



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EDUCATIONAL LABOR RELATIONS BOARD

Compliance Examination
 For the Two Years Ended June 30, 2015

Release Date: January 21, 2016

FINDINGS THIS AUDIT: 3	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2013		15-3	
Category 2:	0	3	3	2011		15-1	
Category 3:	0	0	0	2007		15-2	
TOTAL	0	3	3				
FINDINGS LAST AUDIT: 4							

SYNOPSIS

- (15-1) The Board failed to employ the minimum number of staff as required by the Educational Labor Relations Act.
- (15-2) The Board lacks an adequate segregation of duties in the areas of expenditure control, State property, payroll, and receipt processing.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2015**

EXPENDITURE STATISTICS	2015	2014	2013
Total Expenditures.....	\$ 1,514,951	\$ 1,558,992	\$ 1,020,310
OPERATIONS TOTAL.....	\$ 1,514,951	\$ 1,558,992	\$ 992,416
% of Total Expenditures.....	100.0%	100.0%	97.3%
Personal Services.....	762,649	796,332	802,203
Other payroll costs (FICA, Retirement).....	610,232	626,831	58,183
Contractual Services.....	108,684	99,967	100,236
All Other Operating Expenditures.....	33,386	35,862	31,794
NON-APPROPRIATED FUNDS.....	\$ -	\$ -	\$ 27,894
% of Total Expenditures.....	0.0%	0.0%	2.7%
Total Receipts.....	\$ 590	\$ 574	\$ 512
Average Number of Employees (Not Examined).....	10	11	11

SELECTED ACTIVITY MEASURES (Not Examined)	2015	2014	2013
Representation Cases Filed	67	76	82
Unfair Labor Practice Cases Filed	222	192	213
Average Expenditure per Case	\$ 5,242	\$ 5,817	\$ 3,364

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

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

FAILURE TO EMPLOY REQUIRED STAFF

Required number of investigators and attorneys 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 8 attorneys and 5 investigators. The Board employed 6 attorneys and 1 investigator during FY14 and FY15. (Finding 1, page 9) **This finding has been repeated since 2011.**

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

Board agreed 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. *(For previous Board response, see Digest Footnote #1.)*

INADEQUATE SEGREGATION OF DUTIES

Inadequate segregation of duties

The Board had an inadequate segregation of duties in the areas of expenditure control, State property, payroll, 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 has been repeated since 2007.**

We recommended the Board implement procedures to ensure it maintains effective internal control over the record keeping and accounting duties concerned with expenditure control, State property, payroll, and receipts processing.

Board agreed with auditors

The Board agreed with the recommendation and stated the inadequate segregation of duties finding continues because the Board has neither authorized headcount nor adequate funding to hire an assistant fiscal officer or accountant. *(For previous Board response, see Digest Footnote #2.)*

OTHER FINDING

The remaining finding pertains to inadequate controls over equipment. We will follow up on the Board’s process towards the implementation of our recommendations in our next engagement.

ACCOUNTANT’S OPINION

We conducted a compliance examination of the Board for the two years ended June 30, 2015 as required by the Illinois State Auditing Act. The accountants stated the Board complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:jv

AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General’s staff.

DIGEST FOOTNOTES

#1 – FAILURE TO EMPLOY REQUIRED STAFF

2013: The Board agrees with this finding, however, 115 ILCS 5/5(f) states that the requirement for hiring is, “subject to the annual appropriation by the General Assembly”. To date, no funds have been appropriated to hire additional staff.

#2 - INADEQUATE SEGREGATION OF DUTIES

2013: The Board agrees with this finding, however, the inadequate segregation of duties finding continues because the Board has no authorized headcount or funding to hire an assistant fiscal officer or accountant.