



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF HUMAN RIGHTS

**COMPLIANCE EXAMINATION
For the Two Years Ended: June 30, 2011**

Release Date: February 28, 2012

Summary of Findings:

Total this audit:	4
Total last audit:	6
Repeated from last audit:	4

SYNOPSIS

- The Department did not maintain adequate financial records or prepare accurate accounting reports using generally accepted accounting principles.
- The Department did not have adequate controls over voucher processing.

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

**DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011**

EXPENDITURE STATISTICS	2011	2010	2009
Total Expenditures (All Funds).....	\$ 11,913,508	\$ 10,232,278	\$ 12,185,316
OPERATIONS TOTAL.....	\$ 11,913,508	\$ 10,232,278	\$ 12,185,316
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	1,530,920	3,841,220	7,480,596
Other Payroll Costs (FICA, Retirement).....	1,030,890	3,439,518	2,432,772
All Other Operating Expenditures.....	9,351,698	2,951,540	2,271,948
Average Number of Employees.....	148	144	147

SELECTED ACTIVITY MEASURES (Not Examined)	2011	2010	2009
Open Discrimination Cases as of 6/30.....	571	765	651
New Discrimination Cases Filed.....	3,994	4,273	4,491
Cases Completed during year.....	3,423	3,508	3,840
Charges Completed per Month per Investigator.....	5	5	6
Investigators employed at end of year.....	60	56	55

AGENCY DIRECTOR
During Examination Period: Mr. Rocco Claps
Currently: Mr. Rocco Claps

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

INADEQUATE FINANCIAL REPORTING

The Department did not maintain adequate financial records or prepare accurate accounting reports

The Department of Human Rights (Department) 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 receivable, and deferred revenues.

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

- As of June 30, 2010, accounts receivable and deferred revenues were overstated by \$208,000 and \$1,984,000, respectively.
- As of June 30, 2011, accounts receivable and deferred revenues were overstated by \$1,519,000 and \$2,613,000, respectively.

Persistent problem since 1997

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, agencies are required to prepare adjustments to convert cash basis accounting information to the accrual basis of accounting and submit 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.**

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

Department agrees with auditors

Department officials stated they will adhere to this recommendation and continue to work closely with the State Comptroller's Office to complete the yearly GAAP package. (For previous agency response, see Digest Footnote 1.)

INADEQUATE CONTROLS OVER VOUCHER PROCESSING

The Department did not have adequate controls over voucher processing.

Some of the problems noted during our review follow:

Vouchers not approved timely

- Thirty-two (26%) vouchers tested totaling \$296,515 were approved more than 30 days after receipt of the vendor's invoice (1 to 432 days late).
- Sixty (49%) vouchers tested totaling \$130,682 were paid 1 to 202 days late.
- Four (3%) vouchers tested totaling \$183,648 did not indicate the dates they were received, thus timely approval and payment could not be determined. (Finding 2, pages 11-12) **This finding has been repeated since 1995.**

Persistent problem since 1995

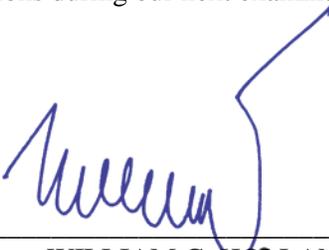
We recommend the Department strengthen controls over voucher processing to ensure compliance with statutory requirements and its own policies.

Department agrees with auditors

Department officials stated they will adhere to the recommendation and will continue to make improvements in this area, however, they are unable to make some payments until cash and or transfers are made available. (For previous agency response, see Digest Footnote 2.)

OTHER FINDINGS

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



WILLIAM G. HOLLAND
Auditor General

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SPECIAL ASSISTANT AUDITORS

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

Digest Footnotes

1. INADEQUATE FINANCIAL REPORTING - (Previous Department Response)

2009: “The Department will seek additional training from the Comptroller’s office to resolve this finding.”

2. INADEQUATE CONTROLS OVER VOUCHER PROCESSING - (Previous Department Response)

2009: “The Department will adhere to this finding and provide additional training to staff to correct this finding.”