

**STATE OF ILLINOIS
ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2021

**STATE OF ILLINOIS
ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

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**STATE OF ILLINOIS
ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

BOARD OFFICIALS

Chair (02/26/21 – Present)	Ms. Lara Shayne
Chair (08/01/20 – 02/25/21)	Vacant
Chair (07/01/19 – 07/31/20)	Ms. Andrea Waitroob
Executive Director	Mr. Victor Blackwell
General Counsel (09/23/19 – Present)	Ms. Ellen Strizak
General Counsel (09/01/19 – 09/22/19)	Vacant
General Counsel (07/01/19 – 08/31/19)	Ms. Susan Willenborg
Associate General Counsel (11/01/19 – Present)	Ms. Dawn Harden
Associate General Counsel (09/01/19 – 10/31/19)	Vacant
Associate General Counsel (07/01/19 – 08/31/19)	Ms. Ellen Strizak
Chief Fiscal Officer	Ms. Meredith Dean

BOARD MEMBERS

Board Member	Vacant
Board Member (07/01/19 – 07/31/22)	Mr. Gilbert O'Brien
Board Member	Ms. Lara Shayne
Board Member (01/04/21 – Present)	Mr. Chad Hays
Board Member (08/01/20 – 01/03/21)	Vacant
Board Member (07/01/19 – 07/31/20)	Ms. Andrea Waitroob
Board Member (03/01/21 – Present)	Mr. Steven Grossman
Board Member (08/01/20 – 02/28/21)	Vacant
Board Member (07/01/17 – 07/31/20)	Ms. Judy Biggert
Board Member (03/01/21 – Present)	Ms. Michelle Ishmael
Board Member (02/27/21 – 02/28/21)	Vacant
Board Member (07/01/19 – 02/26/21)	Ms. Lynne Sered

The Board's administrative offices are located at:

One Natural Resources Way
Springfield, IL 62702

160 North LaSalle Street
Suite N-400
Chicago, IL 60601



MANAGEMENT ASSERTION LETTER

December 21, 2022

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Educational Labor Relations Board (Board). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following specified requirements during the two-year period ended June 30, 2021. Based on this evaluation, we assert that during the years ended June 30, 2020, and June 30, 2021, the Board has materially complied with the specified requirements listed below.

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law. Include this paragraph only if applicable during the examination period.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law. Include this paragraph only if applicable during the examination period.

Yours truly,

Illinois Educational Labor Relations Board

SIGNED ORIGINAL ON FILE

Mr. Victor Blackwell, Executive Director

Ms. Meredith Dean, Chief Fiscal Officer

Ms. Ellen Strizak, General Counsel

Yours truly,

Illinois Educational Labor Relations Board

Mr. Victor Blackwell, Executive Director

SIGNED ORIGINAL ON FILE

Ms. Meredith Dean, Chief Fiscal Officer

Ms. Ellen Strizak, General Counsel

Yours truly,

Illinois Educational Labor Relations Board

Mr. Victor Blackwell, Executive Director

Ms. Meredith Dean, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Ms. Ellen Strizak, General Counsel

**STATE OF ILLINOIS
ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD
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STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	5	2
Repeated Findings	2	2
Prior Recommendations Implemented or Not Repeated	0	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-001	11	2019/2013	Insufficient Controls over Equipment	Significant Deficiency and Noncompliance
2021-002	13	2019/2007	Inadequate Segregation of Duties	Significant Deficiency and Noncompliance
2021-003	15	New	Disaster Recovery Planning Weaknesses	Significant Deficiency and Noncompliance
2021-004	16	New	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2021-005	18	New	Voucher Processing Weaknesses	Significant Deficiency and Noncompliance

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EXIT CONFERENCE

The Board waived an exit conference in a correspondence from Meredith Dean, Chief Fiscal Officer, on December 9, 2022. The responses to the recommendations were provided by Meredith Dean, Chief Fiscal Officer, in a correspondence dated December 21, 2022.

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FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Illinois Educational Labor Relations Board

Report on State Compliance

We have examined compliance by the State of Illinois, Illinois Educational Labor Relations Board (Board) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2021. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

In our opinion, the Board complied with the specified requirements during the two years ended June 30, 2021, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2021-001 through 2021-005.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's

internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2021-001 through 2021-005 that we consider to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Board's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
December 21, 2022

STATE OF ILLINOIS
ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021

2021-001. **FINDING** (Insufficient Controls over Equipment)

The Illinois Educational Labor Relations Board (Board) did not maintain sufficient controls over its equipment. Specifically, the Board did not report obsolete transferable equipment to the Department of Central Management Services (DCMS) and did not remove a lost item from inventory.

We noted the following conditions:

- During forwards testing, we noted 18 of 22 (82%) items, totaling \$19,782, selected for testing appeared to be obsolete to the needs of the Board. During backwards testing, we noted 31 of 42 (74%) items, totaling \$12,423, selected for testing appeared to be obsolete to the needs of the Board. While touring the Board’s Springfield and Chicago office locations, we noted multiple areas were being used for storage of unused or obsolete items. We inquired of the Board to determine if the Board attempted to dispose of the unused or obsolete assets with the DCMS. The Board indicated there had been no attempt to dispose of the assets during the examination period. Additionally, we noted excess electronic data processing (EDP) equipment while onsite at the Board’s Chicago office. In total, we identified 125 items, totaling \$81,769, as obsolete to the needs of the Board. When we inquired to determine the amount of time the items have been awaiting surplus, the Board was unable to provide an estimate; however, the Board was able to substantiate a request had been submitted to DCMS subsequent to the examination period.
- We also noted 1 of 22 (5%) equipment items tested, totaling \$200, was reported as not located on the annual certifications of inventory filed during Fiscal Year 2020 and Fiscal Year 2021. The item was not removed from the Board’s June 30, 2021 property records.

The State Property Control Act (30 ILCS 605/7.3) requires the Board to periodically report all transferable property at locations under its jurisdiction to DCMS. The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.620) requires the Board to regularly survey its inventories for transferable equipment and report any such equipment to DCMS. The Code further specifies transferable equipment shall reported by submitting a property change report to DCMS; or if the equipment is not listed on the Board’s inventory, the Board shall notify DCMS by letter. The Statewide Accounting Management System (SAMS) (Procedure 03.60.20) states inventory items which are obsolete, damaged, or no longer usable should be identified and, if necessary, removed from the Board’s inventory records.

This finding was first noted during the Board’s compliance examination for the period ended June 30, 2013. Board management has been unsuccessful in implementing a corrective action plan to remedy these problems. The Board’s management team is

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responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Board management indicated, as they did in the prior examination, the issues noted were due to a lack of staffing and competing priorities. In addition, the COVID-19 pandemic limited the time and resources available to address these matters.

Not reporting transferable equipment to DCMS in a timely manner may lead to unnecessary purchases of similar equipment by agencies who could have used the surplus equipment. Continuing to report lost items on inventory represents noncompliance with the SAMS manual. (Finding Code 2021-001, 2019-001, 2017-001, 2015-003, 2013-003)

RECOMMENDATION

We recommend the Board take action to ensure all transferable equipment is reported to DCMS. We also recommend the Board ensure missing items are removed from property records.

BOARD RESPONSE

The Board agrees with this finding. The Board disposed of \$59,002 of obsolete items in August, 2022. The Board will continue to ensure all transferable equipment is reported to DCMS and missing items are removed from property records.

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2021-002. **FINDING** (Inadequate Segregation of Duties)

The Illinois Educational Labor Relations Board (Board) did not have an adequate segregation of duties over its accounting and recordkeeping functions.

During testing, we noted for payroll and non-payroll expenditures, the Board's Chief Fiscal Officer has the authority to perform all parts of the transaction cycle, including:

- **Authorization** by reviewing and approving transactions, including having signature authority for all transactions and direct access to the Central Payroll System (CPS);
- **Custody** by maintaining electronic and physical records and submitting expenditures for payment to the State Comptroller;
- **Recordkeeping** by preparing the payroll and any adjustments within CPS for submission to the State Comptroller, preparing entries, and maintaining the Board's internal accounting records; and,
- **Reconciliation** by preparing reconciliations to the State Comptroller's records to verify each transaction's validity, proper authorization, and entry into the Board's accounting records.

We did not identify any compensating controls to mitigate this significant control weakness over the Board's expenditures, which totaled \$3,100,971 during the examination period.

This finding was first noted during the Board's compliance examination for the period ended June 30, 2007. Board management has been unsuccessful in implementing a corrective action plan to remedy these problems. The Board's management team is responsible for implementing timely corrective action on all of the finding identified during a State compliance examination.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) required the Board establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Board officials indicated, as they did in the prior examination, the Board lacks authorization and funding to hire an assistant fiscal officer and/or accountant.

Failure to limit the ability of one person to have the authority to perform all functions of a transaction increases the likelihood a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 2021-002, 2019-002, 2017-002, 2015-002, 2013-002, 11-2, 09-3, 07-2)

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RECOMMENDATION

We recommend the Board implement procedures to limit one person from having the authority to perform all of the functions associated with payroll and non-payroll expenditure transactions. Involving an existing staff person in the transaction cycle process could facilitate an appropriate segregation of duties without hiring an assistant fiscal officer or accountant.

BOARD RESPONSE

The Board agrees with this finding. The Board intends to hire an assistant fiscal officer to resolve this issue.

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2021-003. **FINDING** (Disaster Recovery Planning Weaknesses)

The Illinois Educational Labor Relations Board (Board) had not completed a Disaster Recovery Plan and had not performed recovery testing.

During our examination, we noted the Board did not create a Disaster Recovery Plan. Further, the Board had not conducted recovery testing during the examination period.

The *Contingency Planning Guide for Federal Information Systems* published by the National Institute of Standards and Technology (Special Publication 800-34, First Revision) requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the Board's resources.

Board officials indicated the issues noted were caused by Board oversight.

Without an adequately documented and tested disaster recovery plan, the Board cannot ensure its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2021-003)

RECOMMENDATION

We recommend the Board create a Disaster Recovery Plan and perform recovery testing, at least annually.

BOARD RESPONSE

The Board agrees with this finding. The Board worked with the Department of Innovation and Technology (DoIT) to create a Business Impact Analysis, which is the first step in creating a disaster recovery plan.

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2021-004. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Illinois Educational Labor Relations Board (Board) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

The Board is provided authority through legislative statute to protect the rights of educational employees wanting to organize and bargain collectively. To support these educational employees the Board employs various methods, including but not limited to, certifying and clarifying bargaining units; investigating hearing and remedying unfair labor practices by educational employers and unions; and assisting parties engaged in mediation and arbitration. To assist the Board in meeting their statutory requirements, the Board maintains applications which contain confidential and/or personal information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Board's cybersecurity programs, practices and control of confidential information, we noted the Board had not:

- Developed policies to address remote access, network security, encryption, cybersecurity, and for tracking items with confidential, sensitive, or personally-identifiable information, including protecting data from initial acquisition until disposal on both State-owned and State-used media;
- Established and documented cybersecurity roles and responsibilities;
- Classified its data to identify and ensure adequate protection of information (i.e. confidential or personal information) most susceptible to attack; and,
- Reviewed the results of vulnerability scanning activity performed to ensure vulnerabilities were remediated timely and information assets were protected.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the Board's resources.

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Board officials indicated the issues noted were caused by Board oversight.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Board’s confidential or personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2021-004)

RECOMMENDATION

We recommend the Board:

- Develop policies to address remote access, network security, encryption, cybersecurity, and for tracking items with confidential, sensitive, or personally identifiable information, including protecting data from initial acquisition until disposal on both State-owned and State-used media;
- Establish and document cybersecurity roles and responsibilities;
- Classify its data to identify and ensure adequate protection of information most susceptible to attack; and,
- Review the results of vulnerability scanning activity performed and ensure vulnerabilities were remediated timely and information assets were protected.

BOARD RESPONSE

The Board agrees with this finding. Board staff have completed mandatory cybersecurity training through the OneNet portal as a first step.

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2021-005. **FINDING** (Voucher Processing Weaknesses)

The Illinois Educational Labor Relations Board (Board) did not exercise adequate control over signature authority and did not ensure vouchers were approved timely.

In its Statewide Accounting Management System (SAMS) manual, the Office of Comptroller (Comptroller) established processes and forms for submitting and revoking contract and voucher approval specimen signatures as described in the table below:

<u>SAMS Procedure</u>	15.20.95	15.20.96	17.20.65	17.20.70
<u>Form</u>	Contract Signature Authorization Form (SCO-470)	Contract Signature Revocation Form – Designee (SCO-470-A) Contract Signature Revocation Form – Agency Head (SCO-470-B)	Voucher Signature Authorization Form (SCO-095)	Voucher Signature Revocation Form – Designee (SCO-095-A) Voucher Signature Revocation Form – Agency Head (SCO-095-B)
<u>Purpose</u>	Allows agencies to provide specimen signatures to the Comptroller for persons authorized to sign the agency head approval line manually or electronically on contracts. Is also prepared for designees authorized to affix the signature of the agency head on the agency head approval line on contracts, manually or electronically, with a stamp or signature machine.	Facilitates notification to the Comptroller when a Contract Signature Authorization Form on file should be revoked.	Allows agencies to provide specimen signatures to the Comptroller for persons authorized to sign the agency head approval line on vouchers or file balancing reports. Is also prepared for designees authorized to affix the signature of the agency head on the agency head line on vouchers, such as with a stamp or signature machine.	Facilitates notification to the Comptroller when a Voucher Signature Authorization Form on file should be revoked.
<u>Frequency of Submission</u>	Dependent on when the use of a signature is authorized or the period for which the signature was valid has lapsed	Dependent on when signature authorization is revoked or the period for which the signature was valid has lapsed	Dependent on when the use of a signature is authorized, its authority is expanded, or the period for which the signature was valid has lapsed	Dependent on when signature authorization is changed, revoked, or the period for which the signature was valid has lapsed

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In conjunction with our testing of vouchers and contracts, we compared which employees of the Board previously had and/or currently have signature authority and which employees of the Board were actually signing vouchers and contracts, and we noted the Board was unable to provide any documents substantiating a previous member of Board leadership had signature authority over vouchers and contracts. However, multiple Board employees had been delegated signature authority by this previous member of Board leadership for vouchers and contracts.

- Due to the issue noted above, 43 of 100 (43%) vouchers tested were approved by employees with improper signature authority designations.
- A previous member of Board leadership also delegated signature authority to an employee for contracts. However, this previous member of Board leadership resigned in July 2020, and the designee's signature authority for contracts should have been revoked at that time. We noted the designee's signature authority for contracts remained intact through the end of the examination period.

SAMS (Procedure 15.20.96) requires the Board to notify the Comptroller when a Voucher Signature Authorization Form on file should be revoked. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

In addition, during testing of non-payroll expenditure vouchers, we noted 33 of 96 (34%) vouchers tested, totaling \$26,070, were approved 1 to 94 days late.

The Illinois Administrative Code (74 Ill. Admin. Code 900.70) requires the Board to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part within 30 days after physical receipt of the bill.

During the current examination, Board officials indicated the issues noted were due to the onset and continuation of the COVID-19 pandemic and employee error, along with oversight and competing priorities. During the prior examination, Board officials indicated the issue noted was due to key personnel being on leave and a contractual replacement working limited hours, as well as the Board transitioning to the Enterprise Resource Planning system for expenditure processing.

Failure to maintain appropriately documented signature authority with the Office of Comptroller increases the likelihood of irregularities within the Board's accounts and represents noncompliance with SAMS. Failure to timely approve vouchers for payment represents noncompliance with the Code and could subject the State to unnecessary interest charges. (Finding Code No. 2021-005)

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RECOMMENDATION

We recommend the Board review all contract and voucher signature authorization forms on file with the Office of Comptroller and submit any authorization forms and/or revocation forms necessary to reflect the Board's current staffing and operational needs while being mindful of the Board's need to establish an appropriate segregation of duties as described in Finding 2021-002.

BOARD RESPONSE

The Board agrees with the finding, however, the previous member of Board leadership gained signature authority in April, 2015, which is prior to the current Fiscal officer's tenure with the Board. The Fiscal Officer has received periodic emails from the Office of the Comptroller confirming the member of Board leadership had proper signature authority, therefore, the Fiscal Officer was not made aware a correction was required. Furthermore, proper signature authority has been established for Board leadership beginning in August, 2020.