

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009**

**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, 2009

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

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:

100 West Randolph Street
Suite 10-100
Chicago, IL 60601

222 South College
Floor 1
Springfield, IL 62704

2309 West Main Street
Suite 112
Marion, IL 62959

ILLINOIS DEPARTMENT OF
Human Rights

Pat Quinn, Governor
Rocco J. Claps, Director

March 10, 2010

McGreal & Company, PC
Certified Public Accountants
5740 West 95th Street
Oak Lawn, IL 60453

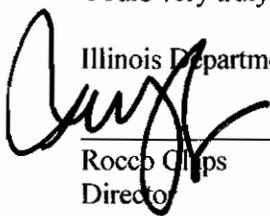
Ladies and Gentlemen:

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 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, 2009. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2009, the Department has materially complied with the assertions below.

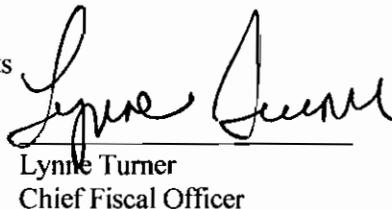
- A. The Department has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received and used public funds of the State in accordance with 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 agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

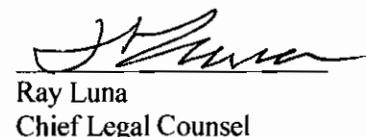
Illinois Department of Human Rights



Rocco Claps
Director



Lynne Turner
Chief Fiscal Officer



Ray Luna
Chief Legal Counsel

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

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 Compliance</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Findings	6	6
Repeated findings	5	4
Prior recommendations implemented or not repeated	1	3

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<u>No.</u>			
FINDINGS (STATE COMPLAINT)			
09-1	9	Inadequate financial report - Generally Accepted Accounting Principles	Significant Deficiency and Noncompliance
09-2	11	Noncompliance with statutorily mandated time limits	Significant Deficiency and Noncompliance
09-3	13	Inadequate controls over state property and equipment	Significant Deficiency and Noncompliance
09-4	15	Inadequate controls over voucher processing	Significant Deficiency and Noncompliance
09-5	18	Inadequate monitoring of telephone usage	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

COMPLIANCE REPORT

SUMMARY

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-6	19	Employee evaluations not completed timely	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	20	Inaccurate Processing of Payroll
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel in a conference call on February 22, 2009. Attending were:

- Rocco Claps, Director of Human Rights
- Bobbie Wanzo, Deputy Director of Human Rights
- Lynne Turner, Chief Fiscal Officer of Human Rights
- Kevin Carhill, OAG Manager
- Thomas McGreal, Special Assistant Audit Partner
- Colleen Porter, Special Assistant Audit Manager

Responses to the recommendations were approved by Director Rocco Claps and provided by Chief Fiscal Officer Lynne Turner in a letter dated March 5, 2010.

**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, 2009. 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, 2009. 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 (09-1, 09-2, 09-3, 09-4, 09-5 and 09-6).

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 as a basis for designing 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.

A *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 and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance described in findings (09-1, 09-2, 09-3, 09-4, 09-5 and 09-6) in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over compliance. A *significant deficiency* is a deficiency, or 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.

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

The Department's responses to the finding 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 2009 and the 2008 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments 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 2007 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, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

McGreal & Company P.C
McGreal & Company, PC

March 10, 2010

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

09-1. **FINDING** (Inadequate Financial Reporting – Generally Accepted Accounting Principles)

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

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

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

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

Department management tried to prepare the GAAP Reporting Package in a manner consistent with prior years when the Comptroller's Office prepared it. Therefore, the Department had confidence in the amounts they had incorporated into the GAAP Reporting Package.

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. 09-1, 07-1, 05-02, 03-1, 01-1, 99-5, 97-5)

RECOMMENDATION

We recommend the Department keep adequate records or schedules 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 seek additional training from the Comptroller's office to resolve this finding.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

09-2. **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 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 one (7%) employment case, the Department did not serve a copy of the charge on the respondent within 10 days of when the charge was filed (32 days late).
- In one (7%) employment case, the Department did not assign an investigator to the case; therefore, verified responses were not filed.
- In one (7%) housing case, the Department did not notify the complainant and respondent in writing in a timely manner why the investigation of the charges filed was not completed within 100 days after the filing of the charge (138 days late).
- In one (7%) housing case, the Department did not notify the complainant and respondent in writing why the investigation of the charges filed was not completed within 100 days after the filing of the charge.

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.

The Illinois Human Rights Act (775 ILCS 5/7B-102(C)) requires that the Department notify the complainant and respondent in writing if the investigation of the allegations set forth is not complete within 100 days after the charge is filed.

According to the Department management, the untimely issuance of notices were due to lack of personnel and numerous cases filed in the Charge Processing Division.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

Late issuance of notices and notifications is a non-compliance with the Act.
(Finding Code Nos. 09-2, 07-2, 05-06)

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 finding and provide additional training to staff to correct this finding.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

09-3. **FINDING** (Inadequate Controls Over State Property and Equipment)

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

We tested 8 (100%) Agency Report of State Property Forms (Form C-15) including related fixed asset transactions and noted the following:

- Prior year adjustments totaling \$29,342 were not corrected as of June 30, 2009. Statewide Accounting Management System (SAMS) (Procedure 29.10.30) states the purpose of Form C-15 is to present the total cost of State property, by category, reflected on the agency's records as of the reporting date. Additionally, Form C-15 will reconcile the beginning balance of State property to the ending balance.
- The Department did not report 53 property additions totaling \$24,697 on Form C-15 during the two year period July 1, 2007 – June 30, 2009. SAMS (Procedure 29.20.10 page 3) requires an agency to report all additions to each asset class that occurred during the quarter being reported.
- The Department did not record 6 property items totaling \$310 on the Department's property control records. The Illinois Administrative Code (44 Ill. Admin. Code 5010.400) requires each agency to adjust property records within 30 days of acquisition, change or deletion of equipment items.
- The Department reported items totaling \$107,585 as deletions and \$70,570 as additions on the Quarterly Fixed Asset Report; however, these items were transfers. SAMS (Procedure 29.20.10 page 3) requires agencies to report items as transfers if they are moved between agencies (i.e. Central Management Services surplus property).
- The Department did not file 2 of 8 (25%) Form C-15's in a timely manner. The timeliness could not be determined for the December 31, 2008 Form C-15 and the June 30, 2008 Form C-15 was filed 4 days late. SAMS (Procedure 29.20.10 page 5) requires the C-15's to be filed on a quarterly basis no later than the last day of the month following the last day of the quarter.

According to Department personnel, the exceptions noted were again due to staff oversight.

Inadequate controls over Department property and equipment resulted in inaccurate and incomplete property records. Failure to report accurate property

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

information resulted in non-compliance with DCMS and SAMS rules. (Finding Code No. 09-3, 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 finding and provide additional training to staff to correct this finding.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

09-4. **FINDING** (Inadequate Controls over Voucher Processing)

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

During our review of 163 vouchers, we noted the following:

- Forty-two (26%) vouchers tested totaling \$94,887 were approved more than 30 days after receipt of the vendor's invoice. The vouchers pertained to contractual, travel, commodities, printing, equipment, telecommunication, lump sums and lapse period. The vouchers were approved for payment 1 to 203 days late.
- Eight (6%) vouchers tested totaling \$49,332 were paid more than 60 days after receipt of the vendor's invoice. Interest computed for all the late vouchers was below \$5 and thus payment was not required. The vouchers were paid 11 to 52 days late.
- Thirteen (8%) vouchers tested totaling \$71,803 did not indicate the dates when the vendor invoices were received, thus timely approval and payment could not be determined.
- Thirty-one (19%) vouchers tested pertaining to the CMS Communications Revolving Fund or the Statistical Services Revolving Fund totaling \$191,159 were not approved timely. In addition, twenty-eight (18%) vouchers tested pertaining to the same revolving funds totaling \$172,695 were improperly charged to different fiscal years. Of these twenty-eight vouchers:
 - Two vouchers totaling \$9,456 were charged in fiscal year 2008 instead of fiscal year 2006;
 - Ten vouchers totaling \$33,386 were charged in fiscal year 2008 instead of fiscal year 2007;
 - Ten vouchers totaling \$36,788 were charged in fiscal year 2009 instead of fiscal year 2007; and
 - The remaining six vouchers totaling \$93,065 were charged in fiscal year 2009 instead of fiscal year 2008.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

The Department owed CMS the following amounts at June 30, 2009:

	Statistical Services <u>Revolving Fund</u>	Communications <u>Revolving Fund</u>
FY06	\$ -	\$ 40,853
FY07	9,562	55,792
FY08	153,470	144,613
FY09	<u>254,536</u>	<u>204,005</u>
Total	<u>\$ 417,568</u>	<u>\$ 445,263</u>

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.

The 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.

The Illinois Administrative Code, Title 74, Section 1000.50 requires user agencies to process payments within 30 days after physical receipt of internal service fund bills and to make reasonable efforts to review, approve and pay all internal service fund bill in the fiscal year in which the liability was incurred. User agencies are not to leave internal service fund bills unpaid in order to circumvent fiscal year budgetary controls.

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

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

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

Late approval of invoices resulted in non-compliance 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. (Finding Code nos. 09-4, 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.

DEPARTMENT RESPONSE

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

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

09-5. **FINDING** (Inadequate Monitoring of Telephone Usage)

The Illinois Department of Human Rights (Department) did not adequately monitor telephone usage.

During our detailed testing of 25 telecommunications vouchers, we noted fifteen (60%) CMS vouchers during the two year period July 1, 2007 and June 30, 2009 with directory assistance charges totaling \$1,538. Directory assistance fees charged by CMS are \$20 per request.

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 management stated that staff will only use directory assistance as a last resort when trying to obtain phone numbers for respondents.

The use of DA resulted in unnecessary telephone costs. (Finding Code Nos. 09-5, 07-5, 05-7)

RECOMMENDATION

We recommend the Department strictly enforce existing telephone policies to ensure that telephone bills are reviewed and excessive directory assistance charges are addressed. The Department should consider other alternatives instead of using charge services.

DEPARTMENT RESPONSE

The Department has a procedure in place to review telephone usage and directory assistance usage monthly. Operations Management frequently sends out reminders to staff not to use directory assistance.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2009

09-6. **FINDING** (Employee Evaluations Not Completed Timely)

The Illinois Department of Human Rights (Department) did not complete annual employee performance evaluations timely.

The Department did not timely complete annual evaluations for 16 of 25 (64%) employees tested during the period. The employee evaluations were completed from 9 to 136 days late. In addition, evaluations for two probationary employees were filed 7 to 73 days late.

The Illinois Administrative Code, Title 80, Section 302.270 requires the preparation of an evaluation for certified employees on an annual basis. In addition, probationary employees are to be evaluated at the end of the third month of the probationary period and a second evaluation 15 days prior to the conclusion of the probationary period. Also, the Department's internal personnel policy requires annual evaluations of employees based on either the anniversary date of hire or fiscal year.

Department officials stated evaluations were filed untimely due to supervisors being out of the office when staff evaluations were due and also oversight by supervisors regarding evaluation due dates. Additionally, the Department stated that evaluations for investigative staff were performed upon receipt of production reports, quality return reports and case management summaries which provide the supervisor with the necessary information to properly evaluate the staff.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, recall, and reinstatement decisions. (Finding Code No. 09-6)

RECOMMENDATION

We recommend that the Department take appropriate measures to ensure performance evaluations are conducted annually as required by policy.

DEPARTMENT RESPONSE

The Department will adhere to this recommendation.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2009

A. FINDING: Inaccurate Processing of Payroll

During the prior period, 7 of 30 employees tested had incorrect payroll calculations relating to unused vacation leave, sick leave and dock time. (Finding Code No. 07-6)

Status: Moved to Immaterial Finding No. 09-4

During the current period, 2 of 25 employees tested had incorrect calculations which related to unused vacation and sick leave.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2009

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 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
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Analysis of Significant Variations in Receipts

Analysis of Operations:

- Agency Functions and Planning Program
- Hate Crimes Commission
- 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 the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the 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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor / Program Title	Federal CFDA Number	Federal Expenditures
Equal Employment Opportunity Commission		
Employment Discrimination - State and Local - Fair Employment Practices Agency Contracts	30.002	\$ 1,580,150
Department of Housing and Urban Development - Office of Fair Housing and Equal Opportunity		
Fair Housing Assistance Program - State and Local	14.401	<u>702,482</u>
Total Expenditures of Federal Awards		<u><u>\$ 2,282,632</u></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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor / Program Title	Federal CFDA Number	Federal Expenditures
Equal Employment Opportunity Commission		
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	\$ 1,421,750
Department of Housing and Urban Development - Office of Fair Housing and Equal Opportunity		
Fair Housing Assistance Program - State and Local	14.401	<u>788,330</u>
Total Expenditures of Federal Awards		<u><u>\$ 2,210,080</u></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 THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008

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 \$550 for fiscal year 2008 and 2009 per case for the complete investigation of individual allegations of discrimination in employment and sexual harassment in employment. No refund or 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 \$702,482 in 2009 and \$788,330 in 2008 to process housing discrimination complaints arising within its jurisdiction.

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.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008

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 APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2009

FOURTEEN MONTHS ENDED AUGUST 31, 2009

Public Act 95-0731 Fiscal Year 2009	Appropriations (Net after Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>General Revenue Fund - 001</u>					
<u>ADMINISTRATIVE DIVISION</u>					
Personal services	\$689,700	\$689,433	\$182	\$689,615	\$85
State contributions to state employees retirement system	122,800	113,863	0	113,863	8,937
Pension continuing appropriation	31,413	31,372	39	31,411	2
State contributions to social security	51,040	51,024	14	51,038	2
Contractual services	143,800	39,368	104,427	143,795	5
Travel	16,500	16,498	0	16,498	2
Commodities	25,200	25,131	68	25,199	1
Printing	4,700	4,298	91	4,389	311
Equipment	1,975	1,972	0	1,972	3
Telecommunications services	22,000	21,999	0	21,999	1
Operation of automotive equipment	3,000	2,965	0	2,965	35
Lump sum and other purposes	155,000	11,848	143,152	155,000	0
Division Totals	<u>\$1,267,128</u>	<u>\$1,009,771</u>	<u>\$247,973</u>	<u>\$1,257,744</u>	<u>\$9,384</u>
<u>CHARGE PROCESSING DIVISION</u>					
Personal services	\$4,838,300	\$4,838,097	\$148	\$4,838,245	\$55
State contributions to state employees retirement system	861,100	859,751	31	859,782	1,318
Pension continuing appropriation	159,550	159,537	0	159,537	13
State contributions to social security	359,915	359,903	11	359,914	1
Contractual services	72,010	39,356	32,048	71,404	606
Travel	46,800	29,223	17,539	46,762	38
Commodities	13,000	12,994	0	12,994	6
Printing	1,300	1,263	0	1,263	37
Telecommunications services	50,000	37,304	12,689	49,993	7
Lump sum and other purposes	1,520,300	1,520,276	0	1,520,276	24
Division Totals	<u>\$7,922,275</u>	<u>\$7,857,704</u>	<u>\$62,466</u>	<u>\$7,920,170</u>	<u>\$2,105</u>

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 APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2009

FOURTEEN MONTHS ENDED AUGUST 31, 2009

Public Act 95-0731 Fiscal Year 2009	Appropriations (Net after Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
<u>COMPLIANCE DIVISION</u>					
Personal services	\$640,500	\$639,889	\$544	\$640,433	\$67
State contributions to state employees retirement system	114,000	93,798	0	93,798	20,202
Pension continuing appropriation	41,103	40,972	114	41,086	17
State contributions to social security	46,260	46,217	41	46,258	2
Contractual services	3,600	0	3,600	3,600	0
Travel	12,900	12,898	0	12,898	2
Commodities	2,100	1,373	726	2,099	1
Printing	1,000	988	0	988	12
Telecommunications services	3,000	0	3,000	3,000	0
Division Totals	\$864,463	\$836,135	\$8,025	\$844,160	\$20,303
SUBTOTAL	\$10,053,866	\$9,703,610	\$318,464	\$10,022,074	\$31,792
<u>Special Projects Division Fund - 607</u>					
<u>CHARGE PROCESSING DIVISION</u>					
Personal services	\$1,680,800	\$955,540	\$356,763	\$1,312,303	\$368,497
State contributions to state employees retirement system	299,200	201,271	75,139	276,410	22,790
State contributions to social security	128,700	71,751	26,313	98,064	30,636
Group insurance	414,000	222,096	79,515	301,611	112,389
Contractual services	169,700	96,473	308	96,781	72,919
Travel	71,300	56,944	14,195	71,139	161
Commodities	6,800	2,866	396	3,262	3,538
Printing	4,900	2,645	1,027	3,672	1,228
SUBTOTAL	\$2,775,400	\$1,609,586	\$553,656	\$2,163,242	\$612,158
GRAND TOTAL ALL FUNDS	\$12,829,266	\$11,313,196	\$872,120	\$12,185,316	\$643,950

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 APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2008

FOURTEEN MONTHS ENDED AUGUST 31, 2008

Public Act 95-0348 Fiscal Year 2008	Appropriations (Net after Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>General Revenue Fund - 001</u>					
<u>ADMINISTRATIVE DIVISION</u>					
Personal services	\$689,700	\$688,793	\$864	\$689,657	\$43
State contributions to state employees retirement system	114,500	114,141	143	114,284	216
State contributions to social security	52,800	51,470	258	51,728	1,072
Contractual services	143,800	121,322	22,478	143,800	0
Travel	16,500	16,498	0	16,498	2
Commodities	15,700	11,566	4,133	15,699	1
Printing	4,700	3,347	1,351	4,698	2
Equipment	312	312	0	312	0
Telecommunications services	22,000	8,223	13,767	21,990	10
Operation of automotive equipment	3,000	2,983	16	2,999	1
Lump sum and other purposes	155,000	71,289	83,711	155,000	0
Division Totals	\$1,218,012	\$1,089,944	\$126,721	\$1,216,665	\$1,347
<u>CHARGE PROCESSING DIVISION</u>					
Personal services	\$4,838,300	\$4,838,097	\$191	\$4,838,288	\$12
State contributions to state employees retirement system	803,100	801,608	32	801,640	1,460
State contributions to social security	370,100	358,958	15	358,973	11,127
Contractual services	80,988	34,363	46,625	80,988	0
Travel	34,300	29,298	4,993	34,291	9
Commodities	13,000	11,280	1,718	12,998	2
Printing	1,300	1,134	124	1,258	42
Telecommunications services	50,000	45,029	4,971	50,000	0
Lump sum and other purposes	1,520,300	1,492,395	27,905	1,520,300	0
Division Totals	\$7,711,388	\$7,612,162	\$86,574	\$7,698,736	\$12,652

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 APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2008

FOURTEEN MONTHS ENDED AUGUST 31, 2008

Public Act 95-0348 Fiscal Year 2008	Appropriations (Net after Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
<u>COMPLIANCE DIVISION</u>					
Personal services	\$640,500	\$639,875	\$601	\$640,476	\$24
State contributions to state employees retirement system	106,300	106,019	100	106,119	181
State contributions to social security	49,000	46,003	46	46,049	2,951
Contractual services	3,600	724	2,876	3,600	0
Travel	12,900	12,888	0	12,888	12
Commodities	2,100	0	2,100	2,100	0
Printing	1,000	0	1,000	1,000	0
Telecommunications services	3,000	2,364	619	2,983	17
 Division Totals	 <u>\$818,400</u>	 <u>\$807,873</u>	 <u>\$7,342</u>	 <u>\$815,215</u>	 <u>\$3,185</u>
 SUBTOTAL	 <u>\$9,747,800</u>	 <u>\$9,509,979</u>	 <u>\$220,637</u>	 <u>\$9,730,616</u>	 <u>\$17,184</u>
 <u>Special Projects Division Fund - 607</u>					
<u>CHARGE PROCESSING DIVISION</u>					
Personal services	\$1,680,800	\$831,388	\$376,024	\$1,207,412	\$473,388
State contributions to state employees retirement system	279,000	137,765	62,309	200,074	78,926
State contributions to social security	128,700	63,658	27,902	91,560	37,140
Group insurance	414,000	190,875	83,042	273,917	140,083
Contractual services	211,000	194,874	5,267	200,141	10,859
Travel	33,000	33,000	0	33,000	0
Commodities	6,800	6,704	22	6,726	74
Printing	1,300	1,033	0	1,033	267
Equipment	600	262	0	262	338
 SUBTOTAL	 <u>\$2,755,200</u>	 <u>\$1,459,559</u>	 <u>\$554,566</u>	 <u>\$2,014,125</u>	 <u>\$741,075</u>
 GRAND TOTAL ALL FUNDS	 <u>\$12,503,000</u>	 <u>\$10,969,538</u>	 <u>\$775,203</u>	 <u>\$11,744,741</u>	 <u>\$758,259</u>

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
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2009	2008	2007
<u>General Revenue Fund - 001</u>	P.A. 95-0731	P.A. 95-0348	P.A. 94-0798
Appropriations (Net After Transfers)	<u>\$10,053,866</u>	<u>\$9,747,800</u>	<u>\$7,737,900</u>
Expenditures			
Personal services	\$6,168,293	\$6,168,421	\$5,429,683
State contributions to state employees retirement system	1,067,443	1,022,043	623,388
Pension continuing appropriation	232,034	-	-
State contributions to social security	457,210	456,750	401,483
Contractual services	218,799	228,388	192,069
Travel	76,158	63,677	81,199
Commodities	40,292	30,797	30,799
Printing	6,640	6,956	6,980
Equipment	1,972	312	39,829
Telecommunications services	74,992	74,973	64,496
Operation of automotive equipment	2,965	2,999	3,000
Lump sum and other purposes	<u>1,675,276</u>	<u>1,675,300</u>	<u>853,795</u>
Total Expenditures	<u>\$10,022,074</u>	<u>\$9,730,616</u>	<u>\$7,726,721</u>
Lapsed Balances	<u>\$31,792</u>	<u>\$17,184</u>	<u>\$11,179</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2009 <u>P.A. 95-0731</u>	2008 <u>P.A. 95-0348</u>	2007 <u>P.A. 94-0798</u>
<u>Special Projects Division Fund - 607</u>			
Appropriations (Net After Transfers)	<u>\$2,775,400</u>	<u>\$2,755,200</u>	<u>\$2,606,300</u>
Expenditures			
Regular positions	\$1,312,303	\$1,207,412	\$1,345,740
State contributions to state employees retirement system	276,410	200,074	158,888
State contributions to social security	98,064	91,560	103,999
Employer contribution group insurance	301,611	273,917	320,891
Contractual services	96,781	200,141	148,508
Travel	71,139	33,000	36,999
Commodities	3,262	6,726	6,251
Printing	3,672	1,033	9,042
Equipment	<u>0</u>	<u>262</u>	<u>300</u>
Total Expenditures	<u>\$2,163,242</u>	<u>\$2,014,125</u>	<u>\$2,130,618</u>
Lapsed Balances	<u>\$612,158</u>	<u>\$741,075</u>	<u>\$475,682</u>
<u>GRAND TOTAL, ALL FUNDS</u>			
Appropriations (Net After Transfers)	\$12,829,266	\$12,503,000	\$10,344,200
Total Expenditures	<u>12,185,316</u>	<u>11,744,741</u>	<u>9,857,339</u>
Lapsed Balances	<u>\$643,950</u>	<u>\$758,259</u>	<u>\$486,861</u>

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

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2009 P.A. 95-0731	2008 P.A. 95-0348	2007 P.A. 94-0798
<u>General Revenue Fund - 001 State Comptroller</u>			
Appropriations (Net After Transfers)	\$115,700	\$111,400	\$105,000
Director's Salary	115,613	111,381	104,871
Total Expenditures	\$115,613	\$111,381	\$104,871
Lapsed Balances	<u>\$87</u>	<u>\$19</u>	<u>\$129</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2009

	<u>Equipment</u>
Balance at July 1, 2007	\$938,896
Additions	53,756
Deletions	(29,928)
Net Transfers	(18,208)
Adjustments	-
Balance at June 30, 2008	\$944,516
Balance at July 1, 2008	\$944,516
Additions	2,486
Deletions	(8,605)
Net Transfers	(18,543)
Adjustments	1,272
Balance at June 30, 2009	\$921,126

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Revenue Fund - 001			
Jury duty and reimbursement	\$138	\$99	\$180
Copying fees	60	60	30
Settlement for cases	10,530	-	-
Salary refunds	3,500	-	-
Prior Year Refunds	<u>151</u>	<u>295</u>	<u>9</u>
Total Receipts	<u>\$14,379</u>	<u>\$454</u>	<u>\$219</u>

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cash Receipts per Department	\$14,379	\$454	\$219
Deposits in transit:			
Beginning of year	17	-	-
End of year	<u>(4,017)</u>	<u>(17)</u>	<u>-</u>
Deposits Remitted to Comptroller	<u>\$10,379</u>	<u>\$437</u>	<u>\$219</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Special Projects Division Fund - 607			
Equal Employment Opportunity Commission (EEOC)	\$2,125,280	\$503,800	\$1,351,976
U.S. Department of Housing and Urban Development	<u>702,482</u>	<u>788,330</u>	<u>1,434,340</u>
Total Receipts	<u><u>\$2,827,762</u></u>	<u><u>\$1,292,130</u></u>	<u><u>\$2,786,316</u></u>

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cash Receipts per Department	\$2,827,762	\$1,292,130	\$2,786,316
Deposits in transit:			
Beginning of year	-	-	-
End of year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Remitted to Comptroller	<u><u>\$2,827,762</u></u>	<u><u>\$1,292,130</u></u>	<u><u>\$2,786,316</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2009

FISCAL YEAR 2009

A comparative schedule of significant variations in expenditures (\$10,000 and 20%) for the fiscal years ended June 30, 2009 and June 30, 2008 is shown below:

General Revenue Fund - 001

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2009</u>	<u>2008</u>	<u>Amount</u>	<u>%</u>
Pension Continuing Appropriation	\$ 232,034	-	\$ 232,034	100%
Travel	76,158	63,677	12,481	20%

Pension

Pension expenditures increased \$232,034 (100%). Originally, the 2009 fiscal year pension fund was underfunded. The Comptroller's office initiated a continuing appropriation to fund the retirement shortfall.

Travel

The \$12,481 (20%) increase in travel is due to an increase in the number of out-of-town conferences.

Special Projects Division Fund - 607

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2009</u>	<u>2008</u>	<u>Amount</u>	<u>%</u>
State contributions to state employees retirement system	\$ 276,410	200,074	\$ 76,336	38%
Contractual Services	96,781	200,141	(103,360)	(52%)
Travel	71,139	33,000	38,139	100%

State Contributions to State Employees Retirement System

State contributions to state employees retirement system increased \$76,336 (38%). The overall State retirement contribution rate increased in 2009 to 18% over 17% in 2008.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2009

Contractual Services

Contractual service expenditures decreased \$103,360 (52%) due to a decrease in Federal contracts and funding which resulted in a decrease of ads, publishing, design work, express mailings and publications over 2008.

Travel

Travel expenditures increased \$38,139 (100%). There was an increase in case loads in 2009 which required more employees to travel.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2009

FISCAL YEAR 2008

A comparative schedule of significant variations in expenditures (\$10,000 and 20%) for the fiscal years ended June 30, 2008 and June 30, 2007 is shown below:

General Revenue Fund - 001

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
State contributions to state employees retirement system	\$ 1,022,043	623,388	\$ 398,655	64%
Travel	63,677	81,199	(17,522)	(22%)
Equipment	312	39,829	(39,517)	(99%)
Lump Sum and Other Purposes	1,675,300	853,795	821,505	96%

State Contributions to State Employees Retirement System

State contributions to state employees retirement system expenditures increased \$398,655 (64%). The state retirement rate increased in 2008 to 16.56% over 11.53% in 2007.

Travel

Travel expenditures decreased \$17,552 (22%) due to a decrease in out-of-state conferences.

Equipment

The \$39,517 (99%) decrease in equipment expenditures resulted from the Department purchasing 33 new computers and monitors in fiscal year 2007. There were no material equipment purchases in fiscal year 2008.

Lump Sum and Other Purposes

Lump Sum expenditures increased \$821,505 (96%). There was an increase in cases filed which required the hiring of approximately 22 additional investigators in fiscal year 2008. The increase in staff created an additional need for travel and other items related to the investigation of cases.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2009

Special Projects Division Fund - 607

<u>Expenditure Item</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Increase</u> <u>(Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
State contributions to state employees retirement system	\$ 200,074	158,888	\$ 41,186	26%
Contractual Services	200,141	148,508	51,633	35%

State Contributions to State Employees Retirement System

State contributions to state employees retirement system expenditures increased \$41,186 (26%). The state retirement rate increased in 2008 to 16.56% over 11.53% in 2007.

Contractual Services

The \$51,633 (35%) increase in contractual service expenditures resulted from an increase in outreach projects and the HUD program commitment in 2008 which were not necessary in 2007.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2009

FISCAL YEAR 2009

General Revenue Fund -001

Our testing of lapse period expenditures for fiscal year ended June 30, 2009 disclosed two (2) appropriation line items in the Administrative Division and three (3) in the Charge Processing Division with significant (\$10,000 and 20%) lapse period expenditures in the General Revenue Fund - 001 as shown below:

Administrative Division

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Contractual Services	\$ 143,795	\$ 104,427	73%
Lump Sums and Other Purposes	155,000	143,152	92%

Contractual Services

Expenditure payouts in the lapse period were due to fourth quarter expenses for the copier rental charges and repairs, printer charges and repairs, CMS payments for postage and brochure design and translations.

Lump Sums and Other Purposes

Expenditure payouts in the lapse period related to payments of training expenses and payroll in the fourth quarter as well as CMS catch up billings.

Charge Processing Division

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Contractual Services	\$ 71,404	\$ 32,048	45%
Travel	46,762	17,539	38%
Telecommunications	49,993	12,689	25%

Contractual Services

Expenditure payouts in the lapse period were due to fourth quarter payments for training, CMS statistical services and equipment leases.

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ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
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Travel

Expenditure payouts in the lapse period were due to payment of fourth quarter travel for the investigators.

Telecommunications

Expenditure payouts in the lapse period were due to payments of prior telecommunication invoices.

Special Projects Division Fund - 607

Our testing of lapse period expenditures for fiscal year ended June 30, 2009 disclosed five (5) appropriation line items with significant (\$10,000 and 20%) lapse period expenditures in the Special Projects Division Fund as shown below:

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Personal Services	\$ 1,312,303	\$ 356,763	27%
State Contributions to State Employees Retirement	276,410	75,139	27%
State Contributions to Social Security	98,064	26,313	27%
Employer Contribution Group Insurance	301,611	79,515	26%
Travel	71,139	14,195	20%

Personal Services

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

State Contributions to State Employees Retirement System

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

State Contributions to Social Security

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

Employer Contribution Group Insurance

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

Travel

Expenditure payouts in the lapse period were due to payment of fourth quarter travel for the staff and investigators.

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FISCAL YEAR 2008

General Revenue Fund -001

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed two (2) appropriation line items in the Administrative Division and one (1) in the Charge Processing Division with significant (\$10,000 and 20%) lapse period expenditures in the General Revenue Fund - 001 as shown below:

Administrative Division

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Telecommunications	\$ 21,990	\$ 13,767	63%
Lump Sum and Other Purposes	155,000	83,711	54%

Telecommunications

Expenditure payouts in the lapse period were due to payments of prior telecommunication invoices.

Lump Sum and Other Purposes

Expenditure payouts in the lapse period related to payments of training expenses and payroll in the fourth quarter as well as CMS catch up billings.

Charge Processing Division

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Contractual Services	\$ 80,988	\$ 46,625	58%

Contractual Services

Expenditure payouts in the lapse period were due to the additional expenses of training and CMS invoices for the fourth quarter.

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Special Projects Division Fund - 607

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed four (4) appropriation line items with significant (\$10,000 and 20%) lapse period expenditures in the Special Projects Division Fund as shown below:

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Personal Services	\$ 1,207,412	\$ 376,024	31%
State Contributions to State Employees Retirement	200,074	62,309	31%
State Contributions to Social Security	91,560	27,902	30%
Employer Contribution Group Insurance	273,917	83,042	30%

Personal Services

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

State Contributions to State Employees Retirement System

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

State Contributions to Social Security

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

Employer Contribution Group Insurance

Expenditure payouts in the lapse period were due to the fourth quarter payments for payroll.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
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General Revenue Fund – 001

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

Settlement Checks – Settlement checks in the amount of \$10,530 were reimbursed to the Department in fiscal year 2009 for completed cases. No settlement checks were received in fiscal year 2008.

Salary Refunds – Salary refunds increased by \$3,500 during fiscal year 2009. The Department received a refund from the Comptroller relating to the overpayment of payroll taxes for one employee.

Special Projects Division Fund - 607

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

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ANALYSIS OF OPERATIONS
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AGENCY FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

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 of 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 Right 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 receives about 30,000 inquires and processes an average of 4,000 cases per year. The Charge Processing is the largest division in the Department, consisting of the Intake unit, Investigation groups, and Quality control unit.

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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 inquires 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 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 organization, municipal agencies, and the business sector.

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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.

PLANNING PROGRAM

The Department's mission is to secure for all individuals within the State of Illinois freedom from unlawful discrimination, and to establish and promote equal opportunity and affirmative action as the policy of the state for all its residents.

The Strategic Plan for fiscal years 2008 to 2011 set forth the following priorities:

- I. Prohibit discrimination in employment, housing, public accommodations, financial credit and sexual harassment.
- II. Enhance state agencies' compliance with Equal Employment Opportunity / AA guidelines. In addition, enhance public contractor and eligible bidder compliance with non-discrimination and affirmative action legal requirements.
- III. Promote public outreach, education and training regarding unlawful discrimination.
- IV. Promote the Commission on Discrimination and Hate Crimes mission to combat discrimination based on ethnicity, religion, skin color, gender, gender identification, disability or sexual orientation.
- V. Generate revenue for identified Department programs.

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. There were 12 initiatives developed to address the priorities. Each initiative has goals and objectives.

The service efforts and accomplishments 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.

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HATE CRIMES COMMISSION

The Governor's Commission on Discrimination and Hate Crimes (Commission) was created in 1999 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 was governed by 26 Commissioners and worked with educators and other community organizations by assisting them with developmental resources, training and information. It also helped ensure that laws addressing discrimination and violence were widely known and applied correctly to help eradicate and prevent crimes. The Commission was dissolved August 24, 2007; however, appropriations from the General Revenue Fund are used to support the Training Institute.

Appropriations and total expenditures were \$155,000 for fiscal years 2009 and 2008.

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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,

	Fiscal Year		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Administration	11	11	9
Hate Crimes	0	0	2
Charge Processing	125	136	131
Compliance	<u>11</u>	<u>11</u>	<u>16</u>
Total	<u>147</u>	<u>158</u>	<u>158</u>

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

	2009	2008	2007
Docketed	3,978	3,640	3,385
Completed	3,502	3,552	2,897
Complainant filings	11	216	230
Carryover	3,230	3,044	3,412
Charges completed per month per investigator	5.16	5.18	6.65
Investigators employed at end of year	47	52	30

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ANALYSIS OF OPERATIONS
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Employment Charges by Basis

Basis of Discrimination

	2009	% of Total	2008	% of Total	2007	% of Total
Race	1,134	28%	1,008	18%	1,056	20%
Sex	1,259	32%	1,145	20%	1,098	21%
Age	874	22%	744	13%	762	14%
National Origin/Ancestry	579	14%	488	8%	478	9%
Retaliation	1,103	28%	978	17%	738	14%
Physical Disability	745	19%	590	10%	529	10%
Sexual Harassment	644	16%	246	4%	209	4%
Mental Disability	167	4%	148	3%	122	2%
Other*	156	4%	134	2%	193	4%
Religion	79	2%	89	2%	44	1%
Sexual Orientation	168	4%	80	1%	0	0%
Arrest Record	55	1%	49	1%	59	1%
Color	31	1%	20	0%	0	0%
Marital Status	28	1%	18	0%	0	0%
Coercion	13	0%	10	0%	0	0%
Military Discharge	2	0%	2	0%	11	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 such as personality conflict

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Housing Discrimination Charges By Basis:

Basis of Discrimination

	2009	% of Total	2008	% of Total	2007	% of Total
Race	131	37%	131	37%	182	40%
Physical Disability	90	25%	80	23%	84	19%
National Origin	37	10%	40	11%	40	9%
Familial Status	71	20%	23	6%	55	12%
Sex	21	6%	16	5%	38	8%
Mental Disability	34	10%	28	8%	33	7%
Religion	7	2%	14	4%	10	2%
Retaliation	27	8%	10	3%	6	1%
Age	6	2%	2	1%	6	1%
Other	11	3%	5	1%	5	1%
Marital Status	4	1%	1	0%	2	0%
Coercion	2	1%	0	0%	1	0%
Sexual Orientation	5	1%	5	1%	0	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:

	2009	2008	2007
Inquiries received	13,759	13,026	13,841
Charges filed	4,330	3,949	3,782
Completed Investigations	3,844	3,915	3,271

	2009	% of Total	2008	% of Total	2007	% of Total
Substantial evidence	294	8%	360	9%	260	8%
Settlements	1,194	31%	1,299	33%	1,067	33%
Withdrawn by complainant	497	13%	552	14%	439	13%

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Service Efforts and Accomplishments (Not Examined), Continued

	<u>2009</u>	<u>% of Total</u>	<u>2008</u>	<u>% of Total</u>	<u>2007</u>	<u>% of Total</u>
Dismissals:						
Lack of substantial evidence	1,165	33%	1,017	29%	108	28%
Lack of jurisdiction	144	4%	153	4%	17	5%
Failure to proceed	229	7%	290	8%	78	21%
Administrative closures	12	1%	25	1%	15	4%

Compliance Division – Annual Bidder Registration Activity Summary:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Forms pending at beginning of year	0	83	86
Forms received during year	4,805	4,038	3,994
Forms processed during the year	4,735	4,403	4,095
Forms pending at end of year	362	0	83