated from last audit:	2

SYNOPSIS

- The Educational Labor Relations Board did not employ the minimum number of staff as required by the Educational Labor Relations Act.
- The Educational Labor Relations Board had an inadequate segregation of duties in the areas of payroll, expenditure control, State property, and receipt processing.

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

**EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013**

EXPENDITURE STATISTICS	2013	2012	2011
Total Expenditures.....	\$ 1,020,310	\$ 984,966	\$ 987,043
OPERATIONS TOTAL.....	\$ 992,416	\$ 967,638	\$ 976,086
% of Total Expenditures.....	97.3%	98.2%	98.9%
Personal Services.....	802,203	774,604	-
State Contributions to Social Security.....	58,183	56,427	-
Contractual Services.....	100,236	96,112	-
All Other Operating Expenditures.....	31,794	40,495	976,086
NON-APPROPRIATED FUNDS.....	\$ 27,894	\$ 17,328	\$ 10,957
% of Total Expenditures.....	2.7%	1.8%	1.1%
Total Receipts.....	\$ 512	\$ 3,638	\$ 955
Average Number of Employees.....	11	11	12

SELECTED ACTIVITY MEASURES (Not Examined)	2013	2012	2011
Representation Cases Filed	82	91	84
Unfair Labor Practice Cases Filed	213	265	263

EXECUTIVE DIRECTOR
During Examination Period: Mr. Victor Blackwell
Currently: Mr. Victor Blackwell

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FAILURE TO EMPLOY REQUIRED STAFF

Required number of attorneys and investigators not employed

The Educational Labor Relations Board (Board) did not employ the minimum number of staff as required by the Educational Labor Relations Act (Act). The Board did not employ a minimum of eight attorneys and five investigators. As of June 30, 2013 the Board employed six attorneys and one investigator. (Finding 1, page 9)

We recommended the Board comply with the Act's requirements for attorneys and investigators or seek legislative remedy to the statutory requirements.

Board agrees with auditors

The Board agreed with the recommendation and stated this requirement was subject to the Board's annual appropriation by the General Assembly and to date, no funds have been appropriated to hire additional staff.

INADEQUATE SEGREGATION OF DUTIES

Inadequate segregation of duties

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

- One person had the authority to prepare and approve vouchers, maintain accounting records, enter transactions into the accounting system, and perform monthly 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 receipts ledger. (Finding 2, pages 10-11) **This finding was first reported in 2007.**

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

Board agrees with auditors

The Board agreed with the recommendation and stated the inadequate segregation of duties finding continues because the Board has no authorized headcount or funding to hire an assistant fiscal officer or accountant. *(For previous Board response, see Digest Footnote # 1.)*

OTHER FINDINGS

The remaining findings pertain to: (1) inadequate controls over equipment and (2) failure to implement provisions of the Identity Protection Act. We will review the Board’s process towards the implementation of our recommendations in our next engagement.

AUDITORS’ OPINION

We conducted a compliance examination of the Board as required by the Illinois State Auditing Act. The Board has no funds that require an audit leading to an opinion of financial statements.



WILLIAM G. HOLLAND
.. Auditor General

WGH:jv

AUDITORS ASSIGNED

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

DIGEST FOOTNOTES

#1 - INADEQUATE SEGREGATION OF DUTIES

2011: The Board agreed with the recommendation and stated the inadequate segregation of duties finding continues because the Board has no authorized headcount or funding to hire an assistant fiscal officer or accountant.