

REPORT DIGEST

ILLINOIS HUMAN RIGHTS COMMISSION FINANCIAL AND COMPLIANCE AUDIT (In Accordance with the Single Audit Act of 1984 and OMB Circular A-128) FOR THE TWO YEARS ENDED JUNE 30, 1995

SYNOPSIS

- The Commission did not maintain adequate controls over its property and equipment. **This finding has existed since 1987.**
- The Commission's liability for its compensated absences was overstated by \$52,380 and \$66,062, respectively, for fiscal years 1994 and 1995.

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

ILLINOIS HUMAN RIGHTS COMMISSION
FINANCIAL AND COMPLIANCE AUDIT
For the Two Years Ended June 30, 1995

EXPENDITURE STATISTICS	FY 1995	FY 1994	FY 1993
● Total Expenditures (All Funds)	\$ 1,064,920	\$ 1,136,186	\$ 1,315,093
<u>OPERATIONS TOTAL</u>	\$ 1,002,925	\$ 908,225	\$ 911,987
% of Total Expenditures	94.2%	79.9%	69.3%
Personal Services *	\$ 690,903	\$ 613,530	\$ 619,836
% of Operations Expenditures	68.8%	67.5%	67.9%
Average No. of Employees	22	24	23
Other Payroll Costs (FICA, Retirement)	\$ 106,285	\$ 94,272	\$ 94,392
% of Operations Expenditures	10.6%	10.4%	10.4%
Contractual Services	\$ 148,036	\$ 138,648	\$ 36,677
% of Operations Expenditures	14.8%	15.3%	4.0%
All Other Operations Item	\$ 57,701	\$ 61,775	\$ 161,082
% of Operations Expenditures	5.8%	6.8%	17.7%
<u>GRANTS TOTALS</u>	\$ 61,995	\$ 227,961	\$ 403,106
% of Total Expenditures	5.8%	20.1%	30.7%
● Cost of Property and Equipment	\$ 156,074	\$ 128,649	\$ 121,292

SELECTED ACTIVITY MEASURES	FY 1995	FY 1994	FY 1993
● Caseload	2,854	3,003	3,195
● Cases per Administrative Law Judge (ALJ)	279	295	331
● Number of ALJs	7.5	7.5	7.5
● Total Receipts (SLIAG Fund)	\$29,500	\$211,325	\$445,881

AGENCY DIRECTOR
During Audit Period: Gail M. Bradshaw Current Period: Gail M. Bradshaw

* Excludes Chairman and Commission members whose salaries are paid from the Comptroller's appropriations.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

LACK OF INTERNAL CONTROLS OVER PROPERTY AND EQUIPMENT

The Commission did not maintain adequate internal controls over its property and equipment. During our testing we noted the following deficiencies:

- An annual inventory of equipment in the Springfield office was not performed in fiscal year 1995.
- Seven items purchased during the audit period were not included on the Commission's inventory.
- The Comptroller's Agency Report of Fixed Assets was either not filed or filed late. Some reports were filed between 23 to 148 days late.

Failure to maintain adequate internal controls minimizes the Commission's ability to safeguard State assets. **This finding has been repeated since 1987.** (Finding 1, page 9)

Commission officials accepted our finding and recommendation to record and identify property as required. They said an annual inventory was conducted although it may not have met all the requirements. (For previous Commission responses, see Digest Footnote 1.)

FAILURE TO PROPERLY ACCOUNT FOR COMPENSATED ABSENCES LIABILITY

The Commission's liability for its compensated absences was overstated by \$52,380 and \$66,062, respectively, for fiscal years 1994 and 1995.

Based on our calculations, the Commission's balances for vacation and other employee leave were overstated by \$2,007 in fiscal year 1994 and \$2,985 in fiscal year 1995. The employee sick leave balance was also overstated by \$50,373 in fiscal year 1994 and \$63,077 in fiscal year 1995. Supporting documentation was also not available to substantiate amounts reported to the State Comptroller's office. (Finding 4, page 13)

Commission officials agreed with our finding and recommendation. They said that a misinterpretation of the requirements caused the finding and that no employee had been or was in danger of being overcompensated for accumulated sick leave after resignation. They also said that steps would be taken to correct the problem.

OTHER FINDINGS

The remaining findings were less significant and have been given appropriate attention by the Commission. We will review the Commission's progress toward the implementation of our recommendations in our next audit.

Mrs. Gail M. Bradshaw, Director of the Illinois Human Rights Commission, provided the responses to our findings and recommendations.

AUDITORS' OPINION

Our auditors report the financial statements of the Illinois Human Rights Commission for the years ended June 30, 1994 and 1995 are fairly presented.

WILLIAM G. HOLLAND, Auditor General

SUMMARY OF AUDIT FINDINGS

Number of Current Audit Prior Audit

Audit findings 616
Repeated audit findings 3 5
Prior recommendations implemented
or not repeated 13 4

AUDITORS ASSIGNED

This audit was performed by staff of the Office of the Auditor General.

DIGEST FOOTNOTES

#1 LACK OF INTERNAL CONTROLS OVER PROPERTY AND EQUIPMENT-Previous Commission Responses

1993:"The Commission has implemented internal controls to ensure that the deficiencies described in the audit report are not repeated. These controls include assigning the responsibility of the maintenance and submittal the fixed asset report to the assistant to the Fiscal Officer. All additions and surplussing of equipment will be promptly noted on that report."

1991:"We understand that this is a repeat, however, we believe that the deficiencies listed are somewhat out of our control. The list we received from DCMS gives the value of property when purchased. The individual listings give the location of the property. Since the finding of the last two year audit period ending June 30, 1989, we have attempted to correct the weakness. I must remind you that we did not get the results of the first year audit until September, 1990. sometime after the end of the first year of this current audit. Once we were made aware of our weakness, we in fact did improve internal controls over these functions. The duties involved in these functions are now being done by three individuals, and we are well on our way to correcting our past mistakes."

1989: "We accept the recommendation. For FY90, the Springfield and Chicago offices are doing a thorough inventory. The Administrative Assistant has communicated with CMS Property Control and the proper forms and methods are being implemented to maintain correct inventory control over property and equipment."

1987: "The Commission has designated its fiscal officer as the property and equipment coordinator. She has filed quarterly inventory reports with the Illinois Department of Central Management Services and is receiving training from the State Comptroller's Office so that the Commission can submit properly completed Annual Fixed Asset Reports."

Although we do not disagree with the Auditor General's finding, we believe that no State equipment was lost due to lack of adequate internal controls during the audit period."