



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**LABOR RELATIONS BOARD**

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

**Release Date: March 5, 2014**

**Summary of Findings:**

<b>Total this audit:</b>	<b>5</b>
<b>Total last audit:</b>	<b>6</b>
<b>Repeated from last audit:</b>	<b>2</b>

**SYNOPSIS**

- The Board did not maintain adequate controls over accumulated benefit time and related payouts.
- The Board did not timely deposit receipt and refund transactions.

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

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

<b>EXPENDITURE STATISTICS</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Total Expenditures.....</b>	\$ 1,468,084	\$ 1,353,407	\$ 1,520,273
<b>Total Receipts.....</b>	\$ 1,266	\$ -	\$ 169
<b>Average Number of Employees.....</b>	20	18	20

<b>SELECTED ACTIVITY MEASURES (NOT EXAMINED)</b>	<b>2013</b>	<b>2012</b>	<b>2011*</b>
Representation cases filed	189	184	337
Charges against labor organization	79	86	74
Charges against employer	251	284	294
Mediation/Arbitration cases	355	414	413

\*2011 amounts previously reported have been adjusted to conform with the Board's current system of case tracking.

<b>AGENCY DIRECTOR</b>
During Examination Period: John Brosnan (through 4/27/2012) and Jerald Post, Acting (4/28/2012 through 5/31/2012)
Currently: Melissa Mlynski (6/1/2012)

**FINDINGS, CONCLUSIONS, AND**  
**RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER  
ACCUMULATED BENEFIT TIME AND  
RELATED PAYOUTS**

The Board did not have proper internal controls over accumulated benefit time which resulted in incorrect balances for some employees and incorrect payouts upon termination. We noted the following:

**Annual cumulative timesheets  
incorrect**

- Two of twenty (10%) employees selected for detail testing had incorrect beginning balances on their annual cumulative timesheets. These errors resulted in the vacation time being understated by 0.5 hours and 44.5 hours and sick time being overstated by 2.5 hours and understated by 43 hours.

**Discrepancies between monthly  
timesheets and annual cumulative  
timesheets**

- Two of twenty (10%) employees selected for detail testing had discrepancies between the monthly timesheet prepared by the employee and the annual cumulative timesheet that is derived from the monthly timesheets. These errors resulted in personal time being overstated by 0.5 and 1 hour.

**Payouts of unused vacation time  
for incorrect amounts**

- Three of six (50%) employees who separated from the agency during the engagement period and received a payout of their unused vacation time for an incorrect amount. These errors resulted in payouts with 6 days underpaid, and 3.9 days and 0.8 days overpaid to these employees upon separation from the Board. (Finding 1, pages 8-9)

We recommended the Board establish additional review procedures to ensure that records of accumulated benefit time are accurate. We further recommended the Board payout the remaining unused vacation time earned by the employee and seek reimbursement for the vacation time overpaid to the employees.

**Board officials agree with  
auditors**

Board officials accepted the finding and recommendation and requested reimbursement for vacation time overpaid to employees and processed payment of unused vacation time earned by the affected employee. The Board will review controls to insure that such errors are prevented in the future.

## UNTIMELY DEPOSITS OF RECEIPTS AND REFUNDS

The Board did not make deposits in a timely manner.

**Receipts were not date stamped or submitted timely**

During our testing of deposits of receipts and refunds, one of four (25%) deposits, totaling \$1,228, was not made in a timely manner. The checks that made up this deposit were dated between January 3, 2013 and February 27, 2013. None of the documentation had a date received stamp to indicate when the checks were actually received by the Board, and the deposit was not made until March 13, 2013. (Finding 2, page 10) **This finding was first reported in 2007.**

We recommended that the Board comply with the State Officers and Employees Money Disposition Act by making timely deposits into the State Treasury.

**Board officials agree with auditors**

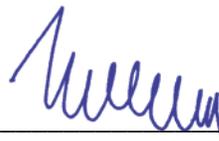
The Board accepts the finding and recommendations and stated that they will review its processes to ensure compliance with recommendations. *(For the previous Board response, see Digest Footnote #1.)*

## 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.



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WILLIAM G. HOLLAND, Auditor General

WGH:mfp

## **AUDITORS ASSIGNED**

Our special assistant auditors for this engagement were Doehring, Winders & Co. LLP.

## **DIGEST FOOTNOTES**

### **#1 – UNTIMELY DEPOSITS OF RECEIPTS AND REFUNDS**

2011: The Board accepts the finding and recommendations. The Board will review its processes to ensure compliance with recommendations.