

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007**

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

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007**

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**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

AGENCY OFFICIALS

Director (Current)	Mr. N. Keith Chambers
Director (07/01/05 to 03/02/07)	Mr. James Sledge
Fiscal Officer (Current)	Mr. Stephen Konya
Fiscal Officer (07/01/05 to 08/12/05)	Mr. Jack Pearce
General Counsel	Vacant
General Counsel (07/01/05 to 03/22/07)	Mr. James Snyder

Commissioners:

Abner J. Mikva (Chairperson)
Marti Baricevic
David Chang
Robert Enriquez
Marylee V. Freeman
Dr. Sakhawat Hussain
Spencer Leak, Sr.
Munir Muhammad
Rozanne Ronen
Gregory G. Simoncini
Yonnie Stroger
Diane Viverito

Agency offices are located at:
James R. Thompson Center
100 W. Randolph
Suite 5-100
Chicago, IL 60601

and

404 Stratton Office Building
Springfield, IL 62706



STATE OF ILLINOIS Human Rights Commission

December 20, 2007

Rod R. Blagojevich
Governor

De Raimo Hillger & Ripp
Certified Public Accountants
655 N. LaGrange Rd. – Suite 102
Frankfort, IL 60423

Commissioners

Abner J. Mikva
Chairman

Marti Baricevic

David Chang

Robert S. Enriquez

Marylee V. Freeman

Sakhawat Hussain, M.D.

Spencer Leak, Sr.

Munir Muhammad

Rozanne Ronen

Gregory G. Simoncini

Yonnie Stroger

Diane Viverito

N. Keith Chambers
Executive Director

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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2006 and June 30, 2007, the Agency has materially complied with the assertions below.

A. The agency 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 agency 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 agency 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 agency 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.

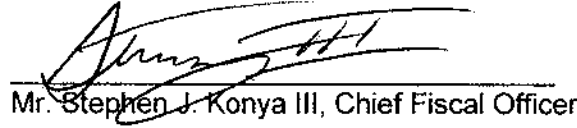
E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Human Rights Commission



Mr. N. Keith Chambers, Executive Director



Mr. Stephen J. Konya III, Chief Fiscal Officer

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Audit</u>
Audit Findings	9	6
Repeated Findings	3	2
Prior recommendations implemented or not repeated	3	3

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item No</u>	<u>Page</u>	<u>Description</u>
<u>FINDINGS (STATE COMPLIANCE)</u>		
07-1	9	Improper Employment of State Employee
07-2	11	Untimely Publications of Decisions
07-3	13	Lack of Compliance with the Labor and Employment Administrative Code
07-4	14	Commissioners' Terms Expired
07-5	15	Failure to Publish Annual Report
07-6	16	Failure to Reconcile Expenditure Records
07-7	17	Lack of Segregation of Duties
07-8	18	Improper Timekeeping Practices

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SUMMARY OF FINDINGS**

FINDINGS (STATE COMPLIANCE) – Continued

07-9	19	Employee Performance Evaluations Not Timely
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PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

07-10	20	Efficiency Initiative Payments
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07-11	20	Lack of Controls over Property
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07-12	20	Lack of Timely Contractual Authorizations
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EXIT CONFERENCE

The Findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 18, 2007. Attending were:

For the Illinois Human Rights Commission –
N. Keith Chambers, Executive Director
Stephen Konya, Chief Fiscal Officer
Harriet Parker, General Counsel
Matthew Hammoudeh, Deputy General Counsel

For the Illinois Office of the Auditor General –
Kathy Lovejoy, Audit Manager

For De Raimo Hillger & Ripp –
Robert J. Ripp, Partner
Elias Valaveris, Auditor

Responses to the recommendations were provided by N. Keith Chambers, Executive Director, in a letter dated December 20, 2007.

DE RAIMO HILLGER & RIPP

Certified Public Accountants & Business Consultants

655 N. La Grange Road • Suite 102 • Frankfort, IL 60423-2912 • Telephone (815) 469-7500 • Facsimile: (815) 469-6970

JOHN J. DE RAIMO
FERNE M. HILLGER
ROBERT J. RIPP

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 the Illinois Human Rights Commission's 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, 2007. The management of the Illinois Human Rights Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Human Rights Commission's compliance based on our examination.

- A. The Illinois Human Rights Commission 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 Human Rights Commission 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 Human Rights Commission 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 Human Rights Commission 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.

We conducted our examination 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 Human Rights Commission's compliance with those requirements listed in the first paragraph of this

report 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 the Illinois Human Rights Commission's compliance with specified requirements.

As described in findings 07-2, 07-3 and 07-5 in the accompanying schedule of findings, the Illinois Human Rights Commission did not comply with requirements regarding:

- C. The Illinois Human Rights Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Compliance with such requirements is necessary, in our opinion, for the Illinois Human Rights Commission to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Illinois Human Rights Commission complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2007. However, the results of our procedures disclosed other instances of noncompliance, 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 findings as findings 07-1, 07-4, 07-6, 07-7, 07-8 and 07-9.

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 Human Rights Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Illinois Human Rights Commission's internal control over compliance with the requirements listed in the first paragraph of this report 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, but not for the purpose of expressing an opinion on the effectiveness of the Illinois Human Rights Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois Human Rights Commission's internal control over compliance.

Our consideration of internal control over compliance was for the limited purposes described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as findings 07-1 and 07-9 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, we consider items 07-2, 07-3 and 07-5 to be material weaknesses.

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.

The Illinois Human Rights Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Illinois Human Rights Commission's response and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

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 2007 and the 2006 Supplementary Information for State Compliance Purposes, except for the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2005 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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.

De Raimo Hillger & Ripp

December 20, 2007

07-1 Finding (Improper Employment of State Employee)

The Illinois Human Rights Commission (Commission) made inappropriate expenditures for a former Commission employee.

The Commission paid telecommunication and travel expenditures for an individual who was no longer employed by the Commission. On March 31, 2007, the Commission's Deputy General Counsel transferred to the Illinois Department of Employment Security. However, the Commission continued to pay the former Deputy General Counsel's telecommunication and travel expenditures from April to June 2007. These expenditures totaled \$172 and \$83 in telecommunication and travel expenditures, respectively.

In addition, the Commission did not have a written agreement with the Department of Employment Security outlining the services to be performed and responsibility for payment of expenditures.

The State Finance Act (Act) (30 ILCS 105/9.04) states, The certification on behalf of the State agency on every State voucher for goods and services other than a payroll or travel voucher shall be as follows:

"I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred; that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and is approved for payment. If applicable, the reporting requirements of Section 5.1 of the Governor's Office of Management and Budget Act have been met.

.....
(Date)

.....
(Signature)"

For departments under the Civil Administrative Code, the foregoing certification shall be executed by the Chief Executive Officer of the department from whose appropriation the payment will be made or his designee, in addition to any other certifications or approvals which may be required by law.

Additionally, good business practices suggest that any expenditure made with State funds should be necessary to support that Agency's mandated operations.

Commission officials stated that the former Deputy General Counsel's services were still required on an as-needed basis by the Commission.

State appropriated funds should be expended on and for the specified State agency those funds were appropriated to. (Finding Code No. 07-1)

Recommendation

We recommend that the Commission ensure all expenditures are related to support their operations. Additionally, the Commission should request reimbursement for the expenditures.

07-1 Finding (Improper Employment of State Employee) – Continued

Agency Response

The factual basis of this finding, as submitted to IHRC, is not accurate.

The Human Rights Commission paid telecommunication and travel expenses for a state employee who used those services specifically for the use of this agency, the Human Rights Commission.

IHRC will enter into an agreement with IDES regarding the scope of the services provided by this employee and acknowledges that ideally, execution of that agreement should have been in April.

In addition, the state employee designated as the “former Deputy General Counsel” in the finding was appointed by the Chairman and Executive Director, respectively of IHRC, as the Acting General Counsel for the IHRC prior to when these expenses were incurred. It suggested that the title “Acting General Counsel” be substituted for “former Deputy General Counsel.”

Auditor's Comment

The Commission made expenditures on behalf of an individual who was no longer employed by it. Although the Commission claims these expenditures were incurred on behalf of the agency, it maintained no documentation of the services it received and did not enter into an agreement detailing the services or associated expenses.

07-2 Finding (Untimely Publications of Decisions)

The Illinois Human Rights Commission (Commission) did not timely publish its decisions.

The Commission failed to publish its decisions in a timely manner. We reviewed a listing of the 170 Commission orders issued during the examination period. Eighty of 170 (47%) orders were not published on the Commission's website. For the 90 orders published on the Commission's website, it could not be determined if these orders were timely published. Additionally, the Commission did not provide its decisions to the Illinois State Library.

The Illinois Human Rights Act (775 ILCS 5/8-110) requires "decisions of the Commission or panels thereof, whether on requests for review or complaints, shall be published within 120 calendar days of the completion of service of the written decision on the parties to assure a consistent source of precedent". Additionally, the State Library Act (15 ILCS 320/21(a)) states "all State agencies shall provide and deposit with the Illinois State Library sufficient copies of all publications issued by such state agencies for its collection and for exchange purposes."

Commission officials stated the reason all of the decisions are not posted on its website and deposited with the Illinois State Library is due to lack of both staff and resources.

Decisions should be published to ensure a consistent source of precedent. (Finding Code No. 07-2)

Recommendation

We recommend the Commission publish all of its decisions as required by statute.

Agency Response

The factual basis of this finding is not accurate.

The Commission publishes all decisions within one week of service to the parties by making them available to the public via publication at the Commission library in the JRTC. Decisions are also circulated to Westlaw, Lexis and on the website within resource limitations.

The Commission acknowledges that only a small portion of decisions are available online. In that respect, the IHRC acknowledges that circulation efforts could improve. Circulation does not equate with publication. Inability to post all IHRC decisions online due to staff and budgetary restraints does not equate with a finding of untimely publication decisions. The statute does not require that all decisions be posted online, but rather that decisions be published within 120 calendar days of the completion of service of the written decision on the parties. IHRC acknowledges that advances in technology have made posting all IHRC decisions on our website more feasible and will continue to work towards increasing circulation of IHRC decisions as staff and budgetary restraints permit. The IHRC intends on doing an archive conversion of all paper decisions to electronic format and posting on our website over the next two years. This plan will include a protocol for posting all decisions issued by the Commission on our website.

IHRC will implement recommendations to improve the circulation of publications.

07-2 Finding (Untimely Publications of Decisions) – Continued

Auditor's Comment

By publishing a portion of its decisions on its website, the Commission runs the risk of misleading the public as to the complete body of precedent, thereby undermining the statutory purpose of providing a consistent source of precedents for its decisions.

07-3 Finding (Lack of Compliance with the Labor and Employment Administrative Code)

The Illinois Human Rights Commission was not in compliance with the Labor and Employment Administrative Code.

We reviewed 25 cases, noting 23 (92%) cases in which the Commission did not serve all parties within five days of the complaint being filed with the Commission. The notices were 2 to 38 days late.

The Illinois Administrative Code, Title 56, Chapter XI, Section 5300.620 states "Within five days after a Complaint is duly filed with the Commission by the Department or by an Aggrieved Party, the Commission shall cause it to be served on all Parties either personally or by depositing copies in the mail, properly addressed and posted, for certified delivery."

In addition, during our review of the 25 cases, we noted ten (40%) cases where information maintained in the Commission's case tracking system (EVANS) was not complete or accurate.

Good business practices dictate that accurate information be maintained for reporting and management use.

Commission officials stated the weaknesses were the due to the lack of staff.

Failing to serve all parties within five days leaves the Commission at risk of not properly informing parties of the complaint. Additionally, failure to have accurate information in the case tracking system could result in management receiving inaccurate information. (Finding Code No. 07-3)

Recommendation

We recommend the Commission serve all parties within the five days as required by the Administrative Code. In addition, we recommend the Commission ensure all information in the EVANS system is complete and accurate.

Agency Response

IHRC acknowledges that not all Notices of Public Hearing issued during the audit period were issued within five days of the filing of a Complaint of Civil Rights Violation. IHRC will continue to exercise due diligence to ensure all parties are served within five days as required by IL Adm. Code. IHRC will implement new procedures to ensure all information entered in the Evans system is complete and accurate.

07-4 Finding (Commissioners' Terms Expired)

The Illinois Human Rights Commission (Commission) has Commissioners whose terms have expired.

Seven of 12 (58%) Commissioner's appointment terms have expired. Five of the seven expired in January 2007 and two of the seven expired in January 2005. Additionally, one Commissioner position is vacant.

Illinois Human Rights Act (775 ILCS 5/8-101) states "the Human Rights Commission is created to consist of 13 members appointed by the Governor with the advice and consent of the Senate." Additionally, the Illinois Human Rights Act (775 ILCS 5/8-101(B) states that each member shall serve for a term of four years and until his or her successor is appointed and qualified.

Commission officials stated the process of handling the re-appointment or replacement of Commissioners is handled by the Illinois Office of the Governor and the Illinois Office of the Comptroller. Additionally, the Commission had notified the Illinois Office of the Governor in June.

Commissioners should be appointed in a timely manner in order to comply with State statute as created. (Finding Code No. 07-4)

Recommendation

We recommend the Commission implement policies and procedures to notify the Illinois Office of the Governor of upcoming term expirations.

Agency Response

IHRC acknowledges that Commissioner terms have expired. IHRC will implement procedures to ensure efficient reporting of expiring terms.

07-5 Finding (Failure to Publish Annual Report)

The Illinois Human Rights Commission (Commission) has not prepared current annual reports and strategic planning documents.

Additionally, the Commission failed to make a copy of its latest Annual Report (Fiscal Year 2005) available on its Internet home page. The Commission has made their Fiscal Year 2004 and 2003 Annual Reports available on its Internet site.

Additionally, the State Finance Act (30 ILCS 105/3 (a)) requires "each officer of the executive department and all public institutions of the State shall, at least ten days preceding each regular session of the General Assembly, make and deliver to the Governor an annual report of their acts and doings, respectively, arranged so as to show the acts and doings of each for the fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes."

The General Assembly Organization Act (25 ILCS 5/3.1) requires that whenever any law or resolution requires a report to the General Assembly, the reporting entity must make a copy of the report available for a reasonable period of time on its Internet site.

Commission officials stated that funding was the main reason for not producing an Annual Report for Fiscal Years 2006 and 2007.

Creating and publishing an Annual Report and implementing a Strategic Plan are critical components of adequate planning required to ensure the Commission's compliance with laws, rules, and regulations, proper expenditure of funds, collection of required revenues, and custody over assets. (Finding Code No. 07-5)

Recommendation

We recommend the Commission assign the duties of creating and publishing the Annual Report and developing and implementing a Strategic Plan to appropriate management personnel. Additionally, the Commission should make its Annual Reports available on its Internet site as required by statute.

Agency Response

IHRC acknowledges that it has not prepared current Annual Reports and Strategic Plan, and that it has not made a copy of its latest Annual Report (Fiscal Year 2005) available on its Internet home page.

IHRC shall implement procedures for the creation and publication of the Annual Report and for the creation and implementation of a Strategic Plan. IHRC shall make its Annual Reports available on its Internet site as required by statute to the extent staff and budgetary restraints allow.

07-6 Finding (Failure to Reconcile Expenditure Records)

The Illinois Human Rights Commission (Commission) failed to reconcile their expenditure records to the Illinois Office of the Comptroller's reports.

The Commission did not perform reconciliations between Commission expenditure records and the Comptroller's Monthly Appropriation Status Report (SB01) for 12 of 24 (50%) months during fiscal year 2006.

Statewide Accounting Management Systems (SAMS) (Procedure 11.40.20) requires agencies to reconcile their expenditures monthly and in a timely manner. In addition, the agency should notify the Comptroller's Office of any discrepancies so that corrective action can be taken.

Commission officials stated that reconciliations were not performed while the Fiscal Officer position was vacant.

Timely performance of monthly reconciliations to Comptroller Reports is important to detect and correct any errors and ensure accurate financial reporting. (Finding Code No. 07-6)

Recommendation

We recommend that current procedures remain in place to ensure that reconciliations are being performed on a monthly basis. Additionally, we recommend fiscal employees be cross-trained to ensure a vacancy in the Fiscal Officer position does not hinder the Commission's reconciliation process.

Agency Response

IHRC acknowledges that it did not reconcile expenditure records during the period in which the Fiscal Officer position was vacant.

07-7 Finding (Lack of Segregation of Duties)

The Illinois Human Rights Commission (Commission) lacked the proper segregation of duties in approval and payment of vouchers, property control, management of cash and controls over payroll.

The Fiscal Officer has the authority to prepare and approve vouchers for payment and also reconciles detailed records to the Comptroller's reports. The Fiscal Officer also is the property control officer, and as such is involved in taking physical inventories, processing vouchers, maintaining property records, approving vouchers and reporting property surplus items and property transfers. The Administrative Assistant II makes deposits of cash receipts and also reconciles detailed records to the Comptroller's records. Lastly, the Commission does not have a person, independent from the payroll function, to review the payroll prior to disbursement.

Good internal control procedures would require the Commission to maintain adequate segregation of duties, thereby ensuring proper safeguarding of assets and accurate accounting data. Additionally, proper segregation of duties helps prevent improper expenditures.

Commission officials stated the Fiscal Officer position was vacant during a portion of the examination period and that due to the small size of the Commission proper segregation of duties is not feasible.

A lack of segregation of duties increases the Commission's chances of loss from errors or irregularities could occur and would not be discovered in the normal course of employees carrying out their assigned duties. (Finding Code No. 07-7, 05-3, 03-3, 01-4)

Recommendation

We recommend the Commission revise its policies and practices to ensure proper safeguards. The Commission should appropriately segregate duties and assign functions to employees not currently involved in the fiscal office.

Agency Response

IHRC acknowledges this finding with the caveat that there are insufficient budgeted employee positions to properly segregate duties as recommended.

07-8 Finding (Improper Timekeeping Practices)

The Illinois Human Rights Commission (Commission) did not have adequate controls over employee timekeeping requirements.

The Commission did not prepare and maintain timesheets documenting the employee's time spent each day on official business. The Commission only maintained daily sign in/sign out sheets that did not record the number of hours spent on official State business.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5) requires State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour.

Commission officials stated there was a misunderstanding of recommendations from the previous audit with regard to this finding.

Failure to maintain the required timekeeping records increases the potential the State is paying for services that have not been performed. (Finding Code No. 07-8, 05-5)

Recommendation

We recommend the Commission establish policies and procedures which will ensure timesheets are being prepared and submitted periodically and maintained by the Commission as required by statute.

Agency Response

IHRC acknowledges this finding and will include a certification statement on the timesheets as recommended.

07-9 Finding (Employee Performance Evaluations Not Timely)

The Illinois Human Rights Commission (Commission) did not perform annual employee performance evaluations timely.

During our testing of employee files, we noted seven of seventeen (41%) of the files did not contain timely performance evaluations. Employee evaluations were completed from seven to 192 days late. During Fiscal Year 2007 and 2006, the Commission employed 18 and 17 employees, respectively.

Section 302.270 of the Merit and Fitness Rules (80 Ill. Adm. Code 302) states each agency shall prepare an evaluation for employees not less often than annually.

Commission officials stated staff turnover in the Director and Fiscal Officer positions resulted in delays in performing the annual evaluations.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for salary adjustments, promotions, demotions, discharge, layoff, recall, and reinstatement decisions in a timely manner. (Finding Code No. 07-9, 05-6)

Recommendation

We recommend the Commission comply with the Illinois Administrative Code by implementing policies and procedures to ensure performance evaluations are performed in a timely manner.

Agency Response

IHRC acknowledges this finding and will implement a policy to improve the timeliness of employee evaluations.

PRIOR FINDINGS NOT REPEATED

07-10 Efficiency Initiative Payments

The Human Rights Commission (Commission) made payments for efficiency initiative billings from improper line item appropriations. (Finding Code No. 05-1)

Disposition: During the examination period, the Commission did not make any efficiency initiative payments to the Department of Central Management Services.

07-11 Lack of Controls Over Property

The Commission did not maintain proper internal controls over its property. (Finding Code No. 05-2)

Disposition: During the examination period, the Commission maintained proper internal controls over its property.

07-12 Lack of Timely Contractual Authorizations

The Commission did not timely authorize contractual agreements. (Finding Code No. 05-4)

Disposition: During the examination period, the Commission timely authorized its contractual agreements.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

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 Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Service Efforts and Accomplishments (not examined)

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

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007**

Fourteen Months Ended August 31, 2007

	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 06/30/2007</u>	<u>Lapse Period Expenditures 7/01 - 8/31/07</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>Public Act 094-0798</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 1,044,300	\$ 970,573	\$ 39,509	\$ 1,010,082	\$ 34,218
State Contribution to State Employees' Retirement System	120,500	111,910	4,555	116,465	4,035
State Contribution to Social Security	79,900	71,826	2,914	74,740	5,160
Contractual Services	113,000	75,209	14,400	89,609	23,391
Travel	21,500	18,428	1,339	19,767	1,733
Commodities	7,300	5,979	620	6,599	701
Printing	8,700	3,095	-	3,095	5,605
Equipment	13,600	7,592	684	8,276	5,324
Elec. Data Processing	9,900	1,704	-	1,704	8,196
Telecommunications	26,300	17,481	3,653	21,134	5,166
Total General Revenue Fund	<u>\$ 1,445,000</u>	<u>\$ 1,283,797</u>	<u>\$ 67,674</u>	<u>\$ 1,351,471</u>	<u>\$ 93,529</u>
<u>SPECIAL PROJECTS DIVISION FUND - 607</u>					
Processing and Adjudicating Costs	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Total Special Projects Division Fund - 607	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Grand Total - All Funds	<u>\$ 1,545,000</u>	<u>\$ 1,283,797</u>	<u>\$ 67,674</u>	<u>\$ 1,351,471</u>	<u>\$ 193,529</u>

Note: Information was obtained from the Agency's records, which have been reconciled to those of the State Comptroller.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2006**

Fourteen Months Ended August 31, 2006

	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 06/30/2006</u>	<u>Lapse Period Expenditures 7/01 - 8/31/06</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>Public Act 094-0015</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 950,600	\$ 839,838	\$ 38,328	\$ 878,166	\$ 72,434
Employee Retirement Contribution Paid					
By the Employer	1,400	1,125	-	1,125	275
State Contribution to State Employees' Retirement System	74,100	65,465	2,988	68,453	5,647
State Contribution to Social Security	73,500	62,051	2,839	64,890	8,610
Contractual Services	113,000	95,592	7,525	103,117	9,883
Travel	20,300	17,674	1,040	18,714	1,586
Commodities	6,300	5,697	595	6,292	8
Printing	6,000	5,335	48	5,383	617
Equipment	6,800	4,751	615	5,366	1,434
Elec. Data Processing	3,000	2,329	-	2,329	671
Telecommunications	26,300	19,669	6,094	25,763	537
Total General Revenue Fund	<u>\$ 1,281,300</u>	<u>\$ 1,119,526</u>	<u>\$ 60,072</u>	<u>\$ 1,179,598</u>	<u>\$ 101,702</u>
<u>SPECIAL PROJECTS DIVISION FUND - 607</u>					
Processing and Adjudicating Costs	\$ 100,000	\$ -	\$ 41,359	\$ 41,359	\$ 58,641
Total Special Projects Division Fund - 607	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 41,359</u>	<u>\$ 41,359</u>	<u>\$ 58,641</u>
Grand Total - All Funds	<u>\$ 1,381,300</u>	<u>\$ 1,119,526</u>	<u>\$ 101,431</u>	<u>\$ 1,220,957</u>	<u>\$ 160,343</u>

Note: Information was obtained from the Agency's records, which have been reconciled to those of the State Comptroller.

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

	Fiscal Year		
	2007 PA 094-0798	2006 PA 094-0015	2005 PA 093-0842
<u>GENERAL REVENUE FUND - 001</u>			
<u>Appropriations (Net of Transfers)</u>	\$ 1,445,000	\$ 1,281,300	\$ 1,435,767
<u>Expenditures:</u>			
Personal Services	1,010,082	878,166	930,655
Employee Retirement Contribution			
Paid by the Employer	-	1,125	170
State Contribution to State			
Employees' Retirement System	116,465	68,453	151,559
State Contribution to Social			
Security	74,740	64,890	68,730
Contractual Services	89,609	103,117	117,982
Travel	19,767	18,714	17,472
Commodities	6,599	6,292	5,126
Printing	3,095	5,383	192
Equipment	8,276	5,366	5,377
Electronic Data Processing	1,704	2,329	362
Telecommunications	21,134	25,763	17,613
Total General Revenue Fund- 001	\$ 1,351,471	\$ 1,179,598	\$ 1,315,238
<u>SPECIAL PROJECTS DIVISION FUND - 607</u>			
<u>Appropriations (Net of Transfers)</u>	\$ 100,000	\$ 100,000	\$ -
<u>Expenditures:</u>			
Processing and Adjudicating Costs	-	41,359	-
Total Special Projects Division Fund- 607	\$ -	\$ 41,359	\$ -
<u>Total Appropriations for All Funds</u>	\$ 1,545,000	\$ 1,381,300	\$ 1,435,767
<u>Lapsed Balances</u>	\$ 193,529	\$ 160,343	\$ 120,529
<u>State Officer's Salaries</u>			
<u>Appropriations:</u>			
Chairman	\$ 46,500	\$ 44,400	\$ 44,400
Twelve Members	501,700	478,700	478,700
Total Appropriations	\$ 548,200	\$ 523,100	\$ 523,100
<u>Expenditures:</u>			
Chairman	\$ 43,481	\$ -	\$ -
Twelve Members	463,343	471,853	471,808
Total Expenditures	\$ 506,824	\$ 471,853	\$ 471,808
<u>Lapsed Balances</u>	\$ 41,376	\$ 51,247	\$ 51,292

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2007 AND 2006**

	July 1, 2006 to June 30, 2007	July 1, 2005 to June 30, 2006
Equipment		
Balance, July 1	\$ 271,734	\$ 208,058
Additions:		
Purchases	4,571	63,676
Transfers	1,476	-
Total Additions	6,047	63,676
Deductions:		
Surplus property transfers	1,254	-
Total Deductions	1,254	-
Balance, June 30	<u>\$ 276,527</u>	<u>\$ 271,734</u>

This schedule was reconciled to the Agency Report of State Property submitted to the Comptroller's Office.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2007, 2006, AND 2005**

GENERAL REVENUE FUND - 001	<u>2007</u>	<u>2006</u>	<u>2005</u>
Reimbursement for Personal Phone Calls	\$ 15	\$ -	\$ 67
Reimbursement for Jury Duty	17	34	-
Rebates	-	-	50
Other	-	296	2,877
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	<u>\$ 32</u>	<u>\$ 330</u>	<u>\$ 2,994</u>

**RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**

Cash Receipts per Commission	\$ 32	\$ 330	\$ 2,994
Prior Year Refunds Deposited in Current Year	<hr/> 346	<hr/> 1,169	<hr/> -
	<hr/>	<hr/>	<hr/>
Deposits Remitted to the Comptroller	<u>\$ 378</u>	<u>\$ 1,499</u>	<u>\$ 2,994</u>

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

We considered significant variations in expenditures to be an annual percentage and dollar variance of 20% and \$7,500 or more. The following are the significant variations pursuant to this criteria and explanations of the variances.

GENERAL REVENUE FUND – 001

	<u>FY07</u>	<u>FY06</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
State Contributions to State Employees' Retirement System	\$ 116,465	\$ 68,453	\$ 48,012	70%

State Contributions to State Employees' Retirement System

The Governor's Office of Management and Budget sets the rates for State Contributions to State Employees' Retirement System. The rate increased from fiscal year 2006 to fiscal year 2007.

SPECIAL PROJECTS FUND – 607

Processing and Adjudicating Costs	\$ 0	\$ 41,359	\$ (41,359)	(100%)
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Processing and Adjudicating Costs

The Human Rights Commission did not expend funds received from the Department of Human Rights for the processing and adjudicating of human rights cases during fiscal year 2007.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES – CONTINUED

We considered significant variations in expenditures to be an annual percentage and dollar variance of 20% and \$7,500 or more. The following are the significant variations pursuant to this criteria and explanations of the variances.

GENERAL REVENUE FUND – 001

	<u>FY06</u>	<u>FY05</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
State Contributions to State Employees' Retirement System	\$ 68,453	\$ 151,559	\$ (83,106)	(55%)
Telecommunications	\$ 25,763	\$ 17,613	\$ 8,150	46%

State Contributions to State Employees' Retirement System

The Governor's Office of Management and Budget sets the rates for State Contributions to State Employees' Retirement System. The rate decreased from fiscal year 2005 to fiscal year 2006.

Telecommunications

The Human Rights Commission made significant purchases during fiscal year 2006. These purchases included four personal digital assistants telephones, two conference telephones, new head-sets and various re-wiring expenditures.

SPECIAL PROJECTS DIVISION FUND – 607

Processing and Adjudicating Costs	\$ 41,359	\$ 0	\$ 41,359	100%
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Processing and Adjudicating Costs

The Human Rights Commission expended funds received from the Department of Human Rights during fiscal year 2006. These funds were not received during fiscal year 2005.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

We considered significant variations in receipts to be an annual percentage variance of 20% or more. The following are the significant variations pursuant to this criteria and explanations of the variances.

	<u>FY07</u>	<u>FY06</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Revenue Fund	\$ 32	\$ 330	\$ (298)	(90%)

General Revenue Funds

The decrease in receipts during fiscal year 2007 was due to the Agency receiving a refund from the State Retirement System for retirement pick-up overpayments in fiscal year 2006.

	<u>FY06</u>	<u>FY05</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Revenue Fund	\$ 330	\$ 2,994	\$ (2,664)	(89%)

General Revenue Funds

The decrease in receipts during fiscal year 2006 was due to a decrease in the amount of refunds to the Agency from the State Retirement System for retirement pick-up overpayments.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

We considered significant lapse period spending to be 20% of the total expenditures for the fiscal year for that line item. The following are significant lapse period spending pursuant to this criteria and explanations of the expenditures.

GENERAL REVENUE FUND – 001

Fiscal Year 2007

There were no significant lapse period expenditures for fiscal year 2007.

SPECIAL PROJECTS DIVISIONS FUND – 607

There were no significant lapse period expenditures for fiscal year 2007.

GENERAL REVENUE FUND – 001

Fiscal Year 2006

	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Lapse % of Total</u>
Telecommunications	\$ 25,763	\$ 6,094	24%

Telecommunications

Lapse period expenditures were for June 2006 invoices received in late July and early August. These invoices consisted of regular monthly phone charges, plus charges for re-wiring, repairs and adjustments during the month of May 2006.

SPECIAL PROJECTS DIVISIONS FUND – 607

Processing and Adjudicating Costs	\$ 41,359	\$ 41,359	100%
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Processing and Adjudicating Costs

Funds were not available to spend until June 2006. Invoices for items ordered in June were received and processed during the lapse period.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

**ANALYSIS OF OPERATIONS
DATA ON OPERATIONS**

AGENCY FUNCTIONS AND PLANNING PROGRAM

The Human Rights Commission (Commission) was created July 1, 1980, as a result of the Public Act 81-1216. The Act combined the Fair Employment Practices Commission, Department of Equal Fair Employment Practices Commission, Department of Equal Opportunity and Human Relations Commission to form the Illinois Human Rights Commission and the Department of Human Rights. The Commission consists of thirteen members (Commissioners) appointed by the Governor with the advice and consent of the Senate. The Governor designates one Commission member as chairperson.

The Commission is a quasi-judicial agency. Its main function is to hear and decide complaints of civil rights violations on charges filed originally with the Department of Human Rights. Meeting in three member panels, the Commission issues orders and decisions on the recommendation of its staff administrative law judges, decides requests for review of dismissals or defaults issued by the Department of Human Rights, and approves settlements agreed to by the parties to a case.

The Commission adjudicates allegations of unlawful discrimination in employment, real property transactions, access to financial credit, and public accommodations.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

**ANALYSIS OF OPERATIONS
DATA ON OPERATIONS**

AVERAGE NUMBER OF EMPLOYEES

A comparative schedule of the average number of Commission employees, for the fiscal years ended June 30 is presented below:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Revenue Fund – 001			
Officials/Managers	4.00	3.00	3.00
Professionals	10.00	10.00	7.00
Technicians	0.00	0.00	1.00
Paraprofessionals	2.00	2.00	2.00
Office/Clerical	<u>2.00</u>	<u>2.00</u>	<u>5.00</u>
Average Total Employees	<u>18.00</u>	<u>17.00</u>	<u>18.00</u>

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION**

**ANALYSIS OF OPERATIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)**

	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>
Complaints filed through the Department of Human Rights	270	178	181
Complaints filed by complainants	331	38	34
Remands	0	2	0
Cases carried over from prior year	<u>593</u>	<u>592</u>	<u>632</u>
Total complaints filed	1,194	810	847
Cases completed	<u>239</u>	<u>217</u>	<u>255</u>
Open cases at fiscal year end	<u>955</u>	<u>593</u>	<u>592</u>
Average number of administrative law judges at fiscal year end	<u>7.0</u>	<u>7.0</u>	<u>6.0</u>
Average caseload	<u>136</u>	<u>85</u>	<u>99</u>