

**REPORT DIGEST**

**DEPARTMENT OF HUMAN RIGHTS  
FINANCIAL AND COMPLIANCE AUDIT  
(In Accordance with the Single Audit  
Act of 1984 and OMB Circular A-128)  
FOR THE TWO YEARS ENDED JUNE 30, 1993**

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

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **FAILURE TO PROPERLY FOLLOW UP ON ALLEGED NONCOMPLIANCE**

The Department failed to properly follow up on some public contractor firms that were not in compliance with non-discrimination and affirmative action requirements of the Human Rights Act (Act).

We examined 16 of 176 files maintained on firms with public contracts and discovered that fourteen of the private firms were not in compliance with the Department's Equal Employment Opportunity and Affirmative Action policies. Thirteen of the fourteen firms with public contracts were never notified of their noncompliance with the Act by the Department. Each of the thirteen files maintained on the contractors did contain proper monitoring reports; however, there was no evidence that letters had been sent to contractors informing them of their noncompliance with the Act and the requisite 60 day period in which to correct the deficiencies. (Finding 1, page 11)

Department officials agreed with our finding and recommendation to correct this deficiency and said they are very much aware of the importance of monitoring public contractors. They also said, without additional resources, the Department can only perform these duties on an emergency basis.

### **NEED TO IMPROVE CONTROLS OVER TELECOMMUNICATIONS**

The Department's control procedures for telecommunications expenditures continue to need improvement.

Our tests disclosed billings for three unusually lengthy calls, from 845 to 7,510 minutes, costing a total of \$1,385. These were errors in billing for which credit memos were not issued. We also noted twenty-two long distance telephone calls for which no phone logs could be provided. Lack of sufficient monitoring of these expenditures could lead to waste of State resources.

We did note some improvement; however, deficiencies in internal control still exist and require a continued effort by the Department to improve its monitoring of telecommunication expenditures. (Finding 2, page 13, first recommended in 1987)

Department officials agreed with our finding and recommendation to follow established procedures to effectively monitor and control telecommunication expenditures.

### **OTHER FINDINGS**

The remaining findings are less significant and are being given appropriate attention by the Department. We will review their progress towards the implementation of our recommendations in our next compliance audit.

## **AUDITOR'S OPINION**

Our auditors stated that the Department's financial statements at June 30, 1993 are fairly presented.

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WILLIAM G. HOLLAND, Auditor General  
WGH:WLB:dh

## **SUMMARY OF AUDIT FINDINGS**

### **NUMBER OF THIS AUDIT PRIOR AUDIT**

Audit Findings 4 4

Recommendations Repeated 2 4

Recommendations Implemented or

Not Repeated 2 4

### **SPECIAL ASSISTANT AUDITORS**

Ragland & Associates, Ltd. were our Special Assistant Auditors for this audit.

**DEPARTMENT OF HUMAN RIGHTS  
FINANCIAL AND COMPLIANCE AUDIT  
For The Two Years Ended June 30, 1993**

<b>EXPENDITURE STATISTICS</b>	<b>FY 1993</b>	<b>FY 1992</b>	<b>FY 1991</b>
● <b>Total Expenditures (All Funds) .</b>	\$5,582,689	\$5,960,826	\$5,903,278
<u>OPERATIONS TOTAL</u> % of <b>Total</b> Operations	\$5,582,689 100%	\$5,960,826 100%	\$5,903,278 100%
Personal Services % of Operations Expenditures Average No. of Employees	\$4,399,754 78.8% 153	\$4,703,590 78.9% 175	\$4,741,248 80.3% 182
Other Payroll Costs (FICA, Retirement) % of Operations Expenditures	\$846,292 15.2%	\$679,251 11.4%	\$600,132 10.2%
Contractual Services % of Operations Expenditures	\$157,479 2.8%	\$232,934 3.9%	\$160,085 2.7%
All Other Operations Items % of Operations Expenditures	\$179,164 3.2%	\$345,051 5.8%	\$401,813 6.8%
<u>GRANTS TOTAL</u> % of <b>Total</b> Expenditures	- 0 -	- 0 -	- 0 -
● <b>Cost of Property and Equipment</b>	\$775,143	\$749,252	\$755,919

<b>SELECTED ACTIVITY MEASURES</b>	<b>FY 1993</b>	<b>FY 1992</b>	<b>FY 1991</b>
● Open Discrimination Cases as of 6/30	6,319	5,886	6,386
● New Discrimination Cases Filed*	4,391	4,727	4,891
● Percentage of Discrimination Cases Closed	73%	90%	101%
● Number of Applications for State Contract Awards	5,778	3,973	5,544

**AGENCY DIRECTOR(S)**

During Audit Period: Rose Mary Bombela  
Currently: Rose Mary Bombela

\*Does not include cases withdrawn by complainant.