State of Illinois Department of Human Rights

STATE COMPLIANCE EXAMINATION

FOR THE TWO YEARS ENDED

JUNE 30, 2025

Performed as Special

Assistant Auditors

for the Auditor General,

State of Illinois

Roth&Co

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

TABLE OF CONTENTS

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

DEPARTMENT OFFICIALS

Director	Mr. James L. Bennett
Deputy Director (02/01/25 to present)	Ms. Amy Meek
Deputy Director (07/01/23 to 01/31/25)	Mr. H. Alex Bautista
Chief of Staff (10/02/23 to present)	Ms. Allison Macfarlane
Chief of Staff (07/01/23 to 10/01/23)	Vacant
Chief Fiscal Officer	Mr. Alan Brazil
Chief Legal Counsel	Ms. Mary M. Madden
Chief Internal Auditor (12/01/23 to present)	Mr. Michael Sartorius
Chief Internal Auditor (07/01/23 to 11/30/23)	Vacant

DEPARTMENT OFFICES

The Department's primary administrative offices are located at:

555 West Monroe Street
Suite 700
Chicago, Illinois 60661

524 S. 2nd Street
Suite 300
Springfield, Illinois 62701

ILLINOIS DEPARTMENT OF
Human Rights

JB Pritzker, Governor
James L. Bennett, Director

MANAGEMENT ASSERTION LETTER

February 3, 2026

Roth & Company LLP
540 W. Madison St., Suite 2450
Chicago, Illinois 60661

Roth & Company, LLP:

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 State of 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 specified requirements during the two-year period ended June 30, 2025. Based on this evaluation, we assert that during the years ended June 30, 2024, and June 30, 2025, the Department has materially complied with the specified requirements listed 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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 truly,

State of Illinois, Department of Human Rights

SIGNED ORIGINAL ON FILE

James L. Bennett, Director

SIGNED ORIGINAL ON FILE

Alan Brazil, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Mary M. Madden, Chief Legal Counsel

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted 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.*

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	9	13
Repeated Findings	9	7
Prior Recommendations Implemented or Not Repeated	4	5

SCHEDULE OF FINDINGS

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2025-001	9	2023/2023	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2025-002	12	2023/2023	Receipt and Refund Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2025-003	15	2023/2017	Noncompliance with Statutorily Mandated Time Limits	Material Weakness and Material Noncompliance
2025-004	19	2023/2021	Disaster Recovery Planning Weaknesses	Significant Deficiency and Noncompliance
2025-005	21	2023/2021	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance

SCHEDULE OF FINDINGS (CONTINUED)

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2025-006	23	2023/2023	Inadequate Control over Travel	Significant Deficiency and Noncompliance
2025-007	25	2023/2023	Inadequate Controls over Census Data	Significant Deficiency and Noncompliance
2025-008	27	2023/2007	Inadequate Controls over State Property and Equipment	Significant Deficiency and Noncompliance
2025-009	29	2023/2021	Employee Performance Evaluations Not Performed or Timely Performed	Significant Deficiency and Noncompliance
			Prior Findings Not Repeated	
A	31	2023/2017	Failure to Maintain Internal Audit Program	
B	31	2023/2023	Failure to Appoint Liaison to Serve Ex-Officio on Certain Commissions	
C	31	2023/2023	Inadequate Control over Vehicle Accident Reporting	
D	31	2023/2021	Inadequate Controls over Leaves of Absence	

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Mr. Michael Sartorius, Chief Internal Auditor, on January 28, 2026. The responses to the recommendations were provided by Mr. Michael Sartorius, Chief Internal Auditor, in a correspondence dated February 3, 2026.

Roth&Co

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department of Human Rights (Department) with the specified 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, 2025. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

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.

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Our examination was conducted 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Department's compliance with the specified requirements.

Our examination disclosed material noncompliance with the specified requirements applicable to the Department during the two years ended June 30, 2025. As described in the accompanying Schedule of Findings as items 2025-001 through 2025-003, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2025, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2025-004 through 2025-009.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our

opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-001 through 2025-003 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-004 through 2025-009 to be significant deficiencies.

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

The Department's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 3, 2026

2025-001. **FINDING** **(**Voucher Processing Internal Controls Not Operating Effectively)

The Illinois Department of Human Rights' (Department) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into the ERP System. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were (1) vendor information, (2) expenditure amount, (3) object(s) of expenditure, and (4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted five of 140 (4%) attributes were not properly entered into the ERP System. Therefore, the Department's internal controls over voucher processing **were not operating effectively.**

The Statewide Accounting Management System (SAMS) Manual (Procedure 17.20.20) requires the Department to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Office of Comptroller to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Department to maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Due to this condition, we qualified our opinion because we determined the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

2025-001. **FINDING** **(**Voucher Processing Internal Controls Not Operating Effectively) (Continued)

Even given the limitations noted above, we conducted an analysis of the Department's expenditures data for Fiscal Years 2024 and 2025 and noted the following:

- The Department did not timely approve 34 of 1,364 (2%) vouchers processed during the examination period, totaling $3,216,707. We noted these vouchers were approved between 35 and 197 days after receipt of a proper bill or other obligating document.

  The Code (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt. The Code (74 Ill. Admin. Code 1000.50) also requires the Department to process payments within 30 days after physical receipt of Internal Service Fund bills.

- For four of 35 (11%) vouchers tested, totaling $14,489, the Department did not utilize the correct detail expenditure (object) codes.

  The SAMS Manual (Procedure 11.10.60) requires the Department, when preparing documentation for the Office of Comptroller for payment of an invoice, to determine which detail expenditure (object) code to use so that the Office of Comptroller can report expenditure information at a refined level.

- For one (100%) of one State property voucher tested for furniture purchase, totaling $13,326, the State property was not recorded in the Department's property control records.

  The SAMS Manual (Procedure 29.10.10) requires the Department to maintain detailed property information for each property in its possession.

Department management indicated the conditions were caused by competing priorities and human error.

Failure to properly enter the key attributes into the State's ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and obligations

2025-001. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively) (Continued)

due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. In addition, improper use of object codes limits the Office of Comptroller's ability to accurately report the State's expenditure information at a refined level and represents noncompliance with the SAMS Manual. Lastly, failure to properly record purchases in the property control records results in noncompliance with regulations. (Finding Code No. 2025-001, 2023-001)

RECOMMENDATION

We recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. In addition, we recommend the Department timely approve proper bills and obligations due and utilize appropriate detail expenditure (object) codes. Further, we recommend the Department properly record purchases in the property control records.

DEPARTMENT RESPONSE

The Department concurs with the finding.

Management seeks to continuously improve the timeliness of voucher approval. While the rate of untimely approval decreased from 11% during the prior audit to 2% during the current audit, Fiscal will adhere to standards for processing invoices with strict timelines. Additionally, management will communicate to all staff the importance of submitting invoices to Fiscal timely.

To reduce the likelihood of improperly classified transactions, the Chief Fiscal Officer will periodically review invoice entries for correct account coding and perform monthly analytical review of recorded balances to identify new or unusual use of account classifications for follow-up.

To mitigate the potential oversight of property acquired being excluded from property control records, Fiscal staff will create a process for identifying invoices with property purchases and conducting supervisory reviews of property control records to confirm their inclusion.

2025-002. **FINDING** **(**Receipt and Refund Processing Internal Controls Not Operating Effectively)

The Illinois Department of Human Rights' (Department) internal controls over its receipt and refund processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our receipt and refund testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into the ERP System. In order to determine the operating effectiveness of the Department's internal controls related to receipt and refund processing, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP System based on supporting documentation. The attributes tested were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code.

During our testing, we noted:

- 38 of 140 (27%) attributes for receipts testing were not properly entered into the ERP System.

- 4 of 8 (50%) attributes for refunds testing were not properly entered into the ERP System.

Therefore, the Department's internal controls over receipt and refund processing **were not operating effectively**.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Department to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. Additionally, the Statewide Accounting Management System (SAMS) Manual (Procedure 25.10.10) requires the Department to segregate the moneys into funds and document the source of the moneys. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

2025-002. **FINDING** (Receipt and Refund Processing Internal Controls Not Operating Effectively) (Continued)

Due to this condition, we qualified our opinion because we determined the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, we conducted an analysis of the Department's receipts and refunds data for Fiscal Years 2024 and 2025 to determine compliance with the Act. We noted the following:

- The Department's receipts data did not document the date on which the payment was received for 129 of 149 (87%) receipts. As such, we were unable to determine if the Department deposited the receipts timely.

  The Act (30 ILCS 230/2(a)) requires the Department to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement.

- The Department did not deposit one receipt item, exceeding $500 but less than $10,000, within 48 hours.

  The Act (30 ILCS 230/2(a)) requires the Department to pay into the State treasury receipt items, in total exceeding $500 but less than $10,000, within 48 hours from the time received.

Further, we noted the Department maintained a receipts ledger separately from the ERP System. While the receipts ledger was reconciled with the Office of Comptroller's Monthly Revenue Status report (SB04), the receipts ledger was not reconciled with the receipts recorded within the ERP System. As such, the receipt reconciliation feature of the ERP System is not being utilized.

Department management indicated the exceptions were due to data entry errors and a lack of familiarity with the receipt processing procedures required for entering information into the assigned fields in the ERP System.

Failure to properly enter the key attributes into the State's ERP System when processing a receipt hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper recording of revenues, refunds, and accounts receivable. In addition, failure to timely deposit receipts delays the recognition of available cash within the State Treasury, could delay the payment of

2025-002. **FINDING** (Receipt and Refund Processing Internal Controls Not Operating Effectively) (Continued)

State obligations, and represents noncompliance with the Act. Further, failure to fully utilize all the features of the ERP System resulted in inefficient usage of State resources. (Finding Code No. 2025-002, 2023-002)

RECOMMENDATION

We recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. In addition, we recommend the Department timely deposit receipts into the State's treasury. Further, we recommend the Department utilize the receipt reconciliation feature of the ERP System.

DEPARTMENT RESPONSE

The Department concurs with the finding.

To mitigate occurrences of improper entry of receipt and refund into the ERP System as well as omission of key information such as dates, the Chief Fiscal Officer will periodically review all receipt/refund entries made by the staff office associate for accuracy and inclusion of receipt/refund dates.

To ensure timely deposits of receipts, Fiscal will identify a position to serve as a backup for processing receipts and refunds in the absence of the primary task actor office.

2025-003. **FINDING** **(**Noncompliance with Statutorily Mandated Time Limits)

The Illinois Department of Human Rights (Department) did not meet the procedural time limits set forth when a charge of a civil rights violation had been filed and when a complainant filed a request to opt out of the Department's investigation.

In our review of 40 employment cases filed with the Department, we noted the following:

- In 12 (30%) employment cases tested, the Department did not serve a copy of the charge to the respondent within 10 days of the day the charge was filed. The charges were served to the respondent from 1 to 245 days late.

- In 12 (30%) employment cases tested, the Department did not serve a notice to the complainant of the complainant's right to file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed. These notices were served to the complainant from 1 to 245 days late.

- In 12 (30%) employment cases tested, the Department did not serve a notice to the respondent of the complainant's right to file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed. These notices were served to the respondent from 1 to 245 days late.

  The Illinois Human Rights Act (Act) (775 ILCS 5/7A-102(B)), which deals with employment and other civil rights cases, requires the Department, within 10 days of the date on which the charge was filed, to serve a copy of the charge to the respondent. The Act further requires the Department, within 10 days of the date on which the charge was filed, and again no later than 335 days thereafter, to send by certified or registered mail written notice to the complainant and to the respondent informing the complainant of the complainant's right to either file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court.

In addition, in our testing of 40 employment cases where the complainant requested to opt-out of the Department's investigation, we noted the Department did not issue the required notice to the parties for five (13%) employment cases within 10 business days of receipt of the complainants' request to opt out of the investigation. Specifically, four (10%) notices were issued from 2 to 69 days late, and one (3%) notice was not issued at all.

2025-003. **FINDING** (Noncompliance with Statutorily Mandated Time Limits) (Continued)

The Act (775 ILCS 5/7A-102(C-1)) requires the Department, within 10 business days of receipt of the complainant's request to opt out of the investigation, to issue a notice to the parties stating that: (i) the complainant has exercised the right to opt out of the investigation; (ii) the complainant has 90 days after receipt of the Department Director's notice to commence an action in the appropriate circuit court or other appropriate court of competent jurisdiction; and (iii) the Department has ceased its investigation and is administratively closing the charge.

In our review of 40 real estate cases filed with the Department, we noted the following:

- In five (13%) real estate cases tested, the Department did not serve the respondent a copy of charge and procedural notice within 10 days after the charge was filed. The charges were served to the respondent from 3 to 28 days late.

- In two (5%) real estate cases tested, the Department did not complete the investigation of the allegations set forth in the charge and did not notify the complainant and respondent in writing of the reasons for not completing the investigation.

- In two (5%) real estate cases tested, the Department did not make a determination as to whether substantial evidence existed to support the charge and did not notify the complainant and respondent in writing of the reasons for not making the determination.

  The Act (775 ILCS 5/7B-102(B)), which deals with real estate transaction cases, requires the Department, within 10 days of the date on which the charge was filed, to serve a copy of the charge to the respondent along with a notice identifying the alleged civil rights violation and advising the respondent of the procedural rights and obligations of respondents under this Act and may require the respondent to file a response to the allegations contained in the charge.

  The Act (775 ILCS 5/7B-102(C)) also requires the Department to conduct a full investigation of the allegations set forth in the charge and complete such investigation within 100 days after the filing of the charge, unless it is impracticable to do so. If the Department is unable to complete the investigation within 100 days after the charge is filed, the Department shall notify the complainant and respondent in writing of the reasons for not doing so.

2025-003. **FINDING** (Noncompliance with Statutorily Mandated Time Limits) (Continued)

> Further, the Act (775 ILCS 5/7B-102(D)) requires the Department, within 100 days of the filing of the charge, unless it is impracticable to do so, to determine whether there is substantial evidence that the alleged civil rights violation has been committed or is about to be committed. If the Department is unable to make the determination within 100 days after the filing of the charge, the Department shall notify the complainant and respondent in writing of the reasons for not doing so.

This finding was first reported in Fiscal Year 2017. In subsequent years, the Department has been unsuccessful in implementing corrective action to remedy this finding.

Department management indicated, as they did in prior years, the untimely issuance of notices was due to a lack of personnel, process inefficiencies, information technology, and equipment, charges received by mail, and the number of cases filed in the Charge Processing and Fair Housing Divisions.

Failure to provide the notification or untimely notifying the complainant and respondent of a charge as outlined in statute may compromise the complainant and respondent's time to respond or prepare for the charge. Failure to timely notify parties of the complainant's request to opt out of the Department's investigation may compromise the complainant's time to commence a civil action in the appropriate circuit court or other appropriate court of competent jurisdiction. Additionally, failure to notify the complainant and respondent of the Department's failure to complete the investigation and the determination whether substantial evidence exists may result in uncertainty regarding procedural timelines, hinder the parties' ability to plan their response, and limit their opportunity to seek timely review or challenge any potential dismissal or findings. (Finding Code No. 2025-003, 2023-003, 2021-003, 2019-001, 2017-001)

RECOMMENDATION

We recommend the Department timely notify the appropriate parties as mandated by the Illinois Human Rights Act.

2025-003. **FINDING** (Noncompliance with Statutorily Mandated Time Limits) (Continued)

DEPARTMENT RESPONSE

The Department concurs with the finding.

The Department acknowledges the statutory requirement to process and serve documents within the ten-day timeframes of Sections 7A-102(B), 7A-102(C-1), and 7B-102(B). The responsible Divisions continue to address the underlying factors contributing to delays, including staffing constraints, equipment limitations, and legacy system challenges. Efforts are ongoing to implement operational improvements, including to deploy a new case management system currently under development. The Department will continue to evaluate and refine processes to mitigate delays with the goal of mandate compliance.

2025-004. **FINDING** **(**Disaster Recovery Planning Weaknesses)

The Illinois Department of Human Rights (Department) had weaknesses over its disaster recovery testing process.

The Department had a documented disaster recovery plan; however, it did not include detailed procedures or requirements for conducting disaster recovery testing.

Additionally, the Department migrated its case management system to a new platform toward the end of Fiscal Year 2025. However, as of the end of examination fieldwork, the Department had not developed a contingency plan aligned with the new system's configuration.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology requires entities to have an adequate disaster contingency process and adequate documentation to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2021. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan to remedy this finding.

Department management stated that the weaknesses were due to competing priorities, as the Department prioritized an urgent system migration and its associated continuity requirements, including a full update of the Disaster Recovery Plan.

Without an adequately documented and updated disaster contingency plan, the Department cannot ensure its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2025-004, 2023-013, 2021-011)

2025-004. **FINDING** (Disaster Recovery Planning Weaknesses) (Continued)

RECOMMENDATION

We recommend the Department update its contingency plan over its critical application and develop disaster recovery testing requirements.

DEPARTMENT RESPONSE

The Department accepts and concurs with this finding related to Disaster Recovery (DR) testing and is pleased to provide additional context.

As noted in the finding statement, the Department redirected focus to an essential system migration to ensure continuity of service in the latter half of Fiscal Year 2025. This successful migration allowed the Department to sunset its legacy system, an out-of-support configuration and on-premises mini-computer platform, and step into a modern, Microsoft cloud-hosted interim solution within the more advanced and Department of Innovation and Technology (DoIT)-managed security environment. In completing this migration, the Department effectuated all aspects of disaster response and recovery, including contingency or continuity plan execution, recovery, validation, and restoration of operation in a new solution. The Department's business requirements and continuity demands required the prioritization of this migration over documented DR testing of the outgoing legacy system.

In addition, this up-leveling to a contemporary standard of data management and security oversight has enhanced the Department's overall security posture, enabling a more supported and responsive DR plan that leverages standardized recovery controls of the cloud service provider. This newer solution and environment better enable the Department to establish an appropriate cadence of DR testing and review, in coordination with DoIT expertise overseeing its applicable enterprise controls.

In conjunction with the above, the Department has already initiated the update of its Information System Contingency Plan in the DoIT-hosted Service Now platform, to which such plans were migrated in Fiscal Year 2025. As with DR testing, this contingency/continuity plan relates to the solution in production.

2025-005. **FINDING** **(**Weaknesses in Cybersecurity Programs and Practices)

The Illinois Department of Human Rights (Department) had not implemented adequate internal controls related to cybersecurity programs, practices and control of confidential information.

The Department is responsible for administering the Illinois Human Rights Act, which prohibits discrimination in Illinois with respect to employment, financial credit, public accommodations, housing and sexual harassment, as well as sexual harassment in education. In order to carry out their mission, the Department utilizes information technology applications which contain confidential and personal information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Department's cybersecurity program, practices and control of confidential information, we noted the Department had not completed a comprehensive risk assessment and implemented risk reducing internal controls.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2021. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan to remedy this finding.

Department management stated that the comprehensive risk assessment was not completed during the examination period primarily due to a required system migration.

2025-005. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Department's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2025-005, 2023-005, 2021-002)

RECOMMENDATION

We recommend the Department complete a comprehensive risk assessment and implement risk reducing internal controls.

DEPARTMENT RESPONSE

The Department concurs with this finding related to Risk Assessment and is pleased to provide additional context.

The Department initiated a formal, documented Risk Assessment (RA) facilitated by Department of Innovation and Technology (DoIT) Security team in late February 2025, within the review period, and was in process of reviewing RA Control Attestations in April 2025 when the Department was required to refocus on a system migration. In this focus, the Department successfully migrated data from its out-of-support legacy system to a modern Microsoft solution. The data is now hosted within the DoIT-managed enterprise infrastructure and security environment, vastly enhancing its security and significantly reducing risks in the Department's recovery and contingency exposure. The Department has re-engaged its DoIT support team to conduct a RA in Fiscal Year 2026 that will pertain to its current data management solution and ensure the RA applies to the system in current production.

Within this review period, the Department did enhance overall internal controls related to Cybersecurity Programs and Practices. The Department introduced an updated and enhanced Information Technology and Cybersecurity Policy in Fiscal Year 2025 (the third such iterative policy enhancement in four fiscal years); it significantly enhanced controls related to employee onboarding, offboarding, and access permissions, among other vital processes; and it completed the aforementioned system migration with significant, favorable implications for the Department's overall and future security posture.

2025-006. **FINDING** (Inadequate Control over Travel)

The Illinois Department of Human Rights (Department) did not have adequate controls over travel.

During testing, we noted the following:

- Two of 20 (10%) travel vouchers, totaling $3,587, included reimbursements for incidentals and extra comfort expenses, which are considered special circumstances. There were no exceptions requested and submitted in writing by the Department Head for consideration to the Governor's Travel Control Board. The reimbursements totaled $134.

  The Governor's Travel Control Board Rules (80 Ill. Admin. Code 2800.700(a)) require exceptions for special or unavoidable circumstances, and when in the best interest of the State, to be requested in writing by the Department Head and submitted sufficiently in advance to allow meaningful consideration.

- Five of eight (63%) travel vouchers related to out-of-State travel did not have requests for travel submitted to the Governor's Office of Management and Budget's (GOMB) on-line travel system (eTravel) describing the purpose of the travel and why it is critical and provide a detailed breakdown of travel-related costs on file within 30 days prior to the travel. Specifically, four (50%) requests for travel were submitted between 12 to 28 days late, and one (13%) request for travel was not submitted at all.

  The Governor's Travel Control Board Rules (80 Ill. Admin. Code 2800.700(b)) require travel outside of Illinois to be approved by GOMB prior to the travel. All requests are required to be submitted to GOMB's eTravel at least 30 days in advance of the departure date.

- Two of 20 (10%) travel vouchers tested, totaling $2,267, were not timely submitted for reimbursements in accordance with Internal Revenue Service rules. The vouchers were submitted 84 and 258 days after the expenditures had been incurred.

  The Internal Revenue Service (IRS) Publication 463, Travel, Gift and Car Expenses, notes employees receiving travel reimbursements must have paid or incurred deductible expenses while performing employment services, adequately accounted for the expenses within a

2025-006. **FINDING** (Inadequate Control over Travel) (Continued)

reasonable period of time generally defined by Publication 463 as within 60 days after the expenses were paid or incurred and returned any excess reimbursements within a reasonable period of time.

Department management indicated the exceptions were due to competing priorities that led to processing delays and lack of training for employees reviewing the travel vouchers.

Failure to exercise adequate internal controls over travel increases the risk that errors, irregularities, and unnecessary expenditures will occur and not be detected. Failure to obtain advance approval from GOMB for out-of-State travel and exceptions for special or unavoidable circumstances may result in unauthorized travel and noncompliance with the Governor's Travel Control Board Rules. In addition, failure to submit travel vouchers in a timely manner may cause travel expenditures to be reported in an incorrect period and may require travel expense reimbursements to be reported as taxable wages to the employee. (Finding Code No. 2025-006, 2023-012)

RECOMMENDATION

We recommend the Department improve its controls over travel expenditures to ensure the Department complies with State laws, rules, and regulations. In addition, we recommend the Department obtain pre-approval for out-of-state travel and exceptions for special or unavoidable circumstances, and submit the travel voucher within 60 days after the expenses have been incurred.

DEPARTMENT RESPONSE

The Department concurs with the finding.

Management will formally communicate to staff travel item categories which should be excluded from travel expense reports. Fiscal staff members will highlight any exceptions and report them to the Chief Fiscal Officer for review and appropriate action.

Management will communicate to appropriate staff the necessity to submit out-of-State travel requests as soon as possible to ensure that leadership can approve travel and secure approval from the GOMB more than 30 days prior to travel dates.

Management will reinforce via formal communication to all staff the need to submit travel vouchers to Fiscal timely.

2025-007. **FINDING** **(**Inadequate Controls over Census Data)

The Illinois Department of Human Rights (Department) did not timely complete census data reconciliation to provide assurance that census data submitted to its pension and other postemployment benefits (OPEB) plans were complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting the data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Department's employees are members of both the State Employees' Retirement System of Illinois (SERS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (DCMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, we noted DCMS' actuaries use SERS' census data records to prepare the OPEB actuarial valuation.

During our testing, we noted the Department did not timely perform its Fiscal Year 2023 and Fiscal Year 2024 annual reconciliations of its data recorded by SERS to its internal records. The reconciliations were completed 17 days and 1 day past the SERS deadlines, respectively.

For employers participating in plans with multiple-employer and cost-sharing characteristics, the American Institute of Certified Public Accountants' *Audit and Accounting Guide: State and Local Governments* (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk

2025-007. **FINDING** (Inadequate Controls over Census Data) (Continued)

of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Department management indicated the exception was due to competing priorities and employee errors.

Failure to timely reconcile active members' census data reported to and held by SERS to the Department's records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the State's pension and OPEB balances, which may result in a misstatement of these amounts. (Finding Code No. 2025-007, 2023-007)

RECOMMENDATION

We recommend the Department timely complete the SERS annual reconciliation process of its active members' census data from its underlying records to a report of the census data submitted to each plan's actuary.

DEPARTMENT RESPONSE

The Department concurs with the finding.

The Chief Fiscal Officer will add reminders to SharePoint for the payroll and timekeeping administrator to complete census reports in advance of their due dates. The Chief Fiscal Officer will review census reports for accuracy.

2025-008. **FINDING** **(**Inadequate Controls over State Property and Equipment)

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

During testing we noted the following:

- During our physical observation, we noted one of 36 (3%) equipment items tested, totaling $300, was software installed in a desktop transferred to the Department of Central Management Services (DCMS) as surplus, but the software was not deleted in the Department's property control records. Additionally, the Department did not provide supporting documents on the transferred desktop; therefore, we were unable to determine the timeliness of adjustment to the Department's property records.

  The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 90 days of acquisition, change, or deletion of equipment items.

  Additionally, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

- The Department did not submit the Fiscal Year 2024 Annual Real Property Utilization Report (ARPUR) to DCMS.

  The State Property Control Act (30 ILCS 605/7.1(b)) requires the Department to submit an ARPUR, or annual update of such report, on forms required by DCMS, by July 31 of each year (August 31 beginning January 1, 2026).

This finding was first reported in Fiscal Year 2007. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to maintain adequate controls over its property and equipment.

Department management stated these issues were due to staff errors and competing priorities.

2025-008. **FINDING** (Inadequate Controls over State Property and Equipment) (Continued)

Inadequate controls over property and equipment increase the risk of loss and misappropriation. Additionally, the failure to submit the ARPUR represents noncompliance with the State Property Control Act. (Finding Code No. 2025-008, 2023-008, 2021-008, 2019-007, 2017-003, 2015-003, 2013-004, 11-4, 09-3, 07-3)

RECOMMENDATION

We recommend the Department improve its controls over property and equipment to ensure compliance with the State Records Act, State Property Control Act, and the Code.

DEPARTMENT RESPONSE

The Department concurs with the finding.

In subsequent years, the Department has been successful in implementing measures to reduce the number of deficiencies noted relating to state property and equipment. From the prior audits, the Department has made improvements in ensuring equipment is properly recorded on the property accounting system, timely recording of equipment, accurate recording of equipment, tagging equipment, and implementing a high theft policy.

To reduce the likelihood of omission of property activity from property control records, Operations and Fiscal staff will reconcile all activity in detail and aggregate monthly.

The Chief Fiscal Officer will set a reminder in a SharePoint calendar to prepare and submit the Annual Real Property Utilization Report prior to the due date to ensure its timely submission.

2025-009. **FINDING** (Employee Performance Evaluations Not Performed or Timely Performed)

The Illinois Department of Human Rights (Department) did not perform or timely perform employee performance evaluations.

During testing of 47 performance evaluations, we noted the following:

- 21 (45%) performance evaluations were not completed.
- Ten (21%) performance evaluations were not timely completed. The evaluations were completed 16 to 458 days after they were due.
- One (2%) performance evaluation was not signed by the Director.

The Illinois Administrative Code (Code) (80 Ill. Adm. Code 302.270) requires the Department to prepare performance evaluations not less often than once per calendar year for each certified employee, and at least once during the probationary period.

The Department's Administrative Policy and Procedures Manual, Chapter III, Section A: *Performance Evaluations*, requires an original copy of the performance evaluation to be placed in the employee's personnel file after the evaluations are signed by the Director.

This finding was first reported in Fiscal Year 2021. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan to remedy the finding.

Management stated that performance evaluations were not performed or timely performed due to staffing constraints that hindered the Department's ability to monitor whether all employees received or timely received the required performance evaluations. Additionally, management stated the issues were also caused by failure of Department supervisory and managerial employees to submit required evaluation documents in a timely manner.

Performance evaluations are a systematic and uniform approach used for the development of employees and to communicate performance expectations. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotions, discharges, layoffs, recall, and reinstatement decisions. (Finding Code No. 2025-009, 2023-009, 2021-009)

2025-009. **FINDING** **(**Employee Performance Evaluations Not Performed or Timely Performed) (Continued)

RECOMMENDATION

We recommend the Department ensure employee performance evaluations are timely completed.

DEPARTMENT RESPONSE

The Department concurs with the finding.

Human Resources acknowledges that performance evaluations are not always completed timely and are dependent upon the cooperation of assigned supervisors to complete. To assist supervisors, Human Resources has developed a process to remind supervisors of upcoming performance evaluation due dates. Supervisors are provided with notice via email at least one month prior to the evaluation due date and are provided with a copy of the job description of the employee to be evaluated, the Department of Central Management Services Evaluation Handbook, and the evaluation form with the basic employee information already completed. A second email reminder is sent to the supervisor approximately one month later, and the next level supervisor is copied on both reminders. In addition, the Department previously hired an additional Human Resources staff member to assist with performance evaluations.

To further attempt to correct the deficiencies, Human Resources will work with supervisors to identify the obstacles in proper and timely completion of performance evaluations. Human Resources will explore developing an annual supervisor training to better assist supervisors in completing performance evaluations.

Additionally, Human Resources will develop a system to track the submission of performance evaluations, including a verification that all fields in the evaluation form are properly completed, and will provide a monthly report of delinquent supervisors to the Director and the Chief of Staff.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2025

A. **FINDING** (Failure to Maintain Internal Audit Program)

During the prior examination, the Illinois Department of Human Rights (Department) failed to maintain a full-time program of internal auditing.

During the current examination, the Department employed a chief internal auditor and implemented a full-time program of internal auditing. (Finding Code No. 2023-004, 2021-004, 2019-002, 2017-002)

B. **FINDING** (Failure to Appoint Liaison to Serve Ex-Officio on Certain Commissions)

During the prior examination, the Department did not appoint members to certain commissions as required.

During the current examination, the Department had formally appointed a liaison to serve ex-officio on the Asian American Family Commission. (Finding Code No. 2023-006)

C. **FINDING** (Inadequate Control over Vehicle Accident Reporting)

During the prior examination, the Department did not maintain adequate control over vehicle accident reporting.

During the current examination, the Department did not have any employees involved in vehicle accidents while on official State business. As a result, no reporting to the Department of Central Management Services was required. (Finding Code No. 2023-010)

D. **FINDING** (Inadequate Controls over Leaves of Absence)

During the prior examination, the Department did not have adequate controls over employee leaves of absence.

During the current examination, our sample testing disclosed the Department implemented controls to ensure leave requests were properly obtained and approved prior to the commencement of employees' leaves of absence. (Finding Code No. 2023-011, 2021-012)