

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
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
DEPARTMENT OF HUMAN RIGHTS
Compliance Examination
For the Two Years Ended June 30, 2007

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Department Officials

Director	Mr. Rocco Claps
Deputy Director	Ms. Bobbie Wanzo
Chief Fiscal Officer	Mrs. Lynne Turner
Legal Counsel	Mr. Raymundo Luna

Department offices are located at:

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Suite 10-100
Chicago, IL 60601

222 South College
Floor 1
Springfield, IL 62704

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Suite 112
Marion, IL 62959

ILLINOIS DEPARTMENT OF
Human Rights

Rod R. Blagojevich, Governor
Rocco J. Claps, Director

February 14, 2008

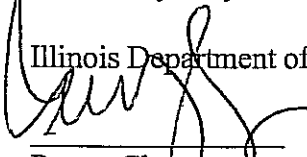
E. C. Ortiz & Co., LLP
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Chicago, Illinois 60661

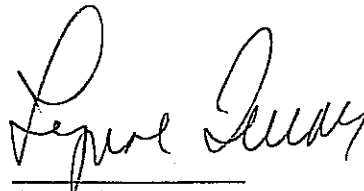
Ladies and Gentlemen:

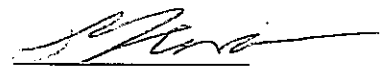
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Department of Human Rights (Department). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department'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, 2007 and June 30, 2006, the Department has materially complied with the assertions below.

- A. The Department 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 Department 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 Department 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 Department 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 Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,


Illinois Department of Human Rights
Rocco Claps
Director


Lynne Turner
Chief Fiscal Officer


Ray Luna
Chief Legal Counsel

**STATE OF ILLINOIS
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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>Compliance</u>	<u>Prior</u>
Findings	<u>Report</u>	<u>Compliance</u>
Repeated findings	6	<u>Report</u>
Prior recommendations implemented	4	7
or not repeated	3	4
	2	2

Details of *State Compliance* findings are presented in a separately tabbed report section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page(s)</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
07-1	9 -10	Inadequate Financial Reporting - Generally Accepted Accounting Principles
07-2	11	Noncompliance with Statutorily Mandated Time Limits
07-3	12 - 13	Inadequate Controls Over State Property and Equipment
07-4	14 - 16	Inadequate Controls Over Voucher Processing
07-5	17 - 18	Inadequate Monitoring of Telephone Usage
07-6	19 - 20	Inaccurate Processing of Payroll

**STATE OF ILLINOIS
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Summary of Findings, Continued

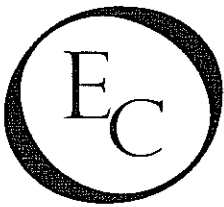
<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
07-7	21	Efficiency Initiative Payments
07-8	21	Inadequate Documentation and Improper Expenditure Classification
07-9	21	Inadequate Cash Receipts Records and Reconciliation Procedures

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EXIT CONFERENCE

The Department waived having an exit conference via electronic correspondence dated January 24, 2008, from the Department's Chief Fiscal Officer, Lynne Turner.

Responses to the recommendations were provided by Lynne Turner in a letter dated January 31, 2008.



**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 Department of Human Rights (Department) 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 Department is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

- A. The Department 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 Department 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 Department 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 Department 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 Department on behalf of the State or held in trust by the Department 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 Department'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 Department's compliance with specified requirements.

In our opinion, the Department 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 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 through 07-6.

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

Internal Control

The management of the Department 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 Department'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 Department's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose 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.

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 described in the accompanying schedule of findings as items 07-1 through 07-6 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 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. We did not consider any of the deficiencies described in the accompanying schedule of findings to be material weaknesses.

There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

The Department's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Department'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 2006 and 2007 Supplementary Information for State Compliance Purposes, except for the analysis of operations 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, Department management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

E. C. Cortiz & Co. LLP

February 14, 2008

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
Compliance Examination
For the Two Years Ended June 30, 2007**

Current Findings – State Compliance

07-1 *Inadequate Financial Reporting - Generally Accepted Accounting Principles*

The Department of Human Rights (Department) did not maintain adequate financial records or prepare an accurate “GAAP Reporting Package” for submission to the Illinois Office of the Comptroller. The Department did not keep adequate records, schedules, or reconciliations to support grant/contract data, accounts receivables, and deferred revenues.

We noted the following in our review of the GAAP Package submitted to the Comptroller’s Office:

- As of June 30, 2006, accounts receivables were understated by \$416,132 and deferred revenues were overstated by \$61,500.
- As of June 30, 2007, accounts receivables and deferred revenues were overstated by \$795,090 and \$1,224,000, respectively.

We also noted that the Department’s books and records were maintained using the balances in the Comptroller’s appropriation reports which is on a cash basis of accounting. As part of the year-end accounting and financial reporting closing process, State Agencies are required to prepare adjustments to convert to accrual basis of accounting and submit to the Illinois Office of the Comptroller their GAAP Reporting Packages which summarize their yearly financial activities and the status of their funds at year-end. The Department was able to identify accounts payables at year-end but did not maintain adequate records to establish and report accounts receivables and deferred revenues related to its federal operating grants.

The Statewide Accounting Management System (SAMS) Manual Chapter 27 details the procedures for Agency Reporting. Agencies are required to submit GAAP Reporting Packages which are used by the Comptroller to prepare the State’s General Purpose Financial Statements. The information reported by the agency should agree to the underlying supporting records at the Agency and should be reconciled to records at the Office of the State Comptroller.

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that statements be prepared using the economic resources measurement focus and accrual basis of accounting. Statement of Financial Accounting Concepts No. 5 states that revenues are generally recognized as components of earnings until realized and earned. Any amounts not earned should be recognized as deferred revenues.

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Current Findings – State Compliance (Continued)

Department management considered the Comptroller’s records to be adequate to meet the GAAP reporting requirements and adjustments for the “GAAP Reporting Package”, as most of the GAAP requirements are limited to grant receivables at year-end. Therefore, the Department did not maintain other records, schedules, or reconciliations to support grant/contract data, accounts receivables, and deferred revenues.

Inaccurate information in the Department’s “GAAP Reporting Package” increases the potential for errors in the statewide financial statements prepared by the Comptroller. (Finding Code Nos. 07-1, 05-02, 03-1, 01-1, 99-5, 97-5)

Recommendation

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

Department Response

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

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Current Findings – State Compliance (Continued)

07-2 *Noncompliance with Statutorily Mandated Time Limits*

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

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

- In two (13%) employment cases, the Department did not serve a copy of the charge on the respondents within 10 days when the charge was filed (6-7 days late).
- In one (6%) housing case, the Department did not serve a copy of the charge on the respondent within 10 days when the charge was filed (21 days late).

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

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

According to Department management, the untimely issuance of notices was due to lack of personnel and numerous cases filed in the Charge Processing Division. The delay was also due to miscommunication of assignment of cases between the Chicago and Springfield offices.

Late issuance of notices and notifications is a non-compliance with the Act. (Finding Code Nos. 07-2, 05-6)

Recommendation

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

Department Response

The Department will adhere to this recommendation.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
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Current Findings – State Compliance (Continued)

07-3 *Inadequate Controls Over State Property and Equipment*

The Department of Human Rights (Department) did not have adequate controls over its property and equipment.

During our tracing to the Property Listing of 30 items physically identified, we noted the following:

- Two (7%) items were not included in the Property Listing. These items consisted of 2 printers.
- Two (7%) items were not tagged with the Department's decal. These items consisted of a photocopying machine and a fax machine.

Statewide Accounting Management System (SAMS) Procedure 29.10.10 requires agencies to maintain detailed property records and update property records as necessary to reflect the current balance of State property. It also requires that the agency report of State property reconciles the beginning balance of State property by category, per agency records, to the ending balance of State property by category.

In our review of the Agency Report of State Property (C-15) filed quarterly for fiscal years 2006 and 2007, we noted the following:

- The ending balance of fixed assets as of June 30, 2005 showed a total of \$911,739 while beginning balance of the first quarter report for fiscal year 2006 showed \$914,097, an increase of \$2,358.
- The reported deletions for first quarter of fiscal year 2006 included deleted items totaling \$31,700 already reported in fiscal year 2005.
- Equipment deletions for September 30, 2006 of \$76,272 and \$1,991 for December 31, 2006 were not supported.

Department of Central Management Services (DCMS) Property Control Rules (44 Illinois Administrative Code, Section 5010.210: Marking of State-Owned Equipment) requires each piece of equipment to be marked with a unique six-digit identification number.

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Current Findings – State Compliance (Continued)

DCMS Property Control Rules (44 Illinois Administrative Code Section 5010.400: Equipment Inventory Recording) requires that agencies shall adjust property records within 30 days of acquisition, change or deletion of equipment items.

DCMS Property Control Rules (44 Illinois Administrative Code, Section 5010.310: Transaction Codes) requires all agencies to furnish the Property Control Division, on a monthly basis, a detailed listing of inventory deletions. Documentation supporting each deletion shall be maintained in agency files.

According to Department personnel, the exceptions noted were due to turnover of personnel and oversight.

Inadequate controls over Department property and equipment resulted in inaccurate and incomplete property records. Failure to report accurate property information resulted in noncompliance with DCMS and SAMS rules. (Finding Code No. 07-3)

Recommendation

We recommend the Department ensure that property and equipment rules and regulations are followed and that records are accurately maintained and updated.

Department Response

The Department will adhere to this recommendation and provide staff training to correct this finding.

STATE OF ILLINOIS
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Current Findings – State Compliance (Continued)

07-4 *Inadequate Controls Over Voucher Processing*

The Department did not have adequate controls over voucher processing.

During our review of 263 vouchers, we noted the following:

- Seventy-four (28%) vouchers tested totaling \$130,850 were approved more than 30 days after receipt of the vendor's invoice. The vouchers pertained to telecommunication, printing, lapse period and other interagency transactions. The vouchers were approved for payment 1 to 437 days late.
- Forty-five (17%) vouchers tested totaling \$44,695 were paid 1 to 103 days late. For three of these late vouchers, interest totaling \$279 was due but not paid. Twelve of these late vouchers with interest totaling \$197 were paid to vendors upon request. The interest computed for the remaining thirty late vouchers are below \$5, thus payment is not required.
- Five (2%) vouchers tested totaling \$30,994 were paid 9 to 247 days late and thirty-six (14%) vouchers totaling \$72,549 were not paid as of November 14, 2007. However, no interest is due since the vouchers are payable to another State agency.
- Three (1%) vouchers tested totaling \$5,296 did not indicate the dates when the vendor invoices were received, thus timely approval and payment could not be determined.
- Eighteen (7%) vouchers tested pertaining to CMS Communications Revolving Fund totaling \$54,623 were improperly charged to different fiscal years. Six vouchers totaling \$16,873 were improperly charged in fiscal year 2006 instead of fiscal year 2005, two vouchers totaling \$4,868 were improperly charged in fiscal year 2007 instead of fiscal year 2005, and the remaining ten vouchers totaling \$32,882 were improperly charged in fiscal year 2007 instead of fiscal year 2006.
- Two of 30 (7%) travel vouchers tested totaling \$759 was submitted 111 and 131 days after completion of the travel.

**STATE OF ILLINOIS
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Current Findings – State Compliance (Continued)

The Illinois Administrative Code, Title 74, Section 900.70(b) requires state agencies to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.

State Prompt Payment Act (30 ILCS 540/3-2) states that any bill approved for payment must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made. It also states that the agency shall automatically pay interest penalties required amounting to \$50 or more to the appropriate vendor. Each agency shall be responsible for determining whether an interest penalty is owed and for paying the interest to the vendor. For interest of at least \$5 but less than \$50, the vendor must initiate a written request for the interest penalty when such interest is due and payable.

Generally accepted accounting principles (GAAP) require that expenses be recorded when an obligation has been incurred.

The Department's Administrative Policy and Procedures Manual (Chapter V Fiscal Policies Section A, Part 5e) states that all reimbursable travel expenses must be submitted in a timely manner.

Department management stated that: 1) late payment was mainly due to funds not available at the time of receipt of the vendor invoices, 2) vouchers charged to different fiscal years were due to catch-up billing from CMS, and 3) late approval and other exceptions were due to oversight.

Late approval of invoices resulted in noncompliance with the Illinois Administrative Code. Failure to pay invoices in a timely manner led to incurring unnecessary interest charges and also resulted in noncompliance with the State Prompt Payment Act. Untimely submission of travel vouchers is noncompliance with Department policies and procedures. (Finding Code Nos. 07-4, 05-4, 03-3, 01-2, 99-4, 97-4, 95-3)

Recommendation

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

**STATE OF ILLINOIS
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Current Findings – State Compliance (Continued)

Department Response

The Department will adhere to this recommendation.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
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Current Findings – State Compliance (Continued)

07-5 *Inadequate Monitoring of Telephone Usage*

The Department did not adequately monitor telephone usage.

During our detailed testing of 30 telecommunications vouchers, we noted the following:

- For six (20%) vouchers tested, three cellular phone lines with line charges totaling \$445 and call charges totaling \$379 under the names of 3 employees who were separated from the Department since fiscal year 2005 were not cancelled timely. Charges were incurred on these phone lines until July 2006. The Department did not request or receive any reimbursements for these charges.
- For five (17%) vouchers tested, there were 13 calls made from 7 telephone lines using directory assistance service totaling \$213. Directory assistance fees charged by CMS are \$20 per request.

Sound internal controls require the review and timely cancellation of cellular services of separated employees to ensure that unauthorized calls are not made and incurred.

Department policies require that employees return the cellular phones upon separation and telephone bills be reviewed for accuracy. The CMS Guide to Customer Solution Center states that Directory Assistance (DA) is a billable service and State employees should use this service only when absolutely necessary as there is a separate charge for this service that greatly exceeds the cost of directly dialing the same number. It also requires that all agencies should obtain area-wide telephone directories from their telephone company provider. It further states that directory listings are available at no cost via the internet at several sites and that State telephone listings are available by calling the State of Illinois Operators at Springfield and Chicago.

Department officials stated that the exceptions noted were due to delayed response from CMS for the Department's request to cancel the cellular phone lines for separated employees. Calls using DA were made because employees do not have access to the internet or telephone books.

Inadequate monitoring of telephone lines and the use of DA resulted in unnecessary telephone costs. (Finding Code Nos. 07-5, 05-7)

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Current Findings – State Compliance (Continued)

Recommendation

We recommend the Department strictly enforce existing telephone policies to ensure that telephone bills are reviewed and problems noted are timely addressed. We also recommend that requests for cancellation of cellular phone lines for separated employees be followed up to ensure that phone lines have been disconnected promptly. The Department should consider other alternatives instead of using charged services. The Department should also seek reimbursements from former employees.

Department Response

The Department will adhere to this recommendation and provide staff training to correct this finding.

**STATE OF ILLINOIS
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Current Findings – State Compliance (Continued)

07-6 *Inaccurate Processing of Payroll*

The Illinois Department of Human Rights (Department) did not process payroll accurately.

During our review of 30 employees' personnel files and time records, we noted the following:

- Four (13%) employees tested had incorrect carry-over of unused vacation leave and sick leave hours from fiscal year 2006 to 2007. Vacation and sick leave were over by a total of 5.7 days and 44.5 hours, respectively, for the four employees.
- Two (7%) employees who stayed for less than 6 months were paid for unused vacation leave totaling \$1,180 upon separation of employment. The Department was not aware of and did not collect these overpayments.
- One (3%) employee tested was paid for dock times amounting to \$1,011 which should have been deducted from the employee's payroll. The Department was not aware of and did not collect this overpayment.

Good internal controls require that the Department maintain accurate employee time records and computation of unused vacation and sick leave hours.

The Illinois Administrative Code (80 IL Admin Code 303.290-Payment in Lieu of Vacation) states that upon termination of employment by means of resignation, retirement, indeterminate layoff, or discharge, provided the employee is not employed in another position in state service within 4 calendar days of such termination, an employee is entitled to be paid for any vacation earned but not taken or forfeited pursuant to Section 303.270, provided the employee has at least 6 months of continuous service since the latest date of appointment.

The Illinois Department of Human Rights Administrative Policy and Procedures Manual, Section G, Unused Leave Upon Separation, states that an employee is entitled to be paid for any vacation earned but not taken or forfeited provided the employee has at least 6 months of continuous service since the latest date of appointment.

Department officials stated that errors in the carry over of vacation days and sick time were due to inadequate training of employees with timekeeping duties. Other payroll processing errors were due to oversight.

**STATE OF ILLINOIS
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Current Findings – State Compliance (Continued)

Inaccurate processing of payroll resulted in noncompliance with State regulations and the Department's Policies and Procedures. Failure to maintain accurate time records and reconcile accrued leave balances to payroll expenditures increases the risk that the Department could pay for services not rendered by employees. (Finding Code No. 07-6)

Recommendation

We recommend the Department strengthen controls over personal services and adequately train payroll personnel. In addition, routine comparison of accrued leave balances and time records to payroll expenditures should be performed to ensure employees are not compensated for unearned time. The Department should collect the overpayment from former and current employees.

Department Response

The Department will adhere to this recommendation and provide staff training to correct this finding.

**STATE OF ILLINOIS
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Prior Findings Not Repeated - State

07-7 *Efficiency Initiative Payments*

The Department made payments of \$87,099 for efficiency initiative billings from improper line item appropriations. (Finding Code No. 05-1)

Status: Not Repeated

During the current engagement, our testing did not disclose any efficiency initiative payments made by the Department.

07-8 *Inadequate Documentation and Improper Expenditure Classification*

The Department did not adequately document and classify expenditures. Seventeen of 30 vouchers tested (57%) did not have purchase requisitions or purchase orders approved by the Division Supervisor/Head. Among other problems noted, one voucher amount was inadequately classified. No receiving reports were also prepared for some items received. (Finding Code No. 05-3)

Status: Not Repeated.

During the current engagement, our testing did not disclose similar exceptions.

07-9 *Inadequate Cash Receipts Records and Reconciliation Procedures*

The Department's receipts records did not summarize all cash receipts sequentially and chronologically to provide a basis for establishing completeness of receipt transactions and timeliness of deposits as well as to facilitate the reconciliation with the Comptroller's reports. (Finding Code No. 05-5)

Status: Not Repeated.

During the current engagement, we noted the Department properly recorded and summarized its cash receipts in a sequential and chronological order.

**STATE OF ILLINOIS
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Compliance Examination
For the Two Years Ended June 30, 2007**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:
 - Schedule of Expenditures of Federal Awards
 - Notes to the Schedule of Expenditures of Federal Awards
 - Schedule of Net 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 and Reconciliation 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
 - Hate Crimes Commission
 - Emergency Purchase
 - 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 that the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on 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
DEPARTMENT OF HUMAN RIGHTS
Compliance Examination**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2007

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Equal Employment Opportunity Commission		
<i>Employment Discrimination – State and Local - Fair Employment Practices Agency Contracts</i>	30.002	<u>\$ 1,258,270</u>
Department of Housing and Urban Development – Office of Fair Housing and Equal Opportunity		
<i>Fair Housing Assistance Program - State and Local</i>	14.401	608,000
<i>Fair Housing Assistance Program – Special Study Agreement</i>	None	<u>300,000</u>
Sub-Total		<u>908,000</u>
Total Expenditures of Federal Awards		<u>\$ 2,166,270</u>

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

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
Compliance Examination**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2006

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Equal Employment Opportunity Commission		
<i>Employment Discrimination – State and Local - Fair Employment Practices Agency Contracts</i>	30.002	\$1,378,040
Department of Housing and Urban Development – Office of Fair Housing and Equal Opportunity		
<i>Fair Housing Assistance Program - State and Local</i>	14.401	526,000
Department of Justice		
<i>Education and Enforcement of the Antidiscrimination Provisions of the Immigration and Nationality Act</i>	16.110	<u>15,593</u>
Total Expenditures of Federal Awards		<u>\$1,919,633</u>

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

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2007**

1. BASIS OF PRESENTATION

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

2. DESCRIPTION OF FEDERAL AWARD PROGRAMS

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

Special Projects Division Fund

a) Equal Employment Opportunity Commission (EEOC)

Employment Discrimination - State and Local - Fair Employment Practices Agency Contracts (CFDA No. 30.002)

The Department is paid \$540 for fiscal year 2006 and \$550 for fiscal year 2007 per case for the complete investigation of individual allegations of discrimination in employment and sexual harassment in employment. No refund of monies not expended in the state fiscal year are due back to the federal government.

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

Fair Housing Assistance Program - State and Local (CFDA No. 14.401)

The Department is the recipient of the HUD grant amounting to \$607,888 in 2007 and \$526,652 in 2006 to process housing discrimination complaints arising within its jurisdiction.

Fair Housing Assistance Program – Special Study Agreement

The Department is also the recipient of a study agreement with HUD pertaining to enforcement tests to determine if persons with disabilities are discriminated against when they search for housing.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Two Years Ended June 30, 2007

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

*Education and Enforcement of the Antidiscrimination Provisions of the Immigration
and Nationality Act (CFDA No. 16.110)*

This program relates to a DOJ 2005 special grant to create a special Immigration Outreach Project. The main emphasis of the Project was to educate employers and employees that are part of the various immigrant communities throughout Illinois. The program ended in fiscal year 2005.

3. PASS-THROUGH AND SUBRECIPIENT AWARDS

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

4. FEDERAL FINANCIAL ASSISTANCE

The Department did not receive Federal Financial Assistance in the form of noncash assistance, insurance or loans.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

Public Act 94-0798	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
FISCAL YEAR 2007						
GENERAL REVENUE FUND - 001						
<u>ADMINISTRATIVE DIVISION</u>						
Regular Position	\$ 520,200	\$ 519,266	\$ 934	\$ 520,200	\$ -	-
State Employee Retirement	60,000	59,883	116	59,999	1	1
Social Security/Medicare Contribution	38,531	38,462	69	38,531	-	-
Contractual Services	135,000	124,800	10,185	134,985	15	15
Travel	16,500	16,490	9	16,499	1	1
Commodities	15,700	15,584	116	15,700	-	-
Printing	4,700	4,699	-	4,699	1	1
Equipment	21,900	18,425	3,472	21,897	3	3
Telecommunication	13,000	12,445	555	13,000	-	-
Operation of Automotive Equipment	3,000	2,943	57	3,000	-	-
Lump Sum and Other Purposes	853,800	152,912	700,883	853,795	5	5
Division Totals	1,682,331	965,909	716,396	1,682,305	26	26
<u>CHARGE PROCESSING DIVISION</u>						
Regular Position	4,313,800	4,083,546	223,338	4,306,884	6,916	6,916
State Employee Retirement	497,600	471,206	22,783	493,989	3,611	3,611
Soc Sec/Medicare Contribution	319,819	302,097	17,193	319,290	529	529
Contractual Services	53,488	22,852	30,633	53,485	3	3
Travel	51,800	39,821	11,979	51,800	-	-
Commodities	13,000	12,998	2	13,000	-	-
Printing	1,300	1,221	63	1,284	16	16
Equipment	18,000	17,932	-	17,932	68	68
Telecommunication	50,000	49,930	69	49,999	1	1
Division Totals	\$ 5,318,807	\$ 5,001,603	\$ 306,060	\$ 5,307,663	\$ 11,144	\$ 11,144

Note: Appropriations and expenditures were taken from Department records and has been reconciled to the records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

Public Act 94-0798	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
FISCAL YEAR 2007						
COMPLIANCE DIVISION						
Regular Position	\$ 602,600	\$ 599,430	\$ 3,169	\$ 602,599	\$	1
State Employee Retirement	69,400	69,167	233	69,400		-
Social Security/Medicare Contribution	43,662	43,509	153	43,662		-
Contractual Services	3,600	2,043	1,556	3,599		1
Travel	12,900	12,825	75	12,900		-
Commodities	2,100	2,087	12	2,099		1
Printing	1,000	997	-	997		3
Telecommunication	1,500	1,225	272	1,497		3
Division Totals	<u>736,762</u>	<u>731,283</u>	<u>5,470</u>	<u>736,753</u>		<u>9</u>
Subtotal	<u>7,737,900</u>	<u>6,698,795</u>	<u>1,027,926</u>	<u>7,726,721</u>		<u>11,179</u>
SPECIAL PROJECTS DIVISION FUND - 607						
CHARGE PROCESSING						
Regular Position	1,585,600	1,319,706	26,034	1,345,740		239,860
State Employee Retirement	182,700	152,169	6,719	158,888		23,812
Soc Sec/Medicare Contribution	121,300	101,816	2,183	103,999		17,301
Employer Contribution Group Insurance	464,000	139,907	180,984	320,891		143,109
Contractual Services	183,000	140,008	8,500	148,508		34,492
Travel	37,000	36,999	-	36,999		1
Commodities	6,800	6,251	-	6,251		549
Printing	9,300	4,896	4,146	9,042		258
Equipment	9,600	300	-	300		9,300
Telecommunication	7,000	-	-	-		7,000
Subtotal	<u>2,606,300</u>	<u>1,902,052</u>	<u>228,566</u>	<u>2,130,618</u>		<u>475,682</u>
GRAND TOTAL ALL FUNDS	\$ 10,344,200	\$ 8,600,847	\$ 1,256,492	\$ 9,857,339	\$	\$ 486,861

Note: Appropriations and expenditures were taken from Department records and has been reconciled to the records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

Public Act 94-0015 FISCAL YEAR 2006	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
GENERAL REVENUE FUND - 001						
<u>ADMINISTRATIVE DIVISION</u>						
Regular Position	\$ 531,400	\$ 516,412	\$ 9,579	\$ 525,991	\$ 5,409	
State Paid Retirement Contribution	5,300	1,902	-	1,902	3,398	
State Employee Retirement	41,400	40,631	747	41,378	22	
Social Security/Medicare Contribution	39,400	38,296	733	39,029	371	
Contractual Services	171,300	167,965	3,335	171,300	-	
Travel	16,500	16,484	14	16,498	2	
Commodities	18,250	15,697	2,433	18,130	120	
Printing	8,582	4,484	4,015	8,499	83	
Equipment	1,674	1,674	-	1,674	-	
Telecommunication	12,000	6,901	5,099	12,000	-	
Operation of Automotive Equipment	3,000	2,977	-	2,977	23	
Lump Sum and Other Purposes	148,800	143,968	4,829	148,797	3	
Division Totals	997,606	957,391	30,784	988,175	9,431	
<u>CHARGE PROCESSING DIVISION</u>						
Regular Position	4,270,600	4,020,253	250,293	4,270,546	54	
State Paid Retirement Contribution	40,200	33,445	-	33,445	6,755	
State Employee Retirement	347,500	313,245	19,462	332,707	14,793	
Soc Sec/Medicare Contribution	316,245	297,775	18,465	316,240	5	
Contractual Services	142,201	83,536	58,656	142,192	9	
Travel	53,919	36,847	17,070	53,917	2	
Commodities	8,160	6,796	1,315	8,111	49	
Printing	1,300	724	575	1,299	1	
Equipment	325	324	-	324	1	
Telecommunication	25,144	11,247	13,897	25,144	-	
Division Totals	\$ 5,205,594	\$ 4,804,192	\$ 379,733	\$ 5,183,925	\$ 21,669	

Note: Appropriations and expenditures were taken from Department records and has been reconciled to the records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

Public Act 94-0015 FISCAL YEAR 2006	Appropriations (Net of Transfers)	Voucher Expenditures Thru June 30	Lapsed Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
COMPLIANCE DIVISION						
Regular Position	\$ 618,100	\$ 617,812	\$ 250	\$ 618,062	\$ 38	
State Paid Retirement Contribution	6,200	1,230	-	1,230	4,970	
State Employee Retirement	48,200	48,028	19	48,047	153	
Social Security/Medicare Contribution	45,300	44,793	19	44,812	488	
Contractual Services	3,600	3,595	5	3,600	-	
Travel	1,900	1,801	99	1,900	-	
Commodities	2,100	2,039	14	2,053	47	
Printing	1,000	-	1,000	1,000	-	
Telecommunication	3,000	2,989	-	2,989	11	
Division Totals	729,400	722,287	1,406	723,693	5,707	
Subtotal	6,932,600	6,483,870	411,923	6,895,793	36,807	
SPECIAL PROJECTS DIVISION FUND - 607						
CHARGE PROCESSING						
Regular Position	1,585,600	824,114	30,629	854,743	730,857	
State Paid Retirement Contribution	16,000	-	-	-	16,000	
State Employee Retirement	123,500	63,835	2,388	66,223	57,277	
Soc Sec/Medicare Contribution	99,108	64,571	2,506	67,077	32,031	
Employer Contribution Group Insurance	400,200	205,326	2,687	208,013	192,187	
Contractual Services	223,192	200,381	22,803	223,184	8	
Travel	18,000	17,710	289	17,999	1	
Commodities	5,300	5,290	-	5,290	10	
Printing	13,700	13,569	127	13,696	4	
Telecommunication	5,000	-	4,995	4,995	5	
Subtotal	2,489,600	1,394,796	66,424	1,461,220	1,028,380	
GRAND TOTAL ALL FUNDS	\$ 9,422,200	\$ 7,878,666	\$ 478,347	\$ 8,357,013	\$ 1,065,187	

Note: Appropriations and expenditures were taken from Department records and has been reconciled to the records of the State Comptroller.

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

	FISCAL YEAR		
	2007 P.A. 94-0798	2006 P.A. 94-0015	2005 P.A. 93-0842
<u>GENERAL REVENUE FUND-001</u>			
Appropriations (Net After Transfers)	\$ 7,737,900	\$ 6,932,600	\$ 7,181,154
Expenditures			
Regular Position	5,429,683	5,414,599	5,220,499
State Paid Retirement Contribution	-	36,577	5,732
State Employee Retirement	623,388	422,132	826,198
Social Security /Medicare Contribution	401,483	400,081	380,912
Contractual Services	192,069	317,092	313,749
Travel	81,199	72,315	52,164
Commodities	30,799	28,294	24,690
Printing	6,980	10,798	9,366
Equipment	39,829	1,998	42,855
Telecommunication	64,496	40,133	123,988
Operation of Automotive Equipment	3,000	2,977	4,885
Lump Sum and Other Purposes	853,795	148,797	156,440
 Total Expenditures	 \$ 7,726,721	 \$ 6,895,793	 \$ 7,161,478
 Lapsed Balances	 \$ 11,179	 \$ 36,807	 \$ 19,676

Note: State Officer's Compensation

Appropriations for Director's salary was \$105,000 for 2007, \$98,200 for 2006 and 2005. The Director was paid an annual compensation of \$104,871, \$99,595, and \$98,200 in fiscal years 2007, 2006 and 2005, respectively. These are paid from the Comptroller's appropriation for executive salaries.

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

	FISCAL YEAR		
	2007	2006	2005
	P.A. 94-0798	P.A. 94-0015	P.A. 93-0842
<u>SPECIAL PROJECTS FUND - 607</u>			
Appropriations (Net After Transfers)	\$ 2,606,300	\$ 2,489,600	\$ 2,547,000
Expenditures			
Regular Position	1,345,740	854,743	983,342
State Paid Retirement Contribution	-	-	11,237
State Employee Retirement	158,888	66,223	156,668
Social Security /Medicare Contribution	103,999	67,077	72,698
Employer Contribution Group Insurance	320,891	208,013	236,314
Contractual Services	148,508	223,184	73,048
Travel	36,999	17,999	39,076
Commodities	6,251	5,290	9,347
Printing	9,042	13,696	9,184
Equipment	300	-	-
Telecommunication	-	4,995	51,630
Total Expenditures	\$ 2,130,618	\$ 1,461,220	\$ 1,642,544
Lapsed Balances	\$ 475,682	\$ 1,028,380	\$ 904,456
<u>GRAND TOTAL, ALL FUNDS</u>			
Appropriations (Net After Transfers)	\$ 10,344,200	\$ 9,422,200	\$ 9,728,154
Total Expenditures	9,857,339	8,357,013	8,804,022
Lapsed Balances	\$ 486,861	\$ 1,065,187	\$ 924,132

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

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Beginning Balance	\$ 912,973	\$ 946,262
Additions	129,357	23,887
Deletions	<u>(103,434)</u>	<u>(57,176)</u>
Ending Balance	<u>\$ 938,896</u>	<u>\$ 912,973</u>

The information was obtained from Department records which have been reconciled to the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
Comparative Schedule of Cash Receipts and Reconciliation of
Cash Receipts to Deposits Remitted to the State Comptroller

GENERAL REVENUE FUND - 001	FISCAL YEARS		
	2007	2006	2005
RECEIPTS			
Jury duty and reimbursement	\$ 180	\$ 438	\$ 438
Copying Fees	30	-	15
Settlement for Cases	-	2,500	-
Salary Refunds	-	12,815	-
Prior Year refunds	9	219	2,493
Total Receipts	\$ 219	\$ 15,972	\$ 2,946
DEPOSITS			
Cash receipts per Department	\$ 219	\$ 15,972	\$ 2,946
Add: Deposit in transit - Beginning of year	-	-	-
Deduct: Deposit in transit - End of year	-	-	-
Deposits Remitted to the Comptroller	\$ 219	\$ 15,972	\$ 2,946

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
Comparative Schedule of Cash Receipts and Reconciliation of
Cash Receipts to Deposits Remitted to the State Comptroller (Continued)

SPECIAL PROJECTS FUND - 607	FISCAL YEARS		
	2007	2006	2005
RECEIPTS			
Equal Employment Opportunity Commission (EEOC)	\$ 1,351,976	\$ 1,365,760	\$ 1,515,200
U. S. Department of Justice	-	15,593	25,687
U.S. Department of Housing and Urban Development	1,434,340	-	427,286
Total Receipts	\$ 2,786,316	\$ 1,381,353	\$ 1,968,173
DEPOSITS			
Cash receipts per Department	\$ 2,786,316	\$ 1,381,353	\$ 1,968,173
Add: Deposit in transit - Beginning of year	-	-	-
Deduct: Deposit in transit - End of year	-	-	-
Deposits Remitted to the Comptroller	\$ 2,786,316	\$ 1,381,353	\$ 1,968,173

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007**

Explanations were obtained for significant variations in expenditures (amounting to \$20,000 or 20%) for fiscal years 2007 and 2006 are shown below:

GENERAL REVENUE FUND

	2007	2006	Increase (Decrease)	%
Personal Services	\$6,454,556	\$6,273,389	181,167	3%
Contractual Services	192,069	317,092	(125,023)	(39%)
Printing	6,981	10,798	(3,817)	(35%)
Equipment	39,829	1,998	37,831	1,893%
Telecommunication	64,496	40,133	24,363	61%
Lump Sum and Other Purposes	853,795	148,797	704,998	474%

Increase in Personal services (Regular Position, State Paid Retirement Contribution, State Employee Retirement and Social Security/Medicare Contribution) was due to overtime costs and increase in headcount of 31 from 125 employees to 156 in fiscal year 2007.

The decrease in Contractual services was due to no major training costs in fiscal year 2007 as compared to fiscal year 2006 when major amendments to the Illinois Human Rights Act were effective.

Decrease in Printing was due to purchases of training materials related to hate crimes, sexual orientation, sex offender, harassment and ethics in fiscal year 2006.

The Department purchased 33 new computers and monitors in fiscal year 2007. There were no new equipment purchases in fiscal year 2006.

Telecommunications expenditures increased due to 40 new hires in fiscal year 2007.

The increase in Lump Sum and Other Purposes was due to a supplemental appropriation to the Department to cover additional employee related expenses such as payroll, telecommunications and contractual services in fiscal year 2007.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2007**

SPECIAL PROJECTS DIVISION FUND

	2007	2006	Increase (Decrease)	%
Personal Services	\$1,929,518	\$1,196,057	\$733,461	61%
Contractual Services	148,508	223,184	(74,676)	(33%)
Travel	36,999	17,999	19,000	106%

The increase in Personal Services (Regular Position, State Paid Retirement Contribution, State Employee Retirement and Social Security/Medicare Contribution) was due to overtime costs and increase in headcount of 31 from 125 employees to 156 in fiscal year 2007. Forty (40) new investigators were hired in fiscal year 2007.

The decrease in Contractual services was due to no major training costs in fiscal year 2007 as compared to fiscal year 2006 when major amendments to the Illinois Human Rights Act were effective.

The increase in Travel was due to a greater number of investigators traveling throughout the State.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2007**

Explanations were obtained for significant variations in expenditures (amounting to \$20,000 or 20%) for fiscal years 2006 and 2005 are shown below:

GENERAL REVENUE FUND

	2006	2005	Increase (Decrease)	%
Personal Services	\$6,273,389	\$6,433,341	(\$159,952)	(2%)
Travel	72,315	52,164	20,151	39%
Equipment	1,998	42,855	(40,857)	(95%)
Telecommunication	40,133	123,988	(83,855)	(68%)

The decrease in Personal Services (Regular Position, State Paid Retirement Contribution, State Employee Retirement and Social Security/Medicare Contribution) was due to vacant positions remaining unfilled in fiscal year 2006.

The significant increase in Travel was due to increase in out of state conferences.

There were no major equipment purchases made in fiscal year 2006 whereas computers and monitors were purchased in fiscal year 2005.

The decrease in Telecommunication expenditures was due to delay in release of funds in fiscal year 2004, thus 2004 telecommunication vouchers were processed and paid in fiscal year 2005.

SPECIAL PROJECTS DIVISION FUND

	2006	2005	Increase (Decrease)	%
Personal Services	\$1,196,057	\$1,460,259	(264,202)	(18%)
Contractual Services	223,184	73,048	150,136	206%
Travel	17,999	39,076	(21,077)	(54%)
Telecommunications	4,995	51,360	(46,365)	(90%)

Personal Services (Regular Position, State Paid Retirement Contribution, State Employee Retirement and Social Security/Medicare Contribution) decreased due to vacant positions remaining unfilled in fiscal year 2006.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2007

The significant increase in Contractual Services was due to increase in training costs related to hate crimes, sexual orientation, sex offender, harassment and ethics in fiscal year 2006. Sexual orientation was added as a protected class effective January 1, 2006. In addition, in May 2006, the Act was amended to protect Illinois Veterans from discrimination in employment and housing.

The decrease in Travel was due to vacant positions that remained unfilled in fiscal year 2006, and thus, the number of employees traveling in and out of state also decreased.

The decrease in Telecommunication expenditures was due to delay in release of funds in fiscal year 2004, thus 2004 telecommunication vouchers were processed and paid in fiscal year 2005.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2006**

GENERAL REVENUE FUND

Significant lapse period spending (amounting to \$20,000 or 20%) for fiscal year 2006 of the General Revenue Fund are as follows:

Personal Services – Expenditures for regular position of \$260,122 was only vouchered and paid during the lapse period.

Contractual - Expenditures for contractual services of \$61,996 during the fiscal year were vouchered and paid during the lapse period.

SPECIAL PROJECTS FUND

Significant lapse period spending (amounting to \$20,000 or 20%) for fiscal year 2006 of the Special Revenue Fund are as follows:

Personal Services – Expenditures for regular position of \$30,629 was only vouchered and paid during the lapse period.

Contractual - Due to late receipt of grant funds, expenditures for contractual services of \$22,803 (34%) during the fiscal year were vouchered and paid during the lapse period.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2007**

GENERAL REVENUE FUND

Significant lapse period spending (amounting to \$20,000 or 20%) for fiscal year 2007 of the General Revenue Fund are as follows:

Personal Services – Expenditures for regular position of \$227,441 was only vouchered and paid during the lapse period.

Contractual - Expenditures for contractual services of \$41,374 during the fiscal year were vouchered and paid during the lapse period.

Lump Sum – The total amount of \$700,000 was a supplemental appropriation to the Department to cover related expenses such as payroll, telecommunications and contractual services.

SPECIAL PROJECTS FUND

Significant lapse period spending (amounting to \$20,000 or 20%) for fiscal year 2007 of the Special Revenue Fund are as follows:

Personal Services – Expenditures for regular position of \$26,034 (11%) and employer contribution group insurance of \$180,984 (79%) in fiscal year 2007 were vouchered in July, 2007.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2007**

GENERAL REVENUE FUND – 001

Jury Duty and Reimbursement

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

Salary Refunds

Salary refunds increased by \$12,815 in fiscal year 2006 as a result of reimbursements of overpayment of salaries to employees.

No refunds were received in fiscal year 2007.

Settlement Check

Settlement checks of \$2,500 were reimbursements to the Department in fiscal year 2006 for completed cases.

No settlement checks were received in fiscal year 2007.

SPECIAL PROJECTS FUND – 607

Federal Grant

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

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007**

AGENCY FUNCTIONS AND PLANNING

Introduction

The Department of Human Rights administers the Illinois Human Rights Act, which prohibits discrimination because of race, color, religion, sex, sexual orientation, national origin, ancestry, citizenship status (with regard to employment), age 40 and over, marital status, physical or mental handicap, military service or unfavorable military discharge. The Act prohibits discrimination in connection with employment opportunities, real estate transactions, access to financial credit, and the availability of public services and public accommodations. It also provides protection from sexual harassment in employment, sexual harassment of students in higher education, and retaliation for having filed a discrimination charge. A discrimination charge can be initiated by calling, writing or appearing in person at the Department's Chicago or Springfield office within 180 days of the date the alleged discrimination took place in all cases except housing discrimination (one year filing deadline).

Administration Division

The Administration division is the managerial and administrative body for the Illinois Department of Human Rights and is responsible for the following functions: Financial Management, Fiscal Planning, Procurement, Inventory, Auditing, Legislative Bill Review and Analysis, Governmental Relations, Personnel, Public Information/Communications, General Office Services, Information Systems and Operational Planning.

Organizationally, the Administrative Division consists of the following program areas: Fiscal, Legislative Operations, Management Operations, Personnel, Public Information, and Research Planning and Development.

Charge Processing Division

The Charge Processing Division receives and investigates charges of discrimination in connection with employment opportunities, housing and real estate transactions, access to financial credit, or the availability of public services and public accommodations, sexual harassment in employment, sexual harassment of students in higher education, and retaliation for having opposed discrimination. The Charge Processing Division received about 13,000 inquiries and processed about 3,200 cases in FY06. The Charge Processing is the largest division in the Department, consisted of the Intake unit, Investigation groups and Quality Control unit.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

Legal Division

The Legal Division oversees the investigative works of the Department and monitors the Liaison Unit and the Public Contracts Unit.

Attorneys

Staff attorneys review all investigation reports that recommend a finding of Substantial Evidence and approve the findings before they become final and the parties are notified. Attorneys also conciliate these cases and attempt settlements. If the investigator recommends a finding of Lack of Substantial Evidence, the complainant may file a Request for Review with the Chief Legal Counsel. The Chief Legal Counsel enters an order, which decides the case.

The Legal Division also provides investigators with technical advice, and responds to inquiries from the public on a daily basis by staffing the "Attorney of the Day" post.

Liaison Unit

Liaison Unit provides specialized technical assistance to state agencies and other entities to enhance, strengthen, and promote their equal employment opportunity/Affirmative Action compliance obligations.

It provides technical assistance on disability issues as the Department's Coordinator of American Disability Association and Section 503/504 for disability issues. That makes the Department Director, in his capacity, co-chair of the Interagency Committee for Employees with Disabilities.

Public Contracts Unit

Public Contracts Unit processes the registration of companies bidding on public contracts and provides technical assistance in matters of equal employment opportunity and Affirmative Action implementation.

Other Services

Institute for Training and Development

Institute for Training and Development provides a broad range of workshops and seminars in the areas of equal employment opportunity and fair housing, etc., to enhance the sensitivity and technical knowledge of human rights organizations, municipal agencies, and the business sector.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007

Disability Program

Disability Program provides information and advice to individuals and organizations around the state about disability issues and the requirements of related laws. The program coordinator also serves as internal expert concerning matters relating to disability issues.

Public Information

The Office of Communications is responsible for disseminating public information and handling media relations.

Agency Planning Program

The Strategic Plan for fiscal years 2004 to 2007 was presented a) to ensure that the Agencies are using appropriations efficiently and cost-effectively; b) to provide statistical evidence to determine whether agencies are effectively providing services; and c) to determine whether the agencies are successfully pursuing and achieving the Governor's key strategic initiatives. Consultants were hired by the State to provide guidance on how to prepare the plan. The Department is also required to submit a metric, a report showing the performance measures linked to the strategic plan, to the State on a quarterly basis. The strategic plan is divided into five priorities covering the areas of Human Rights Act, compliance with EEO/AA guidelines, public outreach regarding discrimination, Hate Crimes Commission, and productivity related to federal contracts with EEOC and HUD. There were 10 initiatives developed to address the priorities. Each initiative has goals and objectives.

The service efforts and accomplishment reports summarized the number of employment and housing cases that were completed and the programs that were implemented to achieve the objectives of the strategic plan.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

HATE CRIMES COMMISSION

Mission

The Governor's Commission on Discrimination and Hate Crimes (Commission) was created to ensure that state and local governments effectively respond to the incidents of discrimination and hate crimes in a swift and appropriate manner. The Commission is governed by 26 Commissioners and works with educators and other community organizations by assisting them with development resources, training and information. It also helps ensure that laws addressing discrimination and violence be widely known and applied correctly to help eradicate and prevent crimes.

Officer, Budget and Spending

Kim White – Executive Director

The Commission is housed at the Department's Training Institute office in Chicago and its operation is run by two Department employees who receive their salaries from the Special Revenue Fund and uses Lump Sum for its expenditures. In addition to the 2 full time Department Trainers, there are also three (3) Department Administrative employees that assist and facilitate the activities of both the Commission and the Institute.

Appropriations were \$153,800 and \$148,800 for fiscal year 2007 and 2006, respectively. Total expenditures were \$153,795 and \$148,797 for fiscal year 2007 and 2006, respectively.

Activities and Statistics

In fiscal year 2006 and fiscal year 2007, the Commission and the Institute conducted several training and outreach programs such as the Equal Employment Opportunity Law, Combating Intolerance and Bias, Interpersonal Skills, Sexual Harassment Prevention, Diversity awareness, American Disabilities Act, Law Enforcement, Conflict Resolution and Prosecutor Training.

There were 3,016 participants in fiscal year 2006 and 6,991 participants in fiscal year 2007 in these trainings both coming from the public and private sectors. The Commission conducted more than 80 training sessions while maintaining a 90% satisfaction rating from participants. As one of its community outreach events, it has distributed more than 20,000 brochures to disseminate information about the Commission and Department's programs.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

On an annual basis, the Commission receives a few thousand hits to its website resulting in more than 100 e-mails and phone calls from citizens needing assistance because they believe an act of discrimination or a hate crime has been committed against them. The staff answers correspondences and intervenes on behalf of citizens who find themselves in distress. The Commission's goal is to build bridges between tolerance and respect among people of diverse cultures and to connect people in ways to allow individuals to celebrate their differences rather than foster hate.

Accomplishments

One of the recent recommendations that the Commission has proposed and presented is about "Bullying in Illinois". The Commission investigated child safety in Illinois schools with respect to bullying and found that there are a number of gaps in current measures to protect Illinois children from bullying. The purpose of the recommendation is to identify ways to strengthen current programs, policies and laws in an effort to maximize the Commission's effectiveness and provide children with a safe and healthy learning environment.

As of June 30, 2007, all training services were free of charge; however, related costs such as travel, supplies, printing costs of modules and materials are shouldered by the Department.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

AVERAGE NUMBER OF EMPLOYEES

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

<u>DIVISION</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Administration	9	8	10
Hate Crimes	2	2	1
Charge Processing	131	111	124
Compliance	<u>16</u>	<u>12</u>	<u>12</u>
Total	<u>158</u>	<u>133</u>	<u>147</u>

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

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

Charge Processing Division – Annual Caseload Statistics:

Caseload Information

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Docketed	3,385	3,555	3,791
Completed	2,897	3,240	3,567
Complainant filings	230	23	7
Carryover	3,412	3,131	2,779
Charges completed per month per investigator	6.65	7.5	8.0
Investigators employed at end of year	30	33	35

Employment Charges By Basis

Basis of Discrimination

	<u>2007</u>	<u>% of Total</u>	<u>2006</u>	<u>% of Total</u>	<u>2005</u>	<u>% of Total</u>
Race	1,056	20%	1,008	18%	1,248	34%
Sex	1,098	21%	1,208	22%	1,093	30%
Age	762	14%	826	15%	906	25%
National Origin/Ancestry	478	9%	521	9%	863	24%
Retaliation	738	14%	755	14%	745	20%
Physical Disability	529	10%	616	11%	615	17%
Sexual Harassment	209	4%	201	4%	188	5%
Mental Handicap	122	2%	128	2%	178	5%
Other*	193	4%	140	3%	113	3%
Religion	44	1%	56	1%	49	1%
Arrest Record	59	1%	39	1%	30	1%
Military Discharge	11	0%	1	0%	6	0%

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

* Includes non-jurisdictional bases like personality conflict.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

Service Efforts and Accomplishments (Not Examined), Continued

Housing Discrimination Charges By Basis:

Basis of Discrimination

	<u>2007</u>	<u>% of Total</u>	<u>2006</u>	<u>% of Total</u>	<u>2005</u>	<u>% of Total</u>
Race	182	40%	85	61%	110	42%
Physical Disability	84	19%	9	6%	61	23%
National Origin	40	9%	16	12%	30	11%
Familial Status	55	12%	0	0%	26	10%
Sex	38	8%	10	7%	26	10%
Mental Disability	33	7%	6	4%	19	7%
Religion	10	2%	0	0%	11	4%
Retaliation	6	1%	1	1%	10	4%
Age	6	1%	3	2%	3	1%
Other	5	1%	8	6%	3	1%
Marital Status	2	0%	-	-	-	-
Coercion	1	0%	-	-	-	-
Color	0	0%	1	1%	1	0%

Note: Number of charges by basis is greater than total charges filed because some charges were filed under more than one basis.

Disposition of Completed Investigations for both Charge Processing and Fair Housing Divisions:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Inquiries received	13,841	13,754	15,748
Charges filed	3,782	3,865	4,055
Completed investigations	3,271	3,490	3,822

	<u>2007</u>	<u>% of Total</u>	<u>2006</u>	<u>% of Total</u>	<u>2005</u>	<u>% of Total</u>
Substantial evidence	260	8%	226	6 %	270	7%
Settlements	1,067	33%	952	27%	1,238	32%
Withdrawn by complainant	439	13%	389	11%	503	13%

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS (Continued)
For the Two Years Ended June 30, 2007**

Service Efforts and Accomplishments (Not Examined), Continued

	<u>2007</u>	<u>% of Total</u>	<u>2006</u>	<u>% of Total</u>	<u>2005</u>	<u>% of Total</u>
Dismissals:						
Lack of substantial evidence	108	28%	1,381	40%	1,201	31%
Lack of jurisdiction	17	5%	162	5%	143	4%
Failure to proceed	78	21%	349	10%	381	10%
Administrative closures	15	4%	31	1%	42	1%

Compliance Division – Annual Bidder Registration Activity Summary:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Forms pending at beginning of year	86	-	422
Forms received during year	<u>3,994</u>	<u>4,468</u>	<u>7,008</u>
	4,080	4,468	7,430
Forms returned unprocessed due to improper completion	138	168	(476)
Forms processed during year	<u>4,095</u>	<u>4,608</u>	<u>(7,609)</u>
Forms pending at end of year	<u>83</u>	<u>86</u>	<u>-</u>