
REPORT DIGEST

DEPARTMENT OF HUMAN RIGHTS

COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this audit: 6

Total last audit: 6

Repeated from last audit: 5

Release Date:
April 15, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- The Department did not maintain adequate financial records or prepare accurate accounting reports.
- The Department did not meet the procedural time limits set forth when a charge of a civil rights violation had been filed.
- The Department did not have adequate controls over voucher processing.

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

DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2009

EXPENDITURE STATISTICS	FY 2009	FY 2008	FY 2007
• Total Expenditures (All Funds)	\$12,185,316	\$11,744,741	\$9,857,339
OPERATIONS TOTAL.....	\$12,185,316	\$11,744,741	\$9,857,339
% of Total Expenditures	100%	100%	100%
Personal Services	\$7,480,596	\$7,375,833	\$6,775,423
% of Operations Expenditures	61.4%	62.8%	68.7%
Average No. of Employees	147	158	158
Other Payroll Costs (FICA, Retirement and Group Insurance)	\$2,432,772	\$2,044,344	\$1,608,649
% of Operations Expenditures	20.0%	17.4%	16.3%
Contractual Services.....	\$315,580	\$428,529	\$340,577
% of Operations Expenditures	2.6%	3.6%	3.5%
Lump Sums and other Purposes	\$1,675,276	\$1,675,300	\$853,795
% of Operations Expenditures	13.7%	14.3%	8.7%
All Other Operations Items	\$281,092	\$220,735	\$278,895
% of Operations Expenditures	2.3%	1.9%	2.8%
• Cost of Property and Equipment.....	\$921,126	\$944,516	\$938,896

SELECTED ACTIVITY MEASURES (Not Examined)	FY 2009	FY 2008	FY 2007
Open Discrimination Cases as of 6/30.....	3,230	3,044	3,412
New Discrimination Cases Filed.....	3,978	3,640	3,385
Cases Completed during year	3,502	3,552	2,897
Charges Completed per Month per Investigator	5.2	5.2	6.7
Investigators employed at end of year	47	52	30

AGENCY DIRECTOR(S)	
During Audit Period:	Mr. Rocco Claps
Currently:	Mr. Rocco Claps

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE FINANCIAL REPORTING

The Department of Human Rights did not maintain adequate financial records or prepare accurate accounting reports using Generally Accepted Accounting Principles (GAAP) for submission to the Illinois Office of the Comptroller. The Department did not keep adequate records or schedules to support grant/contract data, accounts receivables, and deferred revenues.

The Department did not maintain adequate financial records or prepare accurate accounting reports for submission to the Office of the State Comptroller

In our review of the GAAP Reporting Package submitted to the Comptroller's Office, we noted:

- As of June 30, 2008, accounts receivable were understated by \$106,860 and deferred revenues were overstated by \$1,240,000.
- As of June 30, 2009, accounts receivables and deferred revenues were overstated by \$712,700 and \$1,699,000, respectively.

The Department's books and records were maintained using the balances in the Comptroller's appropriation reports which is on a cash basis method of accounting. As part of the year-end closing process, State Agencies are required to prepare adjustments to convert cash basis accounting information to the accrual basis of accounting and submit the reports to the State Comptroller's office. These accounting reports summarize yearly financial activities and the status of their funds at year-end on a GAAP basis. (Finding 1, pages 9-10) **This finding, or variations thereof, has been repeated since 1997.**

Persistent problem since 1997

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

Department officials state they will seek training

Department officials stated they will seek training from the Comptroller's office. (For previous agency response, see Digest Footnote 1.)

NONCOMPLIANCE WITH STATUTORILY MANDATED TIME LIMITS

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

Failure to meet the procedural time limits

In our review of 30 cases filed with the Department (15 employment cases and 15 housing cases), we noted:

- in one employment case, the Department did not serve a copy of the charge on the respondent within 10 days (32 days late); in another employment case, the Department did not assign an investigator.
- in two housing cases, the Department either did not notify the complainant and respondent in writing why the investigation was not completed within 100 days or did not notify them timely (138 days late).

Department management stated that the untimely issuance of notices was due to lack of personnel and numerous cases filed in the Charge Processing Division. (Finding 2, pages 11-12). **(This finding has been repeated since 2005)**

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

Agency agrees with auditors

Department officials stated they will adhere to this finding and provide additional training to staff to correct the finding. (For previous agency response, see Digest Footnote 2.)

INADEQUATE CONTROLS OVER VOUCHER PROCESSING

The Department of Human Rights did not have adequate controls over voucher processing.

In our review of 163 vouchers, some of the problems we noted were:

Vouchers not approved timely

- Forty-two (26%) vouchers tested totaling \$94,887 were approved more than 30 days after receipt of the vendors invoice (1 to 203 days late).
- Eight (6%) vouchers tested totaling \$49,332 were paid 11 to 52 days late.
- Thirteen (8%) vouchers tested totaling \$71,803 did not indicate the dates they were received, thus timely approval and payment could not be determined.
- Thirty-one (19%) vouchers tested pertaining to the CMS Communications Revolving Fund or the Statistical Services Revolving Fund totaling \$191,159 were not approved timely. In addition, revolving fund vouchers of \$172,695 were improperly charged to different fiscal years. At June 30, 2009 the Department owed CMS revolving funds \$417,568 for Statistical Services and \$445,263 for Communications. (Finding 4, pages 15 -17) **This finding has been repeated since 1995.**

Persistent problem since 1995

We recommended the Department strengthen controls over voucher processing to ensure compliance with statutory requirements and its own policies.

Agency agrees with auditors

Department officials stated they will adhere to this finding. (For previous agency response, see Digest Footnote 3.)

OTHER FINDINGS

Other findings dealt with inadequate controls over property and equipment, inadequate monitoring of telephone usage, and employee evaluations not completed timely. We will review progress toward implementation of all our recommendations during our next examination.

WILLIAM G. HOLLAND, Auditor General

WGH:KMC:drh

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this audit were McGreal & Company, PC.

Digest Footnotes

1. **INADEQUATE FINANCIAL REPORTING – (Previous Department Response)**

2007: “The Department will adhere to this recommendation and seek additional training from the Comptroller’s Office to correct this finding.”

2. **NONCOMPLIANCE WITH STATUTORILY MANDATED TIME LIMITS – (Previous Department Response)**

2007: “The Department will adhere to this recommendation.”

3. **INADEQUATE CONTROL OVER VOUCHER PROCESSING – (Previous Department Response)**

2007: “The Department will adhere to this recommendation.”