

STATE OF ILLINOIS  
**DEPARTMENT OF HUMAN RIGHTS**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

STATE OF ILLINOIS  
**DEPARTMENT OF HUMAN RIGHTS**  
COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

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**DEPARTMENT OFFICIALS**  
**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**

Director	Mr. Rocco Claps
Deputy Director	Ms. Bobbie Wanzo
Chief Fiscal Officer (February 19, 2004 to present)	Ms. Lynne Turner
Chief Fiscal Officer (July 19, 2004 to January 18, 2005)	Ms. Courtney Ruby
Chief Fiscal Officer (August 16, 1990 to June 26, 2004)	Ms. Maria Ulmer
Legal Counsel	Mr. Raymund Luna

Department offices are located at:

100 W. Randolph Suite 10-100 Chicago, Illinois 60601	222 S. College Springfield, Illinois 62704	2309 West Main Street Suite 112 Marion, Illinois 62959
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ILLINOIS DEPARTMENT OF  
**Human Rights**

COMMEMORATING 25 YEARS OF SERVICE

ROD R. BLAGOJEVICH, GOVERNOR  
ROCCO J. CLAPS, DIRECTOR

MANAGEMENT ASSERTION LETTER

E.C. Ortiz & Co., LLP  
Certified Public Accountants  
333 S. Des Plaines  
Chicago, Illinois 60661

November 14, 2005

Ladies and Gentlemen:


We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Illinois Department of Human Rights. 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 Office's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2004, the Office has materially complied with the assertions below.

- A. The Office 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 Office 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 Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Office 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. The money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and record keeping relating thereto is proper, accurate and in accordance with law.

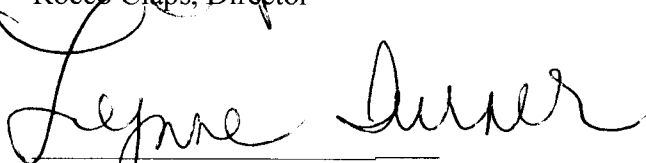
Yours very truly,

**Illinois Department of Human Rights**



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Rocco Claps, Director



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Lynne Turner, Chief Fiscal Officer



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Ray Luna, Chief Legal Counsel

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS  
For the Two Years Ended June 30, 2005

**GENERAL REVENUE FUND – 001**

Jury Duty and Reimbursement

Jury duties and reimbursements are refunds from employees who have to be absent for jury duties. They fluctuate from year to year with the number of employees being called for that duty.

Copy Fees

Copy fees decreased in fiscal year 2003 as a result of fewer requests for copies of cases filed with the Department of Human Rights under the Freedom of Information Act.

**SPECIAL PROJECTS FUND – 607**

Federal Grant

Federal Grant receipts fluctuate from year to year depending upon the cases closed by the Department and timing of federal drawdowns.

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Prior Finding Code</u>
05-5		Inadequate Cash Receipts Records and Reconciliation Procedures	03-6
05-6		Noncompliance with Statutory Mandates	N/A
05-7		Inadequate Controls Over Telecommunication Expenditures	N/A
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)			
05-8		Inadequate Controls over Property	03-4
05-9		Inadequate Review of Internal Controls	03-5

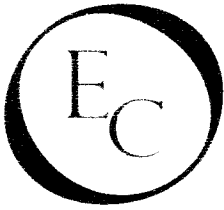
### EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 6, 2006. Attending were:

Department of Human Rights  
Rocco Claps, Director  
Bobbie Wanzo, Deputy Director  
Lynne Turner, Chief Fiscal Officer

Office of the Auditor General  
Kevin Carhill, Manager  
  
E.C. Ortiz & Co., LLP  
Stella Santos, Manager

Department of Human Rights' responses to the recommendations were provided by Ms. Lynne Turner, Chief Fiscal Officer on February 6, 2006.



INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined Illinois Department of Human Rights compliance with the 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, 2005. The management of the Illinois Department of Human Rights is responsible for compliance with these requirements. Our responsibility is to express an opinion on Illinois Department of Human Rights' compliance based on our examination.

- A. The Illinois Department of Human Rights 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 Illinois Department of Human Rights 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 Illinois Department of Human Rights has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Illinois Department of Human Rights 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 Illinois Department of Human Rights on behalf of the State or held in trust by the Illinois Department of Human Rights 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 as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Department of Human Rights' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Illinois Department of Human Rights' compliance with specified requirements.

In our opinion, the Illinois Department of Human Rights complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 05-1 through 05-7.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

### **Internal Control**

The management of the Illinois Department of Human Rights is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Illinois Department of Human Rights' internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 05-1, 05-

2, 05-3, 05-4, 05-5, and 05-7. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2005 and the 2004 Supplementary Information for State Compliance Purposes except for information on the Illinois First projects and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

*E. C. Grijewski, CPA*

November 14, 2005

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State

For the two years ended June 30, 2005

**05-1. Efficiency Initiative Payments**

The Department of Human Rights (Department) made payments for efficiency initiative billings from improper line item appropriations.

Public Act 93-0025, in part, outlines a program for efficiency initiatives to reorganize, restructure and reengineer the business processes of the State. The State Finance Act details that the amount designated as savings from efficiency initiatives implemented by the Department of Central Management Services (CMS) shall be paid into the Efficiency Initiatives Revolving Fund. **“State agencies shall pay these amounts...from the line appropriations where the cost savings are anticipated to occur.”** (30 ILCS 105/6p-5)

The Department received two billings from CMS for savings from efficiency initiatives. The initiatives and amounts billed to the Department for FY04 and FY05 were:

INVOICE BILLING DATE	INITIATIVE	BILLED AMOUNT
<b>FY04</b>		
09/25/03	Procurement Efficiency	\$ 42,561.00
09/25/03	Information Technology	\$ 35,253.00
<b>FY05</b>		
01/19/05	Procurement Efficiency	\$ 71.44
05/02/05	Information Technology	\$ 9,214.00
Grand Total FY04-FY05		\$ 87,099.44

The Department could not provide any guidance or documentation with the FY04 billings from CMS detailing from which line items appropriations savings were anticipated to occur. Further, Department staff reported there was no evidence of savings for the FY04 billings from CMS.

Based on our review, we question whether appropriate appropriations, as required by the State Finance Act, were used to pay for the anticipated savings in FY04. We found that the Department made payments for these billings **not** from line item appropriations where the cost savings were anticipated to have occurred but where the Department had available

funds. The Department paid the \$77,814 in FY04 billings from personal services line item appropriations. However, without specific guidance from CMS regarding the nature and type of savings initiatives, it is unclear whether this was the appropriate line from which to make savings payments.

The FY05 billings from CMS contained more detail on where CMS determined the Department saved monies. It appeared the Department paid these billings from appropriate line item appropriations.

The table below provides an illustration of the specific funds and line items the Department used to make payments for the efficiency initiatives. Additionally, the table illustrates which efficiency initiatives were paid from the various line item appropriations.

FUND	LINE ITEM APPROPRIATION	AMOUNT PAID	TOTAL APPROPRIATION FOR LINE ITEM	EFFICIENCY INITIATIVE	
				PROCUREMENT	INFORMATION TECHNOLOGY
<b>FY04</b>					
001	For Personal Services	\$ 77,814.00	\$ 3,940,798.00	✓	✓
<b>FY05</b>					
001	For Commodities	\$ 71.44	\$ 15,800.00	✓	
607	For Telecommunications Services	\$ 9,214.00	\$ 88,000.00		✓
<sup>1</sup> Legend: 0001-General Revenue Fund; 0607-Special Projects Fund					

Use of appropriations unrelated to the cost savings initiatives results in non-compliance with the State Finance Act. Furthermore, use of appropriations for purposes other than those authorized by the General Assembly effectively negates a fundamental control established in State government. Finally, use of funds unrelated to the savings initiative may result in an adverse effect on services the Department provides. (Finding Code No. 05-1).

Recommendation

We recommend that the Department only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, the Department should seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Department’s budget.

Department’s Response

The Department will adhere to this recommendation.

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State (Continued)

For the two years ended June 30, 2005

**05-2. Inadequate Financial Reporting - Generally Accepted Accounting Principles**

The Department of Human Rights (Department) did not maintain adequate financial records or prepare accurate accounting report (i.e., GAAP Reporting Package) for submission to the Illinois Office of the Comptroller. The Department did not keep adequate records, schedules, or reconciliations to support grant/contract data, accounts receivables, and accounts payable.

As part of the year-end accounting and financial reporting closing process, State Agencies are required to prepare and submit to the Illinois Office of the Comptroller accounting and Financial Reporting reports (i.e., GAAP Reporting Packages) which summarize their yearly financial activities and the status of their funds at year-end. The “GAAP Reporting Packages” are used by the Comptroller to prepare the State’s Basic Financial Statements. The information reported by an agency should agree to the underlying supporting records at the Agency and should be reconciled to records at the Office of the State Comptroller.

The Department’s books and records were maintained using the Comptroller’s Statewide Accounting Management System (SAMS), which is essentially a cash basis budgetary accounting system. Because the Department does not regularly maintain a “GAAP” basis general ledger, data must be gathered and a computation must be made annually to prepare “GAAP” basis financial statements. While the SAMS manual has the necessary information as to the requirements of the “GAAP Reporting Package”, the Department did not comply with these requirements.

Department management considered the SAMS basis records to be adequate to meet the GAAP reporting requirements and adjustments for the “GAAP Reporting Package”, as most of the GAAP requirements are limited to grant receivables at year-end. Therefore, the Department did not maintain other records, schedules, or reconciliations to support grant/contract data, accounts receivables, and accounts payable. There was also an unexpected turnover of the staff responsible for the preparation of the GAAP Packages so that the previous years’ recommendations were not implemented.

Inaccurate information in the Department's "GAAP Reporting Package" increases the potential for errors in the statewide financial statements prepared by the Comptroller. (Finding Code Nos. 05-2, 03-1, 01-1, 99-5, 97-5)

Recommendation

We recommend that the Department keep adequate records, schedules and reconciliations to support grant/contract data, accounts receivables, and accounts payable so that accurate "GAAP Reporting Packages" can be prepared in the future.

Department's Response

The Department agrees with the recommendation. The Department has secured additional software to help manage, reconcile, and support the GAAP Reporting Package.

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State (Continued)

For the two years ended June 30, 2005

**05-3. Inadequate documentation and improper expenditure classification**

The Department did not adequately document or properly classify expenditures.

In our tests of expenditure vouchers, we noted the following:

- 17 of 30 (57%) vouchers tested totaling \$12,417 did not have purchase requisitions or purchase orders signed and approved by the Division Supervisor/Head requesting the commodities. There were also no receiving reports prepared to document receipt of items purchased nor any acknowledgement of receipt of items indicated on the invoices attached to these vouchers.
- One of 30 (3%) travel vouchers tested amounting to \$380 representing travel expenses for a non-State employee was charged to the employee travel expenditure line instead of the contractual expenditure line.

DHR Administrative Policies and Procedures Manual – Chapter V - Fiscal Policies Section F require that all purchases of commodities be adequately supported and approved by authorized personnel. It also requires that all supply requests be made in writing using a purchase requisition form. SAMS Procedure 11.50.30 states that payments to reimburse a non-state employee, including a vendor performing contractual services, for any expenditure directly incident to travel or other related expenses in connection with official State business be charged to account 1286 “travel and expense reimbursement to non-state employees”.

According to Department management, the Division Supervisor/Head believed there was no need for purchase requisitions or purchase orders since they approved the invoices for payment. The improper coding of the travel voucher was an oversight.

Absence of approved purchase requisitions or purchase orders and receiving reports increases the risk that unauthorized and inaccurate disbursements may be made. Improper charging of expenditures resulted in travel expenditures being overstated and contractual expenditures being understated by \$380. (Finding Code Nos. 05-3, 03-2)

### Recommendation

We recommend the Department improve its voucher processing procedures to ensure that commodity purchases are made in accordance with Department policies, receipt of the items purchased are formally documented, and correct detail object codes are used in recording expenditures.

### Department's Response

The Department agrees with the recommendation. Effective July 1, 2005, the Department uses purchase orders for all expenditures, except those covered by a contract. In addition, the Department will try to ensure that all vouchers processed are properly coded.



**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State (Continued)

For the two years ended June 30, 2005

**05-4. Untimely Processing of Vendor Invoices**

The Department did not process vendor invoices in a timely manner.

During our audit, we noted that 92 vouchers (\$172,844) of 248 (\$405,330) tested in fiscal year 2004 and 2005 (37%) were not approved for payment within 30 days as follows:

Type of Expenditure	No. of vouchers	No. of days approved beyond 30
Contractual	9	4-277
Travel	5	5-43
Commodities	7	9-54
Printing	11	2-210
Equipment	4	5-37
Telecommunication	21	4-377
Automotive	9	3-75
Lump Sum	11	12-266
Lapse Period	15	14-152
Total	<u>92</u>	

We also noted that 56 vouchers paid out of the General Revenue Fund (33 in fiscal year 2004 and 23 in fiscal year 2005) were paid 1 to 93 days late. For two of these late vouchers interest totaling \$280 was due but not paid.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70) and the State Prompt Payment Act (30 ILCS 540/3-2) require vendor invoices to be approved for or denied payment within 30 days of receipt. Beginning July 1, 2002, any bill approved for payment must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If the payment is not issued to the payee within this 60 day period, an interest penalty of 1% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made. The Illinois Administrative Code (74 Ill. Adm. Code 900.90) requires agencies to automatically pay interest amounting to \$50 or more to the appropriate vendor. For interest amounting of at least \$5 but less than \$50, the vendor

must initiate a written request for the interest penalty when such interest is due and payable. Interest amounting to less than \$5 will not be paid by the State, whether or not requested.

Department management stated that the untimely approval of vouchers was due to lack of personnel in the Fiscal Division. Additional resources were not available until January 2005.

Late approval of invoices is non-compliance with the State Prompt Payment Act. Untimely processing and approval of vouchers and late payment can result in the Department accruing unnecessary interest. Late processing may also result in other late charges and fees. (Finding Code Nos. 05-4, 03-3, 01-2, 99-4, 97-4, 95-3)

#### Recommendation

We recommend the Department process vendor invoices timely and pay interest owing in compliance with the State Prompt Payment Act.

#### Department's Response

The Department agrees with the recommendation. The Department has made significant improvements in regards to timely processing of vouchers. All travel vouchers are processed within 1 week of receipt. All other vouchers are processed within 2 weeks of receipt. In addition, the Department will continue to approve and process vendor invoices in a timely manner.

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State (Continued)

For the two years ended June 30, 2005

**05-5. Inadequate Cash Receipts Records and Reconciliation Procedures**

The Department had inadequate cash receipts records and reconciliation procedures. The Department's receipts records did not summarize all cash receipts sequentially and chronologically to provide a basis for establishing completeness of receipt transactions and timeliness of deposits as well as to facilitate the reconciliation with the Comptroller's reports.

Cash receipts for the General Revenue Fund totaled \$9,345 and \$5,747 for fiscal year 2004 and 2005, respectively. Cash receipts for the Special Projects Division Fund totaled \$1,723,802 and \$1,966,973, for fiscal year 2005 and 2004, respectively.

In fiscal year 2004, the Department implemented the use of a cash receipts logbook. However, we noted that only miscellaneous receipts are recorded in the logbook. Receipts for federal grants and salary refunds are not recorded in the logbook. In addition, the logbook does not indicate the Receipt Deposit Transmittal (RDT) number and RDT date to ensure that the receipts have been reported to the Comptroller's Office. The Department tracks the RDT forms prepared by marking the number in a numerical checklist. This checklist, however, does not have details of the RDT as to date and amount and therefore lacks a comprehensive tie-out mechanism.

For instance, we noted one receipt for \$303.50 that was received on July 14, 2004 with no RDT and therefore was not included in the Comptroller's Cash Receipts Report (SB05).

State Officers and Employees Money Disposition Act (30 ILCS 230/2) states that "Every officer, board, commission, commissioner, department, institution, arm or agency brought within the provisions of this Act by Section 1 shall keep in proper books a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt, the payor, and purpose and amount, and the date and manner of disbursement as hereinafter provided ...." Sound internal controls dictate that receipts be recorded at time of receipt. The receipt transactions should be recorded sequentially and chronologically to ensure completeness. Reconciliation of cash receipts with the Comptroller's reports should be performed monthly and formally documented.

According to Department personnel, they considered the numerical checklist for RDTs and the miscellaneous cash receipts logbook adequate to track receipts and RDTs. They stated that federal grants are received through wire transfers and were not considered necessary for recording in the logbook.

Incomplete recording and documentation of receipts only upon preparation of the RDT may result in errors, irregularities and misuse of funds which may not be detected promptly. Without complete cash receipt records, the reconciliation process cannot be accurately performed. (Finding Code Nos. 05-5, 03-6)

#### Recommendation

We recommend the Department record cash receipts at the time of receipt in a Cash Receipts Ledger that will summarize receipts and ensure complete and sequential recording of all receipt transactions. The cash receipts ledger should be used as the basis for the reconciliation with the Comptroller's reports.

#### Department's Response

The Department agrees with the recommendation. Effective July 1, 2005, Cash Receipts, including federal transmittals are reconciled monthly to the Comptrollers Report and a computerized worksheet is used each month to verify Cash Receipts. The Department will adhere to this recommendation.

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State (Continued)

For the two years ended June 30, 2005

**05-6. Noncompliance with Statutorily Mandated Time Limits**

The Department of Human Rights did not meet the procedural time limits set forth when a charge of a civil rights violation has been filed.

In our review of 60 cases filed with the Department, we noted the following:

- In five (8%) employment cases, the Department did not serve a copy of charge on the respondents within 10 days when the charge was filed (11-23 days).
- In one (2%) housing case, the Department did not notify both parties in writing when the investigation was not completed within 100 days from the time the charge was filed (153 days).

The Illinois Human Rights Act (775 ILCS 5/7A-102(B)) requires that the Department shall, within 10 days of the date on which the charge was filed, serve a copy of the charge on the respondent.

The Act (775 ILCS 5/7B-102(C)) also requires that the Department shall conduct a full investigation of the allegations set forth in the charge and complete such investigation within 100 days after the filing of the charge. If the Department is unable to complete the investigation within 100 days after the charge is filed, the Department shall notify the complainant and respondent in writing if the reasons for not doing so.

According to Department management, the untimely issuance of notices was due to lack of personnel to process the large number of cases filed in the Charge Processing Division.

Late issuance of notices and notifications is a noncompliance with the Act. Delay in the processing may adversely affect the resolution of the cases and ultimately delay the billing of closed cases. (Finding Code No. 05-6)

Recommendation

We recommend that the Department adhere to the processing timetable as mandated by the Illinois Human Rights Act.

Department's Response

The Department will adhere to this recommendation.

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Current Findings – State (Continued)

For the two years ended June 30, 2005

**05-7. Inadequate Controls Over Telecommunication Expenditures**

The Department did not have adequate controls to monitor telephone usage.

In our tests of telecommunication expenditures, we noted the following:

- In 4 of 30 (13%) vouchers tested, we noted twenty-three (23) calls made from 2 telephone lines totaling \$109 representing collect calls accepted during office hours from March 2003 to January 2004. No one was specifically assigned to the cubicles where the telephones were located. Management was not able to explain the purpose or nature of these calls and track down the employee or determine who received the calls.
- Telephone bills attached to the vouchers tested did not show evidence of management review.

The Department's Administrative Policies and Procedures Manual - Chapter V – Fiscal Policies – Section G strictly require that the use of department telephone be limited to business calls. For any use of Department telephone calls beyond the parameters of this policy, employees shall be charged the cost associated with the calls. In addition, collect calls are not allowed. Any employee accepting a collect call will face disciplinary actions. Further, it is the responsibility of the Division Managers or person responsible for the account being billed, to verify the accuracy of all charges and note any discrepancies or unacceptable use. Each division is responsible for maintaining logs and reviewing records to justify all telephone charges.

Department management stated that the exceptions were due to Division Managers not strictly enforcing the Administrative Policies and Procedures.

Failure to review telephone bills for unusual and lengthy calls may result in personal calls not being reimbursed to the Department. (Finding Code No. 05-7)

Recommendation

We recommend that the Department strictly enforce existing telephone policies and require that managers/supervisor review telephone bills on a monthly basis and

formally document the review. The Department may also wish to consider using personal identification numbers (PIN) or access codes for unassigned telephones to prevent unauthorized calls.

Department's Response

The Department will adhere to this recommendation.



**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS**

Compliance Report

Prior Findings Not Repeated - State

For the two years ended June 30, 2005

**05-8. Inadequate Controls over Property**

During the prior review, the Department lacked adequate controls over property with regards to physical control, recordkeeping and reporting. Seven of 30 equipment items could not be located; items in 5 of 25 vouchers tested consisting of 40 equipment items were recorded at an incorrect cost; two equipment items found were not recorded on the inventory listings; and one voucher for the purchase of new furniture with a unit cost of \$604 did not have a new furniture affidavit filed with the State Surplus Administrator. (Finding Code 03-4)

Status:           Reported as Immaterial Finding 05-2

The current period testing disclosed a lesser number of exceptions. In our testing, we noted 4 of 30 items physically identified were not recorded on the inventory listings and 2 items lacked inventory tags.

**05-9. Inadequate Review of Internal Controls**

During the prior review, the Department did not adequately perform its review of internal controls under the Fiscal Control and Internal Auditing Act (FCIAA). More specifically, the fiscal year 2002 certification letter was filed late and certification reports did not include internal control weaknesses that had been reported as material weaknesses in the Department's audit reports. Corrective action plans were also not included in the reports. (Finding Code 03-5)

Status:           Not Repeated

The reports for the current period were prepared and timely submitted.

## **SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

### **SUMMARY**

Supplementary information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
  - Schedule of Expenditures of Federal Awards
  - Notes to the Schedule of Expenditures of Federal Awards
  - Schedule of Appropriations, Expenditures and Lapsed Balances
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Schedule of Efficiency Initiative Payments
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
  - Explanation of Significant Variations in Expenditures
  - Explanation of Significant Variations in Receipts
  - Analysis of Significant Lapse Period Spending
  
- Analysis of Operations:
  - Agency Functions and Planning Program
  - Emergency Purchase
  - Illinois First Projects (Not Examined)
  - Average Number of Employees
  - Service Efforts and Accomplishments (Not Examined)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in this section states that the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Illinois First Projects and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2005

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>Equal Employment Opportunity Commission</b>		
<i>Employment Discrimination – State and Local - Fair Employment Practices Agency Contracts</i>	30.002	\$ 1,233,000
<b>Department of Housing and Urban Development – Office of Fair Housing and Equal Opportunity</b>		
<i>Fair Housing Assistance Program - State and Local</i>	14.401	<u>171,000</u>
Total Expenditures of Federal Awards		<u>\$ 1,404,000</u>

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2004

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>Equal Employment Opportunity Commission</b>		
<i>Employment Discrimination – State and Local - Fair Employment Practices Agency Contracts</i>	30.002	\$1,565,000
<b>Department of Housing and Urban Development – Office of Fair Housing and Equal Opportunity</b>		
<i>Fair Housing Assistance Program - State and Local</i>	14.401	115,000
<b>Department of Justice</b>		
<i>Education and Enforcement of the Antidiscrimination Provisions of the Immigration and Nationality Act</i>	16.110	<u>30,790</u>
Total Expenditures of Federal Awards		<u>\$1,710,790</u>

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Two Years Ended June 30, 2005

**1. SIGNIFICANT ACCOUNTING POLICIES**

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activities of Illinois Department of Human Rights (Department) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**2. DESCRIPTION OF FEDERAL AWARD PROGRAMS**

Resources of the State are appropriated for use by the Department in an annual appropriation bill as adopted by the General Assembly and approved by the Governor. All funds appropriated to the Department and all other cash received are under the custody and control of the State Treasurer.

Special Projects Division Fund

**a.) Equal Employment Opportunity Commission (EEOC)**

*Employment Discrimination - State and Local - Fair Employment Practices Agency Contracts (CFDA # 30.002)*

The Department is reimbursed \$500 per case for the complete investigation of individual allegations of discrimination in employment and sexual harassment in employment. Contract is fee for services rendered. No refund of monies not expended in state fiscal year are due back to the federal government.

**b.) Department of Housing and Urban Development (HUD) – Office of Fair Housing and Equal Opportunity**

*Fair Housing Assistance Program - State and Local (CFDA # 14.401)*

The Department is the recipient of the HUD grant amounting to \$115,000 in 2005 and 2004 for agreeing to process those housing discrimination complaints arising within its jurisdiction.

**c.) Department of Justice (DOJ) – Office of Special Counsel for Immigration Related Unfair Employment Practices, Civil Rights Division**

*Education and Enforcement of the Antidiscrimination Provisions of the Immigration and Nationality Act (CFDA # 16.110)*

The Department is the recipient of a special grant from DOJ to create a special Immigration Outreach Project. The main emphasis of the Project was to educate employers and employees that are part of the various immigrant communities throughout Illinois.

**3. PASS-THROUGH AND SUBRECIPIENT AWARDS**

The Department of Human Rights receives all of its federal assistance directly from the EEOC and HUD, and does not provide any awards to subrecipients.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2005

Public Act 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
<b>General Revenue Fund - 001</b>						
<u>ADMINISTRATIVE DIVISION</u>						
Regular Position	\$ 530,787	\$ 530,787	\$ -	\$ 530,787	\$ -	-
State Paid Retirement Contribution	248	247	-	247	1	1
State Employee Retirement	83,783	85,440	(1,657)	83,783	-	-
Soc Sec/Medicare Contribution	40,600	40,184	-	40,184	416	416
Contractual Services	278,550	232,380	46,169	278,549	1	1
Travel	16,500	16,500	-	16,500	-	-
Commodities	15,800	15,794	-	15,794	6	6
Printing	6,400	4,688	1,689	6,377	23	23
Equipment	32,050	17,819	14,205	32,024	26	26
Telecommunication	27,100	27,100	-	27,100	-	-
Operation of Automotive Equipment	6,210	4,349	536	4,885	1,325	1,325
Lump Sums and Other Purpose	156,600	131,159	25,281	156,440	160	160
Division Totals	1,194,628	1,106,447	86,223	1,192,670	1,958	1,958
<u>CHARGE PROCESSING DIVISION</u>						
Regular Position	4,083,539	4,083,539	-	4,083,539	-	-
State Paid Retirement Contribution	5,375	5,374	-	5,374	1	1
State Employee Retirement	645,350	653,403	(8,053)	645,350	-	-
Soc Sec/Medicare Contribution	312,400	296,981	-	296,981	15,419	15,419
Contractual Services	33,219	33,219	-	33,219	-	-
Travel	22,800	22,790	-	22,790	10	10
Commodities	6,800	6,798	-	6,798	2	2
Printing	1,990	1,224	765	1,989	1	1
Equipment	10,831	3,420	7,411	10,831	-	-
Telecommunication	82,889	67,340	15,549	82,889	-	-
Division Totals	\$ 5,205,193	\$ 5,174,088	\$ 15,672	\$ 5,189,760	\$ 15,433	\$ 15,433

Note: The information in this schedule was taken from the Department's records and reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2005

Public Act 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Voucher Expenditures Thru June 30	Expenditures July 1 to August 31		
<u>COMPLIANCE DIVISION</u>					
Regular Position	\$ 606,311	\$ 591,399	\$ 14,774	\$ 606,173	\$ 138
State Paid Retirement Contribution	111	111	-	111	-
State Employee Retirement	97,530	82,061	15,004	97,065	465
Soc Sec/Medicare Contribution	45,400	43,747	-	43,747	1,653
Contractual Services	1,981	1,981	-	1,981	-
Travel	12,900	12,874	-	12,874	26
Commodities	2,100	2,098	-	2,098	2
Printing	1,000	1,000	-	1,000	-
Telecommunication	14,000	13,999	-	13,999	1
Division Totals	781,333	749,270	29,778	779,048	2,285
Subtotal	7,181,154	7,029,805	131,673	7,161,478	19,676
<u>SPECIAL PROJECTS DIVISION FUND - 607</u>					
<u>CHARGE PROCESSING</u>					
Regular Position	1,504,100	725,056	258,286	983,342	520,758
State Paid Retirement Contribution	45,100	11,209	28	11,237	33,863
State Employee Retirement	242,300	115,504	41,164	156,668	85,632
Soc Sec/Medicare Contribution	115,100	53,447	19,251	72,698	42,402
Employer Contribution Group Insurance	372,000	177,752	58,562	236,314	135,686
Contractual Services	106,700	31,544	41,504	73,048	33,652
Travel	41,500	37,742	1,334	39,076	2,424
Commodities	13,300	9,347	-	9,347	3,953
Printing	9,300	8,406	778	9,184	116
Equipment	9,600	-	-	-	9,600
Telecommunication	88,000	42,416	9,214	51,630	36,370
Subtotal	2,547,000	1,212,423	430,121	1,642,544	904,456
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$ 9,728,154</b>	<b>\$ 8,242,228</b>	<b>\$ 561,794</b>	<b>\$ 8,804,022</b>	<b>\$ 924,132</b>

Note: The information in this schedule was taken from the Department's records and reconciled to the records of the Comptroller.



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2004

Public Act 93-0062 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
<b>General Revenue Fund - 001</b>						
<b>ADMINISTRATIVE DIVISION</b>						
Regular Position	\$ 535,830	\$ 448,209	\$ 87,271	\$ 535,480	\$ 350	
State Paid Retirement Contribution	20,500	7,254	2,338	9,592	10,908	
State Employee Retirement	68,700	32,665	-	32,665	36,035	
Soc Sec/Medicare Contribution	39,200	31,451	6,478	37,929	1,271	
Contractual Services	66,168	60,947	5,220	66,167	1	
Travel	16,493	16,492	-	16,492	1	
Commodities	15,649	15,648	-	15,648	1	
Printing	4,729	4,352	377	4,729	-	
Equipment	10,014	10,013	-	10,013	1	
Telecommunication	4,360	4,359	-	4,359	1	
Operation of Automotive Equipment	2,302	2,050	252	2,302	-	
Lump Sums and Other Purpose	137,700	137,483	216	137,699	1	
<b>Division Totals</b>	<b>921,645</b>	<b>770,923</b>	<b>102,152</b>	<b>873,075</b>	<b>48,570</b>	
<b>CHARGE PROCESSING DIVISION</b>						
Regular Position	3,940,798	3,800,030	140,768	3,940,798	-	
State Paid Retirement Contribution	136,800	103,617	5,898	109,515	27,285	
State Employee Retirement	516,000	411,883	-	411,883	104,117	
Soc Sec/Medicare Contribution	289,000	275,691	10,454	286,145	2,855	
Contractual Services	39,031	32,542	6,485	39,027	4	
Travel	39,904	22,518	17,385	39,903	1	
Commodities	10,748	6,549	4,140	10,689	59	
Printing	1,705	871	834	1,705	-	
Equipment	6,870	6,870	-	6,870	-	
Telecommunication	46,676	46,676	-	46,676	-	
<b>Division Totals</b>	<b>5,027,532</b>	<b>4,707,247</b>	<b>185,964</b>	<b>4,893,211</b>	<b>134,321</b>	

Note: The information in this schedule was taken from the Department's records and reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2004

Public Act 93-0062 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
<u>COMPLIANCE DIVISION</u>						
Regular Position	\$ 674,600	\$ 632,818	\$ 41,210	\$	\$ 674,028	\$ 572
State Paid Retirement Contribution	27,000	1,820	154		1,974	25,026
State Employee Retirement	90,700	60,757	-		60,757	29,943
Soc Sec/Medicare Contribution	51,600	46,348	3,083		49,431	2,169
Contractual Services	3,168	1,519	1,649		3,168	-
Travel	12,841	3,749	9,083		12,832	9
Commodities	2,643	1,995	192		2,187	456
Printing	1,186	-	1,186		1,186	-
Telecommunication	3,085	3,084	-		3,084	1
Division Totals	866,823	752,090	56,557		808,647	58,176
Subtotal	6,816,000	6,230,260	344,673		6,574,933	241,067
<u>SPECIAL PROJECTS DIVISION FUND - 607</u>						
<u>CHARGE PROCESSING</u>						
Regular Position	1,439,200	1,076,858	(2,452)		1,074,406	364,794
State Paid Retirement Contribution	57,600	29,350	607		29,957	27,643
State Employee Retirement	193,500	144,769	-		144,769	48,731
Soc Sec/Medicare Contribution	110,200	80,964	10		80,974	29,226
Employer Contribution Group Insurance	396,000	214,208	-		214,208	181,792
Contractual Services	145,141	94,626	49,865		144,491	650
Travel	39,500	22,533	16,478		39,011	489
Commodities	21,560	13,299	8,253		21,552	8
Printing	9,516	5,630	3,885		9,515	1
Equipment	9,600	5,595	-		5,595	4,005
Telecommunication	43,083	29,559	-		29,559	13,524
Subtotal	2,464,900	1,717,391	76,646		1,794,037	670,863
GRAND TOTAL ALL FUNDS	\$ 9,280,900	\$ 7,947,651	\$ 421,319		\$ 8,368,970	\$ 911,930

Note: The information in this schedule was taken from the Department's records and reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2005 P.A. 93-0842	2004 P.A. 93-0062	2003 P.A. 92-0538
<u>GENERAL REVENUE FUND-001</u>			
<u>Appropriations (Net of Transfers)</u>	\$ 7,181,154	\$ 6,816,000	\$ 6,863,700
<u>Expenditures</u>			
Regular Position	5,220,499	5,150,306	5,020,346
State Paid Retirement Contribution	5,732	121,081	186,365
State Employee Retirement	826,198	505,305	518,780
Soc Sec/Medicare Contribution	380,912	373,505	368,539
Contractual Services	313,749	108,362	96,465
Travel	52,164	69,227	36,315
Commodities	24,690	28,524	24,601
Printing	9,366	7,620	5,841
Equipment	42,855	16,883	29,540
Telecommunication	123,988	54,119	70,779
Operation of Automotive Equipment	4,885	2,302	2,705
Lump Sums and Other Purpose	156,440	137,699	181,083
 Total Expenditures	 7,161,478	 6,574,933	 6,541,359
 Lapsed Balances	 \$ 19,676	 \$ 241,067	 \$ 322,341

Note: State Officer's Compensation

Appropriations for Director's salary was \$98,200 for 2005, 2004 and 2003. The Director was paid an annual compensation of \$98,200, \$98,200 and \$98,159 in fiscal years 2005, 2004 and 2003, respectively. These are paid from the Comptroller's appropriations for executive salaries.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES**

For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2005 P.A. 93-0842	2004 P.A. 93-0062	2003 P.A. 92-0538
<u>SPECIAL PROJECTS FUND - 607</u>			
Appropriations (Net of Transfers)	\$ 2,547,000	\$ 2,464,900	\$ 2,464,900
<u>Expenditures</u>			
Regular Position	983,342	1,074,406	1,365,805
State Paid Retirement Contribution	11,237	29,957	53,350
State Employee Retirement	156,668	144,769	141,463
Soc Sec/Medicare Contribution	72,698	80,974	100,809
Employer Contribution Group Insurance	236,314	214,208	242,962
Contractual Services	73,048	144,491	157,130
Travel	39,076	39,011	45,592
Commodities	9,347	21,552	15,458
Printing	9,184	9,515	12,464
Equipment	-	5,595	4,194
Telecommunication	51,630	29,559	70,298
Total Expenditures	\$ 1,642,544	\$ 1,794,037	\$ 2,209,525
Lapsed Balances	\$ 904,456	\$ 670,863	\$ 255,375

Note: Appropriations in the Special Projects Division Fund represent spending authority based on anticipated (budgeted) federal funding. Lapsed balances in this fund do not actually represent lapsed appropriations but rather lapsed spending authority.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES**

For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2005 P.A. 93-0842	2004 P.A. 93-0062	2003 P.A. 92-0538
GRAND TOTAL ALL FUNDS			
Appropriations (net after transfers)	\$ 9,728,154	\$ 9,280,900	\$ 9,328,600
<u>Expenditures</u>			
Regular Position	\$ 6,203,841	\$ 6,224,712	\$ 6,386,151
State Paid Retirement Contribution	16,969	151,038	239,715
State Employee Retirement	982,866	650,074	660,243
Soc Sec/Medicare Contribution	453,610	454,479	469,348
Employer Contribution Group Insurance	236,314	214,208	242,962
Contractual Services	386,797	252,853	253,595
Travel	91,240	108,238	81,907
Commodities	34,037	50,076	40,059
Printing	18,550	17,135	18,305
Equipment	42,855	22,478	33,734
Telecommunication	175,618	83,678	141,077
Operation of Automotive Equipment	4,885	2,302	2,705
Lump Sums and Other Purpose	156,440	137,699	181,083
Total Expenditures	\$ 8,804,022	\$ 8,368,970	\$ 8,750,884
Lapsed Balances	\$ 924,132	\$ 911,930	\$ 577,716

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS**  
For the Two Years Ended June 30, 2005

	<b><u>2004</u></b>	<b><u>2005</u></b>
	<b><u>Amount</u></b>	<b><u>Amount</u></b>
<b><u>Procurement Efficiency Initiative</u></b>		
General Revenue Fund (001)		
Personal services	\$ 42,561.00	
Commodities		\$ 71.44
Subtotal	42,561.00	71.44
<b><u>Information Technology Initiative</u></b>		
General Revenue Fund (001)		
Personal services	35,253.00	
Special Projects Fund (607)		
Telecommunications		9,214.00
Subtotal	35,253.00	9,214.00
TOTAL	\$ 77,814.00	\$ 9,285.44

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2005

	Equipment
Balance July 1, 2003	\$ 1,261,325
Additions	-
Deletions	(27,885)
Balance at June 30, 2004	\$ 1,233,440
Balance July 1, 2004	\$ 1,233,440
Additions	-
Deletions	(287,178)
Balance at June 30, 2005	\$ 946,262

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30, 2005

<b>GENERAL REVENUE FUND - 001</b>	FISCAL YEARS		
	2005	2004	2003
<b><u>RECEIPTS</u></b>			
Jury duty and reimbursement	\$ 438	\$ 204	\$ 682
Copying Fees	15	15	420
Fines, penalties and violations	-	-	-
Prior Year refunds	2,493	-	328
Total Receipts	\$ 2,946	\$ 219	\$ 1,430
<b><u>DEPOSITS</u></b>			
Receipts recorded by Department	\$ 2,946	\$ 219	\$ 1,430
Add: Deposit in transit- Beginning of year	-	96	16
Deduct: Deposit in transit - End of year	-	-	(96)
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<b>\$ 2,946</b>	<b>\$ 315</b>	<b>\$ 1,350</b>



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN RIGHTS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30, 2005

<b>SPECIAL PROJECTS FUND - 607</b>	FISCAL YEARS		
	2005	2004	2003
<b><u>RECEIPTS</u></b>			
Equal Employment Opportunity Commission (EEOC)	\$ 1,515,200	\$ 1,602,500	\$ 2,292,500
U. S. Department of Justice	\$ 25,687	5,102	\$ -
U.S. Department of Housing and Urban Development	427,286	115,000	115,000
Total Receipts	\$ 1,968,173	\$ 1,722,602	\$ 2,407,500
<b><u>DEPOSITS</u></b>			
Receipts recorded by Department	\$ 1,968,173	\$ 1,722,602	\$ 2,407,500
Add: Prior period refunds	-	-	454.00
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<b>\$ 1,968,173</b>	<b>\$ 1,722,602</b>	<b>\$ 2,407,954</b>

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2005

An analysis of significant variation in expenditures (amounting to \$10,000 and 20% or more) for fiscal year 2005 and 2004 are shown below:

GENERAL REVENUE FUND

	2005	2004	Increase (Decrease)	%
Contractual	\$ 313,749	\$ 108,362	\$ 205,387	190
Telecommunication	123,988	54,119	69,869	129
Travel	52,164	69,227	(17,063)	(25)
Equipment	42,855	16,883	25,972	154
State Paid Retirement Contribution	5,732	121,081	(115,349)	(95)
State Employee Retirement	826,198	505,305	320,893	64

Contractual expenditures increased mainly due to increases in statistical and tabulating services and postage and postal charges. These expenditures were paid from the Special Projects Fund in fiscal year 2004.

Telecommunication expenditures increased to cover actual operating costs of CMS.

Travel expenditures decreased as a result of costs cutting measures by the Department and by the State.

Equipment expenditures increased due to new computers and telephone equipment purchases.

The decrease in State Paid Retirement Contribution and the increase in the State Employee Retirement was due to a rate decrease for the employer paid portion of State Retirement effective for Fiscal Year 2005.

SPECIAL PROJECTS DIVISION FUND

	2005	2004	Increase (Decrease)	%
Contractual	\$ 73,048	\$ 144,491	\$ (71,443)	(49)
Telecommunications	51,630	29,559	22,071	75
Commodities	9,347	21,552	(12,205)	(57)
State Paid Retirement Contribution	11,237	29,957	(18,720)	(62)

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)  
For the Two Years Ended June 30, 2005

Contractual expenditures decreased mainly due to centralization of leases with CMS that reduced rental expenditures by \$27,000 from fiscal year 2004. In addition, statistical and tabulating expenditures and postage and postal charges were paid in fiscal year 2005 by the General Revenue Fund.

Commodities expenditures decreased due to the reduction of the Department's budget and State costs cutting measures. Office supplies purchases decreased by about \$13,000 in fiscal year 2005.

Telecommunication expenditures increased to cover actual operating costs to CMS.

The decrease in State Paid Retirement Contribution was due to a rate decrease for the employer paid portion of State Retirement effective for Fiscal Year 2005.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2004

An analysis of significant variation in expenditures (amounting to \$10,000 and 20% or more) for fiscal year 2004 and 2003 are shown below:

GENERAL REVENUE FUND

	2004	2003	Increase (Decrease)	%
Lump sum	\$ 137,699	\$ 181,083	\$ (43,384)	(24)
Travel	69,227	36,315	32,912	91
Telecommunications	54,119	70,779	(16,660)	(24)
Equipment	16,883	29,540	(12,657)	(43)
State Paid Retirement Contribution	121,081	186,365	(65,284)	(35)

The decrease in Lump Sum, Telecommunications, and Equipment was due to the reduction of the Agency budget and State costs cutting measures.

Travel increased due to appropriation line item increased to cover actual operating costs and also the costs related to the strategic planning conference held in fiscal year 2004.

The decrease in State Paid Retirement Contribution was due to the decrease in average number of employees not being replaced due to the State hiring freeze.

SPECIAL PROJECTS DIVISION FUND

	2004	2003	Increase (Decrease)	%
Regular Position	\$ 1,074,406	\$ 1,365,805	\$ (291,399)	(21)
State Paid Retirement Contribution	29,957	53,350	(23,393)	(44)
Telecommunication	29,559	70,298	(40,739)	(58)

Decrease in personal expenditures for regular position as well as State Paid Retirement Contribution were due mainly to the decrease in average number of employees not being replaced due to the State hiring freeze.

Telecommunication expenditures decreased as a result of costs cutting measures by the State.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS  
For the Two Years Ended June 30, 2005

**GENERAL REVENUE FUND – 001**

Jury Duty and Reimbursement

Jury duties and reimbursements are refunds from employees who have to be absent for jury duties. They fluctuate from year to year with the number of employees being called for that duty.

Copy Fees

Copy fees decreased in fiscal year 2003 as a result of fewer requests for copies of cases filed with the Department of Human Rights under the Freedom of Information Act.

**SPECIAL PROJECTS FUND – 607**

Federal Grant

Federal Grant receipts fluctuate from year to year depending upon the cases closed by the Department and timing of federal drawdowns.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2005

**GENERAL REVENUE FUND**

Significant lapse period spending (amounting to \$10,000 and 20% or more) for fiscal years ended June 30, 2005 and 2004 of the General Revenue Fund are as follows:

Travel – Lapse period expenditures of \$26,468 (38%) in fiscal year 2004 relates to travel vouchers submitted and processed during the lapse period.

Equipment – Lapse period expenditures of \$21,616 (50%) in fiscal year 2005 pertains to

**SPECIAL PROJECTS FUND**

Significant lapse period spending (amounting to \$10,000 and 20% or more) for fiscal years ended June 30, 2005 and 2004 of the Special Projects Fund are as follows:

Contractual - Due to late receipt of grant funds, expenditures for contractual services of \$49,865 (35%) and \$41,504 (57%) in fiscal year 2004 and 2005, respectively, were vouchered and paid during the lapse period.

Travel – Lapse period expenditures of \$16,478 (42%) in fiscal year 2004 relates to travel vouchers submitted and processed during the lapse period.

Personal services – Expenditures for regular position of \$258,286 (27%), state employee retirement of \$41,164 (27%), social security and medicare contribution of \$19,251 (27%) and employer contribution group insurance of \$58,562 (25%) in fiscal year 2005 were vouchered in July, 2005.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

AGENCY FUNCTIONS AND PLANNING PROGRAM

Introduction

The Department of Human Rights' (Department) mission is to secure for all individuals within the State of Illinois freedom from unlawful discrimination, and to establish and promote equal opportunity and affirmative action as the policy of this state for all its residents.

Department Director

Mr. Rocco Claps

Locations:

100 W. Randolph St., Suite 10-100 Chicago, Illinois 60601 (117 employees)	222 South College Springfield, Illinois 62704 (19 employees)	2309 West Main Street Marion, Illinois 62959 (2 employees)
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Agency Functions

The Department currently employs 147 permanent employees and is organized into three divisions:

Administration

The Administration Division includes Management Operations; Fiscal Unit; Legislative Operations; Hate Crimes; Research, Planning and Development and Office of Communications.

Management Operations is administratively responsible for all general office services for the Department including Information Systems, Telecommunication Services, Operational Planning and Office Management as well as assist all visitors in the Chicago Office. The Fiscal Unit manages all appropriations and expenditures of the Department. Hate Crimes Unit is responsible for the administration of the Governor's Commission on Discrimination and Hate Crimes. Office of Communication is responsible for handling media inquiries, the Department's web page, outreach and education.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2005

AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)

The Legal Division has the responsibility for reviewing investigation reports, recommending findings of substantial evidence of discrimination, conciliating cases for settlement, and if settlement is not reached, filing complaints of civil rights violation with the Human Rights Commission. The attorneys in the Legal Division also defend the Department in litigation and run the Department's mediation program.

Charge Processing Division

The Charge Processing Division includes the Investigations Unit, Intake, Housing Unit and Case Disposition Unit. This Division also includes Legal Division.

The Intake Unit is responsible for reviewing and drafting charges for cases within the Department's jurisdiction. The Investigation Unit conducts investigations and fact finding conferences for discrimination charges other than housing related charges. The Housing Unit conducts investigations and on-site visits for charges to real estate transactions. The Case Disposition Unit processes case dispositions.

The Legal Division has responsibility of reviewing investigation reports, recommending findings of substantial evidence of discrimination, conciliating cases for settlement, and if settlement is not reached, filing complaints of civil rights violation with the Human Rights Commission. The attorneys in the Legal Division also defend the Department in litigation and run the Department's mediation program.

Compliance Division

The Compliance Division includes the Liaison Unit, Public Contracts Unit and the Training Institute.

The Liaison Unit enforces statutory regulations regarding affirmative action and equal employment opportunities. The unit conducts training seminars for newly appointed EEO officers, provides technical assistance, and participates in compliance reviews of State agencies. The Training Institute provides outreach, education and professional development services. The Public Contracts Unit registers entities seeking to establish eligibility for competitively bid State contracts, provides technical assistance to public contractors and contracting agencies, and conducts compliance reviews of public contractors and eligible bidders discrimination policies.



**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2005

AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)

Agency Planning Program

The Department has long term goals and strategic plan. The long term goals described are for an effective and actively involved Department and consisted of areas such as customer service, productivity related federal contracts, Human Rights Act, Hate Crimes Commission, and EEO/AA compliance. The Strategic plan described the short term goals, program objectives, desired outcomes, outcome measures, implementation strategy, action plan, input measures, output measures and performance targets.

Auditor's Assessment of the Planning Program

Based on the review of the Department's long term goals and Strategic Plan, the current long term and short-term planning and monitoring by the Department appears adequate to properly manage the Department's operation.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2005

**EMERGENCY PURCHASES**

No emergency purchases were reported by the Department to the Office of the Auditor General during the audit period.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2005

ILLINOIS FIRST (Not Examined)

According to Department officials there were no Illinois First projects involving the Department during the audit period.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
ANALYSIS OF OPERATIONS (CONTINUED)  
For the Two Years Ended June 30, 2005

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Department records, presents the average number of employees by division for the fiscal years ended June 30:

<u>DIVISION</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Administration	10	10	9
Hate Crimes	1	1	1
Charge Processing	124	126	119
Compliance	12	12	16
Total	<u>147</u>	<u>149</u>	<u>145</u>

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2005

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

The following caseload information and Department statistics were prepared from Department records and have not been audited.

Charge Processing Division – Annual Caseload Statistics (Not Examined):

Caseload Information

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Docketed	4,055	4,000	3,876
Completed	3,822	3,727	3,733
Complainant filings	7	4	2
Carryover	2,762	2,550	2,145
Charges completed per month per investigator	8.0	7.05	6.60
Investigators employed at end of year	32	41	45

Employment Charges By Basis

Basis of Discrimination

	<u>2005</u>	<u>% of Total</u>	<u>2004</u>	<u>% of Total</u>	<u>2003</u>	<u>% of Total</u>
Race	1,248	34%	1,095	19%	1,127	19%
Sex	1,093	30%	1,233	21%	1,043	19%
Age	906	25%	841	15%	825	15%
National Origin/Ancestry	863	24%	633	11%	584	11%
Retaliation	745	20%	734	13%	725	13%
Physical Handicap	615	17%	604	10%	603	11%
Sexual Harassment	188	5%	233	4%	255	5%
Mental Handicap	178	5%	176	3%	155	3%
Other*	113	3%	127	7%	94	2%
Religion	49	1%	55	1%	60	1%
Arrest Record	30	1%	33	1%	41	1%
Military Discharge	6	0%	0	0%	0	0%

Note: Percent of total charges filed is greater than 100% because charges can be filed on more than one basis

\* Includes non-jurisdictional bases, such as personality conflict.

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2003

Housing Discrimination Charges By Basis (Not Examined):

<u>Basis of Discrimination</u>	<u>2005</u>	<u>% of</u>	<u>2004</u>	<u>% of</u>	<u>2003</u>	<u>% of</u>
		<u>Total</u>		<u>Total</u>		<u>Total</u>
Race	110	42%	83	57%	56	38%
Physical Handicap	61	23%	19	13%	23	23%
National Origin	30	11%	16	11%	26	17%
Familial Status	26	10%	2	1%	1	1%
Sex	26	10%	11	7%	17	12%
Mental Handicap	19	7%	2	1%	7	5%
Religion	11	4%	8	5%	3	2%
Retaliation	10	4%	5	3%	7	17%
Age	3	1%	0	0%	4	4%
Other	3	1%	1	1%	0	0%
Color	1	0%	2	1%	1	1%

Note: Percent of total charges filed is greater than 100% because some of the charges were filed under more than one basis.

Disposition of Completed Investigations (Not Examined):

	<u>2005</u>	<u>2004</u>	<u>2003</u>			
Inquiries received	15,748	16,434	17,990			
Charges filed	4,055	3,809	3,876			
Completed investigations	3,822	3,566	3,733			
	<u>2005</u>	<u>% of</u>	<u>2004</u>	<u>% of</u>	<u>2003</u>	<u>% of</u>
		<u>Total</u>		<u>Total</u>		<u>Total</u>
Substantial evidence	270	7%	221	6%	229	6%
Settlements	1,238	32%	1,324	38%	1,247	34%
Withdrawn by complainant	503	13%	583	16%	535	14%
Dismissals:						
Lack of substantial evidence	1,201	31%	952	27%	1,175	31%
Lack of jurisdiction	143	4%	113	3%	113	3%
Failure to proceed	381	10%	339	9%	400	11%
Administrative closures	42	1%	24	1%	34	1%

**STATE OF ILLINOIS**  
**DEPARTMENT OF HUMAN RIGHTS**  
**ANALYSIS OF OPERATIONS (CONTINUED)**  
For the Two Years Ended June 30, 2003

Compliance Division – Annual Bidder Registration Activity Summary (Not Examined):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Forms pending at beginning of year	422	422	79
Forms received during year	<u>7,008</u>	<u>6,788</u>	<u>4,383</u>
	7,430	7,210	4,462
Forms returned unprocessed due to improper completion	(476)	(680)	(407)
Forms processed during year	<u>(7,609)</u>	<u>(6,720)</u>	<u>(3,932)</u>
Forms pending at end of year	<u>-</u>	<u>490</u>	<u>123</u>