
REPORT DIGEST

ILLINOIS LABOR RELATIONS BOARD

COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this audit: 8
Total last audit: 11
Repeated from last audit: 7

Release Date:
May 18, 2010



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

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SYNOPSIS

- The Board did not maintain adequate controls over the recording and reporting of State property.
- The Board did not maintain adequate internal controls over travel.
- The Board did not exercise adequate control over employee accumulated benefit time records, requests for use of employee benefit time, and employee final termination pay.

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

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

| EXPENDITURE STATISTICS | FY 2009 | FY 2008 | FY 2007 |
|---|--------------------|--------------------|--------------------|
| Total Expenditures (All Funds) | \$1,767,184 | \$1,724,233 | \$1,715,136 |
| Personal Services..... | \$1,198,910 | \$1,184,019 | \$1,180,181 |
| % of Total Expenditures..... | 67.8% | 68.7% | 68.8% |
| Average No. of Employees | 20 | 20 | 21 |
| Other Payroll Costs (FICA, Retirement)..... | \$340,379 | \$283,074 | \$221,639 |
| % of Total Expenditures..... | 19.3% | 16.4% | 12.9% |
| Contractual Services..... | \$108,960 | \$151,745 | \$177,612 |
| % of Total Expenditures..... | 6.2% | 8.8% | 10.4% |
| Electronic Data Processing | \$56,384 | \$42,399 | \$42,481 |
| % of Total Expenditures | 3.2% | 2.5% | 2.5% |
| All Other Items | \$62,551 | \$62,996 | \$93,223 |
| % of Total Expenditures | 3.5% | 3.6% | 5.4% |
| Cost of Property and Equipment..... | \$170,505 | \$237,890 | \$185,220 |

| SELECTED ACTIVITY MEASURES (Not Examined) | FY 2009 | FY 2008 | FY 2007 |
|--|----------------|----------------|----------------|
| • Representation cases filed | 407 | 479 | 330 |
| • Charges against labor organization | 100 | 65 | 74 |
| • Charges against employer | 372 | 314 | 334 |
| • Mediation/Arbitration cases | 320 | 297 | 296 |

| AGENCY DIRECTOR(S) |
|--|
| During Examination Period: John Brosnan Currently: John Brosnan |

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER THE
RECORDING AND REPORTING OF STATE
PROPERTY**

The Board did not maintain sufficient controls over the recording and reporting of State property. Some of the conditions we noted follow:

**Property reports understated
by \$19,648**

**Additions and deletions
records not maintained**

**Required information did not
accompany transferred
property**

**Inaccurate purchase prices
reported to receiving
agencies**

**Equipment items not
recorded on inventory
records**

**Purchase prices not
documented**

- Five of 8 (63%) Quarterly Reports of State Property (C-15's) prepared by the Board and submitted to the Illinois Office of the Comptroller (IOC) did not accurately reflect Board equipment transactions. The FY08 equipment additions were understated by \$16,542 and the FY09 additions were understated by \$2,446. In addition, the FY09 net transfers were understated by \$660.
- The Board did not maintain a complete record of additions and deletions that occurred during the period.
- For nine of 25 (36%) transferred out items tested, the Board did not maintain documentation showing they provided the historical cost, purchase price, and date to the receiving agency.
- For two of 25 (8%) transferred out items tested, we noted the purchase prices reported to the receiving agency did not agree to the purchase prices documented on the Board's property listing.
- Seven items purchased during the period, totaling \$2,969, were not added to the Board's property listing. In addition, one item acquired prior to the current examination period, totaling \$3,522, was not added to the property listing or tagged.
- The Board did not document the purchase price of three equipment items, totaling \$10,645, on the Board's property listing.

We recommended the Board strengthen controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. Also, the Board should review all reports prepared from internal records for completeness and accuracy before submission to the Department of Central Management Services when

transferring out equipment items. In addition, the Board should ensure all equipment is accurately and timely recorded on the Department's property records and properly tagged. Further, the Board should file their required reports by the reporting deadlines. (Finding 1, pages 9-12)

Board officials agree with auditors

Board officials concurred with the finding and stated they will continue to strengthen their controls and procedures for recording and reporting State property.

TRAVEL PROCESSING WEAKNESS

The Board did not maintain adequate controls over travel. Some of the conditions we noted follow:

- Six of 25 (24%) vouchers tested, totaling \$2,211, contained reimbursements to employees for rates claimed in excess of State travel allowances. We noted 5 instances of reimbursements to employees for lodging rates claimed in excess of rates set forth by the Governor's Travel Control Board (GTCB). Excess rates claimed for lodging were between \$22 and \$80. We also noted one instance of excess per diem reimbursement with a total overpayment of \$7.
- Two of 25 (8%) vouchers tested were not supported by proper documentation, including receipts for transportation, lodging and other expenses. Reimbursement in the amount of \$306 was paid without proper documentation to support the expenses.

Reimbursements made in excess of travel allowances

Reimbursements not properly documented

We recommended the Board strengthen its internal controls over travel to ensure travel vouchers are properly supported, reimbursements are in accordance with the Governors Travel Control Board and Travel Regulation Council regulations, travel vouchers are submitted timely, and TA-2 reports are filed with the LAC timely. In addition, we recommend the Board request reimbursement from those employees overpaid. (Finding 2, pages 13-14)

Board officials agree with auditors

Board officials concurred with the finding and stated they will continue to strengthen its internal controls over travel.

INADEQUATE CONTROL OVER ACCUMULATED LEAVE RECORDS, LEAVE REQUESTS, AND FINAL TERMINATION PAY

The Board did not exercise adequate control over employee accumulated benefit time records, requests for use of employee benefit time, and employee final termination pay. Some of the conditions we noted follow:

- Employees were allowed to carry over unused vacation time beyond the limits set forth in the Board's Policy Manual. We noted 2 of 5 (40%) employees tested were allowed to accumulate 146 and 113 hours of unused vacation time, respectively, in excess of the carry over amount permitted by the Board's Policy Manual. As a result, when one of these employees retired during the examination period, the Board erroneously overpaid this person a total of \$5,296 at the time of separation. The other employee has not retired or separated from the Board and has continued to accrue vacation time, in addition to the excess balance already held.
- Leave request forms did not contain evidence of review or approval by the employee's superior for 1 of 5 (20%) employees tested. We noted 9 instances, totaling 22 hours, where this employee's superior did not document his or her approval of the employee's requests for leave time on the leave request forms.

We recommended the Board implement procedures necessary to annually review employee leave time records for unused vacation time that should be forfeited. We also recommended the Board ensure all leave request forms include evidence of manager approval or denial. Also, the Board should periodically review employee leave time records for mathematical errors. Further, the Board should recover the excess amount paid to the former employee. (Finding 3, pages 15-16)

Board officials concurred with the finding and stated they will implement the auditors' recommendations and will continue to strengthen its internal controls over accumulated leave records, leave requests, and final termination pay.

Employees accrued excess vacation time; resulted in \$5,296 overpayment

Leave requests not reviewed or approved

Board officials agree with auditors

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Board. We will review the Board's progress toward implementation of our recommendations in our next examination.

AUDITORS' OPINION

We conducted a compliance examination of the Illinois Labor Relations Board as required by the Illinois State Auditing Act. We have not audited any financial statements of the Illinois Labor Relations Board for the purpose of expressing an opinion because the Illinois Labor Relations Board does not, nor is it required to, prepare financial statements.

WILLIAM G. HOLLAND, Auditor General

WGH:CD:pp

AUDITORS ASSIGNED

The compliance examination was conducted by the Auditor General's staff.