

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2009

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

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STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
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For the Two Years Ended June 30, 2009

**COMMISSION OFFICIALS**

Director	Mr. N. Keith Chambers
Chief Fiscal Officer (5/1/08 to current)	Dr. Ewa I. Ewa
Chief Fiscal Officer (7/1/07 to 4/30/08)	Mr. Stephen Konya
General Counsel (12/17/07 to current)	Ms. Harriet Parker
General Counsel (7/1/07 to 12/16/07)	Vacant
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	

Commission offices are located at:

James R. Thompson Center  
100 West Randolph Street, Suite 5-100  
Chicago, IL 60601

William G. Stratton Office Building  
Room 404  
Springfield, IL 62706



# STATE OF ILLINOIS

## Human Rights Commission

**Pat Quinn**  
Governor

### Commissioners

**Martin R. Castro**  
Chairman

**Marti Barlcevic**

**Charles E. Box**

**David Chang**

**Robert S. Enriquez**

**Nabi R. Fakroddin, P.E., S.E.**

**Marylee V. Freeman**

**Sakhawat Hussain, M.D.**

**Spencer Leak, Sr.**

**Munir Muhammad**

**Rozanne Ronen**

**Gregory G. Simoncini**

**Diane Viverito**

**N. Keith Chambers**  
Executive Director

Honorable William G. Holland  
Auditor General  
Iles Park Plaza  
740 E. Ash Street  
Springfield, IL 62703-3154

May 10, 2010

Dear Mr. Holland:

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 Human Rights Commission (Commission). 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 Commission's compliance with the following assertions during the two-year period ended June 30, 2009. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2008, the Commission has materially complied with the assertions below.

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

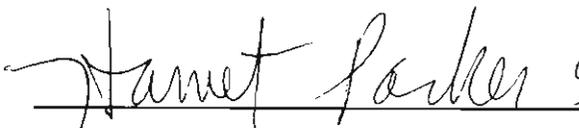
- D. The State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

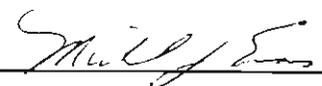
Yours very truly,

Human Rights Commission

 5-10-10  
\_\_\_\_\_  
(N. Keith Chambers, Director)

 5/10/10  
\_\_\_\_\_  
(Dr. Ewa I. Ewa, Fiscal Officer/SPO)

 5/10/10  
\_\_\_\_\_  
(Harriet Parker, General Counsel)

 5/10/10  
\_\_\_\_\_  
(Michael Evans, Chief Administrative Law Judge)

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**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.

**ACCOUNTANTS' REPORT**

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>Current</u>	<u>Prior</u>
Findings	9	9
Repeated findings	7	3
Prior recommendations implemented or not repeated	2	3

Details of findings are presented in the separately tabbed report section of this report.

**SCHEDULE OF FINDINGS**

FINDINGS – STATE COMPLIANCE

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-1	9	Noncompliance with Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance
09-2	11	Untimely publication of decisions	Significant Deficiency and Noncompliance
09-3	13	Lack of compliance with the Labor and Employment Administrative Code	Significant Deficiency and Noncompliance
09-4	14	Commissioners' terms expired	Noncompliance
09-5	15	Failure to publish annual report	Significant Deficiency and Noncompliance

STATE OF ILLINOIS  
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FINDINGS – STATE COMPLIANCE (CONTINUED)

09-6	16	Failure to reconcile expenditure records	Significant Deficiency and Noncompliance
09-7	17	Lack of segregation of duties	Significant Deficiency and Noncompliance
09-8	19	Inadequate control over State property and related reporting	Significant Deficiency and Noncompliance
09-9	22	Employee performance evaluations not completed timely	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	23	Improper employment of State Employee
B	23	Improper timekeeping practices

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Commission personnel at an exit conference on April 28, 2010. Attending were:

**HUMAN RIGHTS COMMISSION**

N. Keith Chambers, Director  
Ewa I. Ewa, Chief Fiscal Officer  
Harriet Parker, General Counsel  
Michael J. Evans, Chief Administrative Law Judge

**Office of the Auditor General**

Courtney Dzierwa, Audit Manager  
Jose G. Roa, Audit Supervisor

Responses to the recommendations were provided by Dr. Ewa I. Ewa, Chief Fiscal Officer in correspondence dated May 7, 2010.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

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**

We have examined the State of 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, 2009. The management of the State of Illinois, Human Rights Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Human Rights Commission's compliance based on our examination.

- A. The State of 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 State of 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 State of 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. State revenues and receipts collected by the State of 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.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Human Rights Commission on behalf of the State or held in trust by the State of Illinois, Human

Rights Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, 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 State of 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 State of Illinois, Human Rights Commission's compliance with specified requirements.

In our opinion, the State of 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, 2009. However, the results of our procedures disclosed 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 09-1, 09-2, 09-3, 09-4, 09-5, 09-6, 09-7, 09-8, and 09-9.

### **Internal Control**

The management of the State of 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 State of Illinois, Human Rights Commission's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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 State of Illinois, Human Rights Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Human Rights Commission's internal control over compliance.

A *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 and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material

weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance described in findings 09-1, 09-2, 09-3, 09-5, 09-6, 09-7, 09-8, and 09-9 in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over compliance. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The State of 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 State of Illinois, Human Rights Commission's responses and, accordingly, we express no opinion on them.

### **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 2009 and the 2008 Supplementary Information for State Compliance Purposes, except for 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 2007 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.

  
BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits

May 10, 2010

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-1. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Human Rights Commission (Commission) did not comply with the Fiscal Control and Internal Auditing Act (FCIAA). We noted the following:

- The Commission did not perform an evaluation of its internal fiscal and administrative controls during Fiscal Year 2009. However, the Commission prepared and submitted a FCIAA certification for Fiscal Year 2009 to the Office of the Auditor General.
- In addition, the Commission did not timely file its FCIAA certification for Fiscal Year 2008. The FCIAA certification was due on May 1, 2008 but was not filed until June 5, 2008, which is 36 days late.

The FCIAA (30 ILCS 10/3003) requires the chief executive officer of each State agency to conduct an evaluation of their systems of internal fiscal and administrative controls and file a certification regarding the evaluation with the Auditor General by May 1<sup>st</sup> of each year.

Commission personnel stated the Fiscal Year 2008 certification was filed late due to oversight. Commission personnel also stated the Fiscal Year 2009 certification was based on the evaluation of internal controls conducted during Fiscal Year 2008 and further stated that they felt an updated evaluation for Fiscal Year 2009 was not necessary because there were no changes in Commission processes in that time period. However, we noted turnover within the Commission's fiscal staff and maintained the updated evaluation should have been conducted as required.

Timely evaluations of internal controls are necessary to determine whether existing controls are adequate to prevent or detect potential risks. (Finding Code No. 09-1)

**RECOMMENDATION**

We recommend the Commission perform timely evaluations of its systems of internal fiscal and administrative controls and timely file annual certifications regarding the evaluation with the Auditor General by May 1<sup>st</sup> of each year as required by the FCIAA.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

**COMMISSION RESPONSE**

The Commission partially agrees with the above finding relative to the late filing of FCIAA certification in Fiscal 08 which was the result of transitioning from the outgoing CFO and the incoming. However, the Commission performs and will continue to perform its internal fiscal and administrative controls as prescribed in the Auditing Act. This is reflected in our monthly Commission En-banc meetings report.

**AUDITOR'S COMMENT**

The FCIAA requires the chief executive officer of each State agency to conduct an evaluation of their systems of internal fiscal and administrative controls (emphasis added). General discussion regarding Commission operations does not constitute an evaluation of the Commission's systems of internal fiscal and administrative controls.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-2. **FINDING** (Untimely publication of decisions)

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

Twelve of 25 (48%) decisions tested were not posted on the Commission's website within 120 calendar days of the disposal date. In addition, we were unable to determine if the Commission made the decisions available in their library because no record is maintained detailing when decisions were filed and made available.

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, to be published within 120 calendar days of the completion of service of the written decision on the parties to ensure a consistent source of precedent.

Commission officials stated decisions were not posted to Commission website due to a lack of staff available to publish decisions from July 2007 to December 2007. In addition, Commission personnel stated they experienced delays in obtaining replacement equipment necessary to post the decisions to their website when their scanning machine was broken beyond repair. Further, no procedures were put in place for maintaining a log of their library.

All decisions should be posted on the Commission's website and made available in Commission library to ensure a consistent source of precedent and enable them to be viewed by the general public.

In addition, during the prior examination, we noted the Commission did not provide its decisions to the Illinois State Library. During the current examination, we noted the Commission provided its decisions to the Illinois State Library as required. (Finding Code No. 09-2, 07-2)

**RECOMMENDATION**

We recommend the Commission comply with the Illinois Human Rights Act and publish all of its decisions within 120 calendar days. Furthermore, the Commission should keep a log of their library to ensure compliance with the Illinois Human Rights Act.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

**COMMISSION RESPONSE**

The Commission partially agrees with the above findings. It is however unclear what period of time you are referring to here. From July 2007 to December 2007, there was only one staff at HRC's office of the General Counsel, an Administrative Assistant. There were no staff on or about December 2008 and no system in place to get these notices posted, and no scanning equipment until October 2009 to aid in processing these notices. Since December 2008 these recommendations have been implemented by the Commission. The Commission is therefore in compliance with the Illinois Human Rights Act and since December 2008 publishes all Decisions within 120 calendar days. It is important to note the Commission must depend on CMS to post its Decisions. The Decisions are sent to CMS in a timely manner but are not always posted by CMS within 120 calendar day framework.

As you review the decisions in the Commission "library" for the requisite fiscal years you were able to determine the Decisions are made available to the public. However, as you require documentation regarding when the decisions are made to the public, the Commission will maintain a log as recommended.

**AUDITOR'S COMMENT**

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, to be published within 120 calendar days of the completion of service of the written decision on the parties to ensure a consistent source of precedent. Because this requirement has been effective and applicable throughout Fiscal Years 2008 and 2009, the specific periods of time during the examination period from which our sample was selected and exceptions were noted is irrelevant.

The auditors also question the validity of the Commission's response. The Commission's response states there was no staff on or about December 2008, no system in place to get the notices posted, and no scanning equipment available until October 2009; however, the Commission later asserts they have been in compliance since December 2008.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-3. **FINDING** (Lack of compliance with the Labor and Employment Administrative Code)

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

For 18 of 29 (62%) cases tested, the Commission did not serve all required parties within five days of the complaint being filed with the Commission. The complaints were served 2 to 45 days late.

The Illinois Administrative Code (56 Ill. Adm. Code 5300.620) requires the Commission to serve all parties within five days after a complaint is filed with the Commission by the Department of Human Rights or by an aggrieved party.

Commission officials stated the untimely service of complaints on all parties was due to a lack of staffing.

Failure to serve a complaint within five days increases the risk that all parties of the complaint are not properly informed, thereby affecting the ability of the Commission to effectively carry out its mission. (Finding Code No. 09-3, 07-3)

**RECOMMENDATION**

We recommend the Commission serve complaints on all required parties within five days after each complaint is filed with the Commission as required by the Administrative Code.

**COMMISSION RESPONSE**

The Commission agrees with this finding relative to the specific period in question. This was due to lack of staff to perform these duties. However, since 2009, this situation has been rectified and the Commission is now in compliance.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-4. **FINDING** (Commissioners' terms expired)

The Human Rights Commission (Commission) had commissioners whose terms had expired. In addition, the Commission had vacancies.

As of June 30, 2009, 11 of 13 (85%) Commissioners' appointment terms had expired. Two expired in January 2005, five expired in January 2007, and four expired in January 2009. In addition, two commissioner positions were vacant.

The Illinois Human Rights Act (775 ILCS 5/8-101) requires the Human Rights Commission to be comprised of 13 members appointed by the Governor with the advice and consent of the Senate to terms of 4 years and to serve until a successor is appointed and qualified.

Commission officials explained that the process of re-appointment or replacement of Commissioners is handled by the Illinois Office of the Governor with the advice and consent of the Senate. The Commission stated that it has attempted to address the expiration of Commissioner terms by notifying the Office of the Governor, but incumbent Commissioners have not been formally reappointed, or successor Commissioners have not yet been appointed to replace the incumbents in all of the instances noted.

Commissioners should be appointed upon the expiration of an incumbent's term in order to comply with State statute. Furthermore, a vacant commissioner position can adversely affect operations by causing a delay in the review of recommended order and decisions issued by the administrative law judges. (Finding Code No. 09-4, 07-4)

**RECOMMENDATION**

We recommend the Commission continue to work with the Illinois Office of the Governor to obtain appointments as soon as possible.

**COMMISSION RESPONSE**

The Commission agrees with the findings. The Executive Director and the General Counsel have consistently advised the Office of the Governor of the need to reappoint and replace all vacant and expired terms. The Commission will continue to work with the Office of the Governor to obtain appointments as soon as possible. All reappointments and replacements have been completed.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-5. **FINDING** (Failure to publish annual report)

The Human Rights Commission (Commission) did not prepare or deliver to the Governor Annual Reports for Fiscal Year 2008 or Fiscal Year 2009.

The State Finance Act (30 ILCS 105/3(a)) requires each officer of the executive department and all public institutions of the State to, 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 of each fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes. In addition, 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 personnel stated that annual reports were not prepared due to insufficient staffing levels and budget constraints.

Failure to create and deliver to the Governor an annual report of the Commission's acts and doings limits the Governor's oversight and is noncompliance with the State Finance Act. (Finding Code No. 09-5, 07-5)

**RECOMMENDATION**

We recommend the Commission prepare and deliver to the Governor annual reports as required by the State Finance Act.

**COMMISSION RESPONSE**

The Commission agrees with the finding. Review of the report is in its final phase and publication will be completed shortly.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-6. **FINDING** (Failure to reconcile expenditure records)

The Human Rights Commission (Commission) did not perform monthly reconciliations of its expenditures to the Office of the Comptroller (Comptroller) records.

We noted the Commission did not perform monthly expenditures reconciliations to the Comptroller's Monthly Appropriation Status Report during Fiscal Years 2008 and 2009. The Commission compared its expenditure records to reports received from the Comptroller. However, the informal comparisons were not documented and do not constitute a reconciliation as required by the Statewide Accounting Management System (SAMS). Commission expenditures totaled \$1,960,517 and \$1,552,352 during Fiscal Years 2009 and 2008, respectively.

SAMS (Procedure 11.40.20) requires State agencies to reconcile unexpended budget authority balance per agency records with the unexpended budget authority balance per the Comptroller on a monthly basis and notify the Comptroller of any corrections or unreconciled balances.

Commission personnel stated they felt the informal reconciliations were adequate, given the size of the agency and the low level of expenditures.

Failure to properly reconcile accounting records could lead to inaccurate financial reporting and unresolved differences between Commission and Comptroller records. (Finding Code No. 09-6, 07-6)

**RECOMMENDATION**

We recommend the Commission ensure formal monthly reconciliations are performed and documented in accordance with SAMS procedures.

**COMMISSION RESPONSE**

The Commission partially agrees with the finding relative to the specificity of reconciliations. The Commission will implement this recommendation to ensure formal reconciliations are performed and documented in accordance with SAMS procedures.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-7. **FINDING** (Lack of segregation of duties)

The 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. During our examination, we noted the following:

- The Fiscal Officer has the authority to prepare and approve vouchers for payment and also performs informal reconciliations of expenditure records to Comptroller records.
- The Fiscal Officer is the property control officer, and as such is involved in taking physical inventories, maintaining property records, approving equipment vouchers, reporting surplus property items, and making property transfers.
- The Administrative Assistant deposits cash receipts and also reconciles cash receipt records to Comptroller records.
- The Commission does not have a person independent from the payroll function review the payroll prior to disbursement.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all States agencies establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls require the Commission to maintain adequate segregation of duties to ensure the proper safeguarding of assets and accurate financial accounting

Commission officials stated that due to staffing shortages and the small size of the Commission, proper segregation of duties is not practical.

A lack of segregation of duties increases the risk of loss due to errors and irregularities that could occur which may not be discovered in the regular course of employees carrying out their normally assigned duties. (Finding Code No. 09-7, 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 an employee not currently involved in the fiscal office.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

**COMMISSION RESPONSE**

The Commission agrees with the findings and will implement these recommendations when funds/resources are available. However, despite shortage of staff, strategic steps are being taken by the agency to ensure that proper practices and safeguards are adhered to. Counter verification of cash/payroll transactions have been instituted in the fiscal office.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-8. **FINDING** (Inadequate control over State property and related reporting)

The Human Rights Commission (Commission) did not maintain adequate controls over State property and related reporting. During our examination, we noted the following:

- During observation of equipment storage areas, auditors identified eight obsolete equipment items, totaling \$9,104, and five unused equipment items, totaling \$1,421, that had not been transferred to the Department of Central Management Services (CMS). In addition, auditors noted three obsolete and three unused equipment items that were not recorded on the property listing and one obsolete item that was not affixed with a property tag.

The State Property Control Act (30 ILCS 605/7.3) requires all State agencies to review inventories and report potential items of transferable property to CMS. Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires all assets that are obsolete, damaged, or no longer used in operations to be identified and, if necessary, removed from the agency's asset records. The State Property Control Act (30 ILCS 605/6.02) requires State agencies to maintain a record of all items of property under its jurisdiction and control. In addition, the Illinois Administrative Code (44 Ill. Adm. Code 5010.210) requires State agencies to mark each piece of State-owned equipment in their possession with a unique identification number.

Commission management stated unused and obsolete property items had not been transferred to CMS due to oversight. Commission management also stated unused and obsolete items were not recorded on the property listing due to oversight. In addition, Commission management stated the property tag may have fallen off the item noted as not having an affixed property tag.

- Accumulated depreciation, totaling \$7,076, for one equipment item was improperly deleted from the Commission's inventory listing in Fiscal Year 2009. The depreciation was also improperly reported as a deletion on the Commission's "Agency Report of State Property" (Form C-15).

SAMS (Procedure 29.20.10) requires property and equipment account balances to be recorded at their total historical cost, not net of depreciation.

Commission management stated the improper deletion of accumulated depreciation was due to oversight.

- The purchase of telecommunications equipment items in Fiscal Year 2008, totaling \$1,937, was improperly excluded as an addition to inventory on Form C-15. The items were also excluded as additions on the inventory listing. In addition, two equipment items that were replaced under warranty by the manufacturer at no cost were improperly excluded as additions to inventory on Form C-15. Also, these two warranty replacement items were

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

improperly recorded on the inventory listing at zero value, instead of the proper historical value of the replaced equipment, which was \$550 for each item.

SAMS (Procedure 29.20.10) requires purchased assets to be included on Form C-15 in the quarter in which the assets are received. Form C-15 is reported quarterly to the Comptroller's Office and is used to prepare the "Statewide Report of State Property." SAMS (Procedure 29.20.10) also requires all State agencies to maintain detail listings of all property items. In addition, SAMS (Procedure 29.10.30) states, "Land, buildings, equipment and/or other state property received as a gift or donation should be recorded in the agency's records at fair market value at time of donation."

Commission management stated the Commission does not report the purchase of office telephones as additions to inventory on Form C-15, and it does not record them as additions in the inventory system. Commission management stated the Commission was unaware that items replaced under warranty at zero charge should be reported as additions on Form C-15. In addition, Commission management stated the Commission was unaware that warranty replacements should be recorded in the inventory at the same cost as the items replaced.

- One of 25 (4%) items selected for testing, valued at \$500, could not be located.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires States agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance property is safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls would require the Commission to maintain adequate accountability over all State property items in its custody.

Commission management stated the tag might have fallen off this property item. Management further stated this property item is no longer in use because new equipment was purchased to replace it.

Failure to maintain adequate control over property items impairs the State's objectives of good stewardship and the preservation of assets, and increases the risk of loss due to waste, unauthorized use, and misappropriation. (Finding Code No. 09-8)

**RECOMMENDATION**

We recommend the Commission follow the appropriate laws, rules and regulations regarding the disposal or transfer of obsolete or unused State property, control over State property, and the accounting, recording and reporting of State property.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

**COMMISSION RESPONSE**

The Commission partially agrees with the findings which are similar to earlier findings by an independent audit firm in 2008. Since then the Commission has developed a State property control and accounting policy, separately and internally audited its State property, disposed of/transfer obsolete or unused State property to CMS as stipulated. In effect, the Commission has implemented these recommendations and hence in compliance.

**AUDITOR'S COMMENT**

Our independent audit was for the two-year period ended June 30, 2009. The auditors stand by the testing results reported in this finding.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

09-9. **FINDING** (Employee performance evaluation not completed timely)

The Illinois Human Rights Commission (Commission) did not complete the employee performance evaluation process timely.

We noted that for 1 of 6 (17%) employees tested, an employee performance evaluation was prepared and signed timely by the employee's supervisor. However, the employee's signature, signifying review of the evaluation and completion of the evaluation process, was not obtained and documented on the evaluation form until 22 days after the period under evaluation ended.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Good internal controls requires the Commission to complete the employee performance evaluation process timely to ensure prompt communication of performance concerns to affected employees.

Commission personnel stated the evaluation was not completed timely due to staffing limitations and that the evaluation was signed by the employee as soon as possible.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. Timely communication of performance evaluation results is necessary to facilitate improvement in employee performance. (Finding Code No. 09-9, 07-9, 05-6)

**RECOMMENDATION**

We recommend the Commission strengthen procedures to ensure the evaluation process is completed timely and evaluations are signed promptly by all employees.

**COMMISSION RESPONSE**

Similarly, relative to fiscal year 08, the Commission agrees with the findings and has implemented procedures since FY09 to ensure the evaluation process is completed timely and signed promptly.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2009

Prior Findings Not Repeated

A. **FINDING** (Improper employment of State Employee)

During the prior examination, the Human Rights Commission (Commission) made inappropriate expenditures for a former Commission employee.

During the current examination, we noted no instances of inappropriate expenditures for former Commission employees during our testing. (Finding Code No. 07-1)

B. **FINDING** (Improper timekeeping practices)

During the prior examination, the Commission did not have adequate controls over employee timekeeping requirements.

During the current examination, the Commission implemented adequate controls over employee timekeeping requirements. (Finding Code No. 07-8, 05-5)

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**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 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0731 APPROPRIATED FUNDS	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
<b>General Revenue Fund - 001</b>					
Personal Services	\$ 1,673,800	\$ 1,298,802	\$ 56,754	\$ 1,355,556	\$ 318,244
State Contribution to State Employees' Retirement System	297,900	273,756	11,968	285,724	12,176
State Contributions to Social Security	128,100	94,928	4,172	99,100	29,000
Contractual Services	190,000	124,067	17,194	141,261	48,739
Travel	18,000	10,960	-	10,960	7,040
Commodities	12,000	8,884	2,416	11,300	700
Printing	9,000	1,571	284	1,855	7,145
Equipment	35,000	16,973	6,654	23,627	11,373
Electronic Data Processing	11,300	4,025	491	4,516	6,784
Telecommunications	30,000	24,736	1,882	26,618	3,382
<b>Total General Revenue Fund</b>	<b>\$ 2,405,100</b>	<b>\$ 1,858,702</b>	<b>\$ 101,815</b>	<b>\$ 1,960,517</b>	<b>\$ 444,583</b>
<b>Special Projects Division Fund - 607</b>					
Processing and Adjudicating Costs	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
<b>Total Special Projects Division Fund</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>
<b>Grand Total - All Funds</b>	<b>\$ 2,505,100</b>	<b>\$ 1,858,702</b>	<b>\$ 101,815</b>	<b>\$ 1,960,517</b>	<b>\$ 544,583</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from Commission records and have been reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008

P.A. 95-0348 APPROPRIATED FUNDS	Appropriations (Net After Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
<b>General Revenue Fund - 001</b>					
Personal Services	\$ 1,182,500	\$ 1,044,696	\$ 52,146	\$ 1,096,842	\$ 85,658
State Contribution to State Employees' Retirement System	196,200	173,164	8,647	181,811	14,389
State Contributions to Social Security	90,400	75,978	3,845	79,823	10,577
Contractual Services	155,000	114,616	20,958	135,574	19,426
Travel	11,500	9,859	728	10,587	913
Commodities	8,300	6,921	257	7,178	1,122
Printing	8,700	4,025	1,296	5,321	3,379
Equipment	8,600	3,043	5,224	8,267	333
Electronic Data Processing	6,900	5,059	-	5,059	1,841
Telecommunications	26,300	20,016	1,874	21,890	4,410
<b>Total General Revenue Fund</b>	<b>\$ 1,694,400</b>	<b>\$ 1,457,377</b>	<b>\$ 94,975</b>	<b>\$ 1,552,352</b>	<b>\$ 142,048</b>
<b>Special Projects Division Fund - 607</b>					
Processing and Adjudicating Costs	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
<b>Total Special Projects Division Fund</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>
<b>Grand Total - All Funds</b>	<b>\$ 1,794,400</b>	<b>\$ 1,457,377</b>	<b>\$ 94,975</b>	<b>\$ 1,552,352</b>	<b>\$ 242,048</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from Commission records and have been reconciled to records of the State Comptroller.

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

	Fiscal Year		
	2009	2008	2007
<b>General Revenue Fund - 001</b>	P.A. 95-0731	P.A. 95-0348	P.A. 94-0798
<b>Appropriations (Net of Transfers)</b>	\$ 2,405,100	\$ 1,694,400	\$ 1,445,000
<b>Expenditures:</b>			
Personal Services	\$ 1,355,556	\$ 1,096,842	\$ 1,010,082
State Contribution to State Employees' Retirement System	285,724	181,811	116,465
State Contributions to Social Security	99,100	79,823	74,740
Contractual Services	141,261	135,574	89,609
Travel	10,960	10,587	19,767
Commodities	11,300	7,178	6,599
Printing	1,855	5,321	3,095
Equipment	23,627	8,267	8,276
Electronic Data Processing	4,516	5,059	1,704
Telecommunications	26,618	21,890	21,134
<b>Total Expenditures - General Revenue Fund</b>	<u>\$ 1,960,517</u>	<u>\$ 1,552,352</u>	<u>\$ 1,351,471</u>
<b>Special Projects Division Fund - 607</b>			
<b>Appropriations (Net of Transfers)</b>	\$ 100,000	\$ 100,000	\$ 100,000
<b>Expenditures:</b>			
Processing and Adjudicating Costs	\$ -	\$ -	\$ -
<b>Total Expenditures - Special Projects Division Fund</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Appropriations for all funds	\$ 2,505,100	\$ 1,794,400	\$ 1,545,000
Total Expenditures for all funds	<u>1,960,517</u>	<u>1,552,352</u>	<u>1,351,471</u>
<b>Lapsed Balances for all funds</b>	<u>\$ 544,583</u>	<u>\$ 242,048</u>	<u>\$ 193,529</u>
<b>State Officers Salaries</b>			
<b>Appropriations:</b>			
Chairman	\$ 52,200	\$ 50,300	\$ 46,500
Twelve Members	563,600	543,000	501,700
Total Appropriations	<u>\$ 615,800</u>	<u>\$ 593,300</u>	<u>\$ 548,200</u>
<b>Expenditures:</b>			
Chairman	\$ 23,457	\$ 50,269	\$ 43,481
Twelve Members	516,560	497,651	463,343
Total Expenditures	<u>\$ 540,017</u>	<u>\$ 547,920</u>	<u>\$ 506,824</u>
<b>Lapsed Balances</b>	<u>\$ 75,783</u>	<u>\$ 45,380</u>	<u>\$ 41,376</u>

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2009

	<u>Equipment</u>
Balance at July 1, 2007	\$ 276,527
Additions	10,241
Deletions	67,026
Net Transfers	<u>0</u>
Balance at June 30, 2008	<u>\$ 219,742</u>
Balance at July 1, 2008	\$ 219,742
Additions	1,712
Deletions	0
Net Transfers	<u>3,100</u>
Balance at June 30, 2009	<u>\$ 224,554</u>

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

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
For the Fiscal Year Ended June 30,

<u>GENERAL REVENUE FUND - 001</u>	Fiscal Year		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Reimbursements for Personal Phone Calls	\$ 0	\$ 15	\$ 15
Reimbursements for Jury Duty	17	0	17
Miscellaneous	105	29	0
Prior Year Refunds	0	0	346
Total Receipts	<u>\$ 122</u>	<u>\$ 44</u>	<u>\$ 378</u>

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

For the Two Years Ended June 30,

<u>GENERAL REVENUE FUND - 001</u>	Fiscal Year		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Receipts per Commission Records	\$ 122	\$ 44	\$ 378
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	0	0	0
Deposits Remitted to the Comptroller	<u>\$ 122</u>	<u>\$ 44</u>	<u>\$ 378</u>

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2009

**Fiscal Year 2009**

A comparative schedule of significant variations in expenditures (20% or more) between the fiscal years ended June 30, 2009 and June 30, 2008 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2009</u>	<u>2008</u>	<u>AMOUNT</u>	<u>%</u>
Personal Services	\$1,355,556	\$1,096,842	\$258,714	24%
State Contribution to State				
Employees' Retirement System	\$285,724	\$181,811	\$103,913	57%
State Contributions to Social Security	\$99,100	\$79,823	\$19,277	24%
Commodities	\$11,300	\$7,178	\$4,122	57%
Printing	\$1,855	\$5,321	(\$3,466)	(65%)
Equipment	\$23,627	\$8,267	\$15,360	186%
Telecommunications	\$26,618	\$21,890	\$4,728	22%

Commission management provided the following explanations for the significant variations identified above.

**Personal Services, State Contribution to State Employees' Retirement System, & State Contributions to Social Security**

The increase in State Contribution to State Employees' Retirement System expenditures was due to the required contribution percentage increasing from 16.561% in Fiscal Year 2008 to 21.049% in Fiscal Year 2009. In addition, the Commission hired four new employees during Fiscal Year 2009.

**Commodities**

The increase in commodities expenditures is due to an increased need for office supplies for additional employees hired.

**Printing**

The decrease in Fiscal Year 2009 printing expenditures is due to maintaining a lower level of paper supply based on budget constraints.

**Equipment**

The increase in Fiscal Year 2009 equipment expenditures is due to the purchase of a copier during Fiscal Year 2009. No large purchases of this type occurred during Fiscal Year 2008.

**Telecommunications**

The increase in Fiscal Year 2009 telecommunications expenditures is due to the additional employees hired, who required additional equipment and increased usage fees.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2009

**Fiscal Year 2008**

A comparative schedule of significant variations in expenditures (20% or more) between the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
State Contribution to State				
Employees' Retirement System	\$181,811	\$116,465	\$65,346	56%
Contractual Services	\$135,574	\$89,609	\$45,965	51%
Travel	\$10,587	\$19,767	(\$9,180)	(46%)
Printing	\$5,321	\$3,095	\$2,226	72%
Electronic Data Processing	\$5,059	\$1,704	\$3,355	197%

Commission management provided the following explanations for the significant variations identified above.

State Contribution to State Employees' Retirement System

The increase in State Contribution to State Employees' Retirement System expenditures was due to the required contribution percentage increasing from 11.525% in Fiscal Year 2007 to 16.561% in Fiscal Year 2008. In addition, the Commission hired new employees in Fiscal Year 2008.

Contractual Services

The increase in contractual services expenditures during Fiscal Year 2008 is due to increased activity on the part of the Commission related to processing claims, including legislative services, court reporting, and data tabulation charges.

Travel

The decrease in travel expenditures is due to increasing the use of teleconferencing and reducing out of state travel whenever possible during Fiscal Year 2008.

Printing and Electronic Data Processing

The increase in printing expenditures and electronic data processing expenditures is due to the Commission being required to maintain a printed and digital copy of all decisions on file for public review beginning in Fiscal Year 2008.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2009

Significant variations in receipts are considered to be those varying between years by more than 20% and \$200.

**Fiscal Year 2008 to 2009**

**General Revenue Fund – 001**

No significant variations in receipts were noted.

**Fiscal Year 2007 to 2008**

**General Revenue Fund – 001**

Prior Year Refunds: Decrease \$346 (100%)

The decrease was due to the Commission having prior year refunds deposited in Fiscal Year 2007 and no such refunds in Fiscal Year 2008.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2009

We have reviewed lapse period spending for fiscal years ended June 30, 2009 and 2008 and have identified significant lapse period spending (20% or more). A schedule of significant lapse period spending for Fiscal Year 2009 is shown below:

**Fiscal Year Ended June 30, 2009**

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Commodities	\$11,300	\$2,416	21%
Equipment	\$23,627	\$6,654	28%

Commission management provided the following explanations for the significant lapse period expenditures identified above.

Commodities

Commodities expenditures incurred prior to June 30 were paid during lapse period due to the Commission receiving office supply purchases at fiscal year end.

Equipment

Equipment expenditures incurred prior to June 30 were paid during lapse period due to the Commission waiting to receive ordered items such as a digital copier and office furniture.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2009

A schedule of significant lapse period spending for Fiscal Year 2008 is shown below:

**Fiscal Year Ended June 30, 2008**

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Printing	\$5,321	\$1,296	24%
Equipment	\$8,267	\$5,224	63%

Commission management provided the following explanations for the significant lapse period expenditures identified above.

Printing

Printing expenditures incurred prior to June 30 were paid during lapse period due to the Commission receiving copy paper and other purchases at fiscal year end.

Equipment

Equipment expenditures incurred prior to June 30 were paid during lapse period due to the Commission waiting to receive ordered office furniture for FY09 new hires.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF OPERATIONS**  
For the Two Fiscal Years Ended June 30, 2009

AGENCY FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Human Rights Commission (Commission) was created when the Illinois Human Rights Act (Act) was signed into law on December 6, 1979. The Act forbids discrimination in employment, real estate transactions, higher education, public accommodations and access to financial credit on the basis of sex, age, race, color, religion, arrest record, marital status, handicap, citizenship, national origin, ancestry, unfavorable military discharge, retaliation, sexual harassment and sexual orientation. It also enumerates the powers and duties of the Commission such as the ability to hold meetings anywhere within the state, to establish offices in Springfield and Chicago, and to set the compensation of employees. The Act requires that all hearing officers be licensed attorneys in Illinois and full time employees. A training program for hearing officers was required to be implemented and included such topics as substantive and procedural aspects of the position, current issues in human rights law and practice, observation of experienced hearing officers, and the use of hypothetical cases requiring the hearing officer to issue judgments as a means to evaluating knowledge and writing ability.

The Commission is a quasi-adjudicatory administrative agency. It consists of a staff and 13 Commissioners, appointed by the Governor with the advice and consent of the Senate. The Governor designates one of the Commissioners as the Chairman. Commissioners serve a four-year term and may be reappointed.

The Act resulted in the creation of the Department of Human Rights (Department) and the Commission, two separate entities whose roles are set forth by the Act. Both entities work together to enforce the Act. The Department investigates charges of discrimination brought under the Act. When the Department finds evidence of a violation, it files a complaint with the Commission. The Commission reviews complaints brought forth by the Department and issues impartial decisions on complaints of unlawful discrimination.

The Commission conducts public hearings, presided over by its administrative law judges. After both parties provide evidence, the administrative law judges issue a recommended order and decision. Once a recommended order and decision is issued, the Act allows the parties to seek review by the Commissioners. The Commission meets in panels consisting of three Commissioners and issues orders and decisions on the recommendation of the administrative law judge. If the complaint is sustained, the Commission will order a remedy to be paid to the complainant. The respondent may appeal the Commission's order and decision to the State Appellate Court.

PLANNING PROGRAM

A management plan is prepared annually to document the goals and objectives for the upcoming fiscal year. This enables the Commission to manage core operations within the appropriation.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF OPERATIONS**  
For the Two Fiscal Years Ended June 30, 2009

PLANNING PROGRAM (CONTINUED)

In addition, a monthly financial report is produced by the Chief Fiscal Officer on the Commission's expenditures and remaining appropriations. Monthly budget meetings between the Executive Director, the Chief Administrative Law Judge, General Counsel and the Chief Fiscal Officer are held to discuss relevant issues concerning Commission expenditures. During the meeting, actual expenditures are compared to budgeted amounts and resulting variances are discussed. Budget meetings provide an opportunity to monitor staffing levels, current caseloads, and progress toward reducing the number of open cases in the caseload tracking system. In addition, Commissioners also conduct monthly meetings to address issues such as the evaluation of evidence and legal argument in a contested legal proceeding, the periodic self-assessment of the Commission and the appointment, compensation, and evaluation of employees of the Commission. Oversight by the Executive Director and Chief Fiscal Officer of daily operations along with employee evaluation assists the Commission with fulfilling its statutory responsibilities.

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**ANALYSIS OF OPERATIONS**  
For the Fiscal Years Ended June 30,

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Commission records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

<u>Division</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Officials/Managers	3	4	4
Professionals	12	10	10
Paraprofessionals	1	2	2
Office/Clerical	<u>5</u>	<u>2</u>	<u>2</u>
 Total average full-time employees	 <u><u>21</u></u>	 <u><u>18</u></u>	 <u><u>18</u></u>

STATE OF ILLINOIS  
HUMAN RIGHTS COMMISSION  
**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)**  
For the Two Fiscal Years Ended June 30, 2009

The Human Rights Commission's (Commission) primary responsibility is to review and issue impartial decisions on complaints of unlawful discrimination and furnish information to the public about the Illinois Human Rights Act (Act) and the Commission.

Listed below is a compilation of total complaints filed, cases completed and open cases at year end as provided by Commission for Fiscal Years 2009, 2008, and 2007.

	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2007</u>
Complaints filed through the Department of Human Rights	227	305	270
Complaints filed by complainants	35	280	332
Remands	4	2	0
Cases carried over from prior year	<u>1,175</u>	<u>950</u>	<u>593</u>
Total complaints pending	1,441	1,537	1,195
Cases completed	<u>(360)</u>	<u>(362)</u>	<u>(245)</u>
Open cases at fiscal year end	<u>1,081</u>	<u>1,175</u>	<u>950</u>
Average number of administrative law judges	<u>7</u>	<u>7</u>	<u>7</u>
Average caseload	<u>154</u>	<u>168</u>	<u>136</u>