

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005**

**Performed as Special Assistant
Auditors for the
Auditor General, State of Illinois**

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2005**

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**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

AGENCY OFFICIALS

Director	Mr. James Sledge
Fiscal Officer	Mr. Jack Pearce
General Counsel	Mr. James Snyder

Commissioners:
J. B. Pritzger, Chairman
Marti Baricevic
David Chang
Marylee V. Freeman
Dolly Hallstrom
Dr. Sakhawat Hussain
Spencer Leak, Sr.
Munir Muhammad
Rozanne Ronen
Gregory G. Simoncini
Yonnie Stroger
Diane Viverito

Agency offices are located at:
James R. Thompson Center
100 W. Randolph
Suite 5 - 100
Chicago, IL 60601

and

404 Stratton Office Building
Springfield, IL 62706



STATE OF ILLINOIS Human Rights Commission

De Raimo Hillger & Ripp
Certified Public Accountants
655 N. LaGrange Rd. – Suite 102
Frankfort, IL 60423

September 27, 2005

Rod R. Blagojevich
Governor

Commissioners

J. B. Pritzker
Chairman

Marti Baricevic

David Chang

Robert S. Enriquez

Marylee V. Freeman

Dolly Hallstrom

Sakhawat Hussain, M.D.

Spencer Leak, Sr.

Munir Muhammad

Rozanne Ronen

Gregory G. Simoncini

Yonnie Stroger

Diane Viverito


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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2004 and June 30, 2005, the Agency has materially complied with the assertions below.


- A. The agency 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 agency 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 agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency 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. The money or negotiable securities or similar assets handled by the agency 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,

Human Rights Commission



Mr. James P. Sledge, Executive Director



Mr. James Snyder, General Counsel

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

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.

AUDITORS' REPORTS

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>This Report</u>	<u>Prior Audit</u>
Audit Findings	6	5
Repeated Findings	2	1
Prior recommendations implemented or not repeated	3	3

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

SCHEDULE OF FINDINGS

<u>Item No</u>	<u>Page</u>	<u>Description</u>	<u>Prior Finding Code</u>
<u>FINDINGS (STATE COMPLIANCE)</u>			
05-1	10	Efficiency Initiative Payments	N/A
05-2	12	Lack of Controls Over Property	03-1
05-3	14	Lack of Segregation of Duties	03-3
05-4	15	Lack of Timely Contractual Authorizations	N/A
05-5	16	Improper Timekeeping Practices	N/A
05-6	17	Employee Performance Evaluations Not Completed	N/A

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION
SUMMARY OF FINDINGS**

PRIOR FINDINGS NOT REPEATED

05-7	18	Travel Headquarters Reports Not Filed	03-4
05-8	18	Lack of Internal Controls Over Federal Trust Fund	03-5
05-9	18	Failure to Timely File Required Submissions	03-2

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 5, 2005. Attending were:

For the Illinois Human Rights Commission –

James Sledge	Director
James Snyder	General Counsel
Mike Evans	Administrative Law Judge

For the Illinois Office of the Auditor General –

Kathy Lovejoy	Audit Manager
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For De Raimo Hillger & Ripp –

Robert Ripp	Partner
Elias Valaveris	Auditor

Responses to the recommendations were provided by James Sledge in a letter dated November 22, 2005.

DE RAIMO HILLGER & RIPP

Certified Public Accountants & Business Consultants

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JOHN J. DE RAIMO
FERNE M. HILLGER
ROBERT J. RIPP

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 Human Rights Commission's 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, 2005. The management of the Illinois Human Rights Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Human Rights Commission's compliance based on our examination.

- A. The Illinois Human Rights Commission 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 Illinois Human Rights Commission 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 Illinois Human Rights Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Illinois Human Rights Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts if fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois Human Rights Commission on behalf of the State or held in trust by the Illinois Human Rights Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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 as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Human Rights Commission's compliance with those requirements 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 Illinois Human Rights Commission's compliance with specified requirements.

In our opinion, the Illinois Human Rights Commission complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, 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 State findings as findings 05-1, 05-5, and 05-6. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the Illinois Human Rights Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Illinois Human Rights Commission's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as findings 05-2, 05-3, and 05-4. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

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 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on the Illinois First Projects and 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 2003 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.

De Raimo Hillger & Ripp

September 27, 2005

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION
SUMMARY OF AUDITORS' RESULTS**

Report
Item No.

FINDING TEXT

CURRENT FINDINGS – STATE COMPLIANCE

- | | |
|------|--|
| 05-1 | Efficiency Initiative Payments |
| 05-2 | Lack of Controls Over Property |
| 05-3 | Lack of Segregation of Duties |
| 05-4 | Lack of Timely Contractual Authorizations |
| 05-5 | Improper Timekeeping Practices |
| 05-6 | Employee Performance Evaluations Not Completed |

PRIOR FINDINGS NOT REPEATED – STATE COMPLIANCE

- | | |
|------|---|
| 05-7 | Travel Headquarters Reports Not Filed |
| 05-8 | Lack of Internal Controls Over Federal Trust Fund |
| 05-9 | Failure to Timely File Required Submissions |

05-1 Finding (Efficiency Initiative Payments)

The Illinois Human Rights Commission (Commission) made payments for efficiency initiative billings from improper line item appropriations.

Public Act 93-0025, in part, outlines a program for efficiency initiatives to reorganize, restructure and reengineer the business processes of the State. The State Finance Act details that the amount designated as savings from efficiency initiatives implemented by the Department of Central Management Services (CMS) shall be paid into the Efficiency Initiatives Revolving Fund. "State agencies shall pay these amounts...from the line item appropriations where the cost savings are anticipated to occur." (30 ILCS 105/6p-5)

The Commission received one FY04 billing from CMS for savings from the procurement efficiency initiative. While many agencies were billed for efficiency initiative savings in FY05, the Commission was not. The initiative and amount billed to the Commission for FY04 were:

INVOICE BILLING DATE	INITIATIVE	BILLED AMOUNT
9/19/03	Procurement Efficiency	\$ 8,195
	Total:	\$ 8,195

A Commission official stated they did not receive guidance or documentation with the billing from CMS detailing from which line item appropriations savings were anticipated to occur. The only guidance indicated on the billing invoice was the amount of payments that should be taken from General Revenue Funds (GRF) versus Other Funds for the billings.

Commission staff reported, "There has been no evidence of any savings to the Commission. We were just out \$8,195.00." Staff further reported that the Governor's Office of Management and Budget (GOMB) indicated that since the Commission's appropriation was so small the Commission could determine where the money would be allocated.

Based on our review, we question whether the appropriate appropriations, as required by the State Finance Act, were used to pay for the anticipated savings. We found that the Commission made payments for these billings **not** from line item appropriations where the cost savings were anticipated to have occurred. Commission staff reported that "Since contractual services is our biggest line we felt that was the only place to take the funds."

The table below provides an illustration of the specific fund and line item the Commission used to make payment for the efficiency initiative billing. Additionally, the table illustrates which efficiency initiative was paid from the specific line item appropriation.

FUND	LINE ITEM APPROPRIATION	AMOUNT PAID	TOTAL APPROPRIATION FOR LINE ITEM	EFFICIENCY INITIATIVE
				PROCUREMENT
FY04				
GRF	For Contractual Services	\$ 8,195	\$ 133,732	✓

Use of appropriations unrelated to the cost savings initiatives results in non-compliance with the State Finance Act. Furthermore, use of appropriations for purposes other than those authorized by the General Assembly effectively negates a fundamental control established in State government. Finally, use of funds unrelated to the savings initiative may result in an adverse effect on services the Commission provides. (Finding Code No. 05-1)

Recommendation

We recommend that the Commission only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, the Commission should seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Commission's budget.

Agency Response

Acknowledged. Pursuant to the recommendation of the auditors, the Commission has sought an explanation from CMS as to how saving levels were calculated, or otherwise arrived at and how the savings achieved or anticipated impact the Commission's budget.

05-2 Finding (Lack of Controls Over Property)

The Illinois Human Rights Commission (Commission) did not maintain proper internal controls over its property. Property balances were \$208,058 and \$205,104 as of June 30, 2005 and 2004, respectively.

During our review of property and equipment, we noted the following:

- The Commission had 44 items, which were not being utilized. These items consisted of various computer components with a reported value of \$16,700. Four of the 44 items did not have property tags affixed to them. These computer components were received from the Illinois Department of Public Aid in April 2005.
- Eight items were not listed on the Commission's detailed property and equipment listing, totaling \$858. These items consisted of two computer monitors, three reference books, a desk, a printer cart, and a number stamping machine.
- A copier acquired through a capital lease was listed on the Commission's detailed property and equipment listing; however, no cost was associated with the item. Additionally, the copier was not included in the Commission's Agency Report of State Property (Form C-15) filed with the Office of the Comptroller. The fair market value of the copier lease was \$22,028.
- The cost of a computer workstation was not properly recorded on the Commission's detailed property and equipment listing. The recorded value of \$312 did not include a shipping charge of \$65 (\$377 total).

The Illinois Administrative Code (44 Ill. Admin. Code 5010.240) requires agencies to maintain detailed records of all property and equipment items, including costs and identification numbers. SAMS procedure 29.10.30 requires capital leases to be reflected on the Agency Report of State Property at a cost determined by the Comptroller's Office. The State Property Control Act (30 ILCS 606/7.3) states an agency is to report all transferable property under their jurisdiction to determine if such property should be transferred to surplus or disposed of.

Commission officials stated they are still in the process of rectifying the property control issues which stemmed from the fiscal office moving from Chicago to Springfield several years ago.

Failure to maintain accurate property control records increases the potential that a loss or theft of State property could occur and not be detected. In addition, property improperly recorded on the Commission's inventory may result in inaccurate fixed asset reports and misstated financial information. (Finding Code 05-2, 03-1)

Recommendation

We recommend the Commission strengthen controls over property and equipment to ensure proper accountability and reduce potential for possible loss and or theft of State property. We further recommend the Commission report transferable property to determine if the items should be sent to surplus or disposed of.

Agency Response

Acknowledged. The Commission received several surplus used computers from another agency, and stored them temporarily in a conference room in Chicago, and in an office in Springfield. The computers were stored at the agency while CMS re-imaged the computers and made them operable for the Commission. The computers are all out of the conference room in Chicago and are in use by the employees. Commission staff will continue to identify ways to strengthen controls over property and equipment.

05-3 Finding (Lack of Segregation of Duties)

The Human Rights Commission (Commission) lacked proper segregation of duties in the approval and payment of vouchers, and in property control.

The Fiscal Officer prepared and approved vouchers for payment and reconciled detailed records to the Comptroller reports. The Fiscal Officer was also the property control officer, and as such was involved in taking physical inventories, processing vouchers, approving vouchers, and reporting property transfers.

Good internal control procedures would require the Commission to maintain adequate segregation of duties, thereby ensuring proper safeguarding of assets and accurate accounting data. Further, proper segregation of duties helps prevent improper expenditures.

Commission management cited the Fiscal Officer's absence and the small size of the Commission as causes for the lack of segregation of duties.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code 05-3, 03-3, 01-4)

Recommendation

We recommend the Commission revise its policies and practices to ensure proper internal controls.

Agency Response

Acknowledged. The Commission's headcount has one staff person assigned to all fiscal, personnel, and budget duties. The Commission will continue to evaluate staff assignments to allow for segregation but anticipates that this finding will continue under the present headcount.

05-4 Finding (Lack of Timely Contractual Authorizations)

The Human Rights Commission (Commission) did not timely authorize contractual agreements.

During our testing of contractual services we noted one of 12 (8%) contractual agreements totaling \$45,000 was not approved prior to the beginning date of the contract. The approval was 8 days subsequent to the start date of service. Additionally, five of 12 (42%) contractual agreements totaling \$128,899 tested were not filed with the Comptrollers Office within 15 days of execution. The submissions ranged from 12 to 98 days late. During fiscal years 2005 and 2004, the Commission had 12 contracts totaling \$ 73,956 and \$ 91,290, respectfully.

Good business practices require all contracts be entered into and approved by all involved parties prior to their effective dates. The Illinois Procurement Code (30 ILCS 500/20-80) requires contracts to be filed with the Comptroller's Office within 15 days of execution.

Commission officials stated a lack of fiscal office personnel and time restraints led to this deficiency in timely authorizing contractual agreements.

Failure to approve contractual agreements prior to the performance of services may result in loss of State funds and may subject the State to unnecessary legal risks. (Finding Code 05-4)

Recommendation

We recommend the Commission strengthen controls to ensure contractual agreements are approved prior to execution of the contract and the contracts are filed with the Comptroller's Office in a timely manner.

Agency Response

Acknowledged. Commission staff will identify ways to ensure contractual agreements are approved prior to the execution of the contract and also ensure the proper filings of reports with the Comptroller's Office.

05-5 Finding (Improper Timekeeping Practices)

The Human Rights Commission (Commission) did not have adequate controls over employee timekeeping requirements.

The Commission did not maintain timesheets documenting the employee's time spent each day on official business. The Commission only maintained daily sign in/sign out sheets that did not record the number of hours spent on official State business. Further, these timesheets were not required of all employees.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5) requires State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour. The timesheet requirement applied to State employees beginning no later than March 1, 2004.

Commission officials stated they were not aware of the new policy requiring such timesheet preparations as stated above.

Failure to maintain the required timekeeping records increases the potential the State is paying for services that have not been performed. (Finding Code 05-5)

Recommendation

We recommend the Commission establish policies and procedures which will ensure timesheets are being prepared and submitted periodically and maintained by the Commission for all employees as required by statute.

Agency Response

Acknowledged. As indicated in the text of the audit, Commission employees sign-in and sign-out in writing each workday. The Commission will seek clarification of what additional requirements are necessary to comply with the applicable rules and implement any necessary changes.

05-6 Finding (Employee Performance Evaluations Not Completed)

The Human Rights Commission (Commission) did not perform employee evaluations in a timely manner.

During our testing of employee files, we noted 18 of 18 (100%) of the files did not contain timely performance evaluations. The tardiness of these evaluations ranged from 117 to 1,373 days late. During fiscal year 2005 and 2004, the Commission employed 18 and 17 full time employees, respectfully.

Section 302.270 of the Merit and Fitness Rules (80 Ill. Adm. Code 302) states each agency shall prepare an evaluation for employees not less often than annually.

Commission officials stated due to staff reductions and time constraints this area has been compromised.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for salary adjustments, promotions, demotions, discharge, layoff, recall, and reinstatement decisions in a timely manner. (Finding Code 05-6)

Recommendation

We recommend the Commission comply with the Illinois Administrative Code by implementing policies and procedures to ensure performance evaluations are performed on an annual basis.

Agency Response

Acknowledged. Commission staff completed all delinquent evaluations and is looking at internal controls to prevent recurrence.

PRIOR FINDINGS NOT REPEATED

05-7 Travel Headquarters Reports Not Filed

The Human Rights Commission (Commission) did not file Travel Headquarters Reports (Form TA-2) with the Legislative Audit Commission. (Finding Code No. 03-4)

Disposition: During the examination period, the Commission timely filed Travel Headquarters Reports (Forms TA-2) with the Legislative Audit Commission.

05-8 Lack of Internal Controls Over Federal Trust Fund

The Commission did not maintain sufficient internal controls over federal funds. (Finding Code No. 03-5)

Disposition: The Commission applied with the Comptroller's office to dissolve the dormant Federal Trust Fund (#0351 – State Legalization Impact Assistance Grant). The Comptroller's office granted the dissolution in June 2005.

05-9 Failure to Timely File Required Submissions

The Commission did not timely file its administrative and financial reports as required. (Finding Code No. 03-2)

Disposition: The amount of administrative and financial reports filed late by the Commission decreased, which did not warrant a finding.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Efficiency Initiative Payments
 - 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 Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Emergency Purchases
 - Illinois First Projects (not examined)
 - Service Efforts and Accomplishments (not examined)

The auditors' 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 Illinois First Projects and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2005**

Fourteen Months Ended August 31, 2005

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2005	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
<u>Public Act 093-0842</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 960,800	\$ 891,797	\$ 38,858	\$ 930,655	\$ 30,145
Employee Retirement Contribution Paid By the Employer	170	170	-	170	-
State Contribution to State Employees' Retirement System	154,800	145,298	6,261	151,559	3,241
State Contribution to Social Security	73,500	65,861	2,869	68,730	4,770
Contractual Services	157,297	97,934	20,048	117,982	39,315
Travel	29,300	15,242	2,230	17,472	11,828
Commodities	12,700	4,111	1,015	5,126	7,574
Printing	4,400	192	-	192	4,208
Equipment	13,600	4,608	769	5,377	8,223
Elec. Data Processing	2,900	362	-	362	2,538
Telecommunications	26,300	16,143	1,470	17,613	8,687
Grand Total - All Funds	<u>\$ 1,435,767</u>	<u>\$ 1,241,718</u>	<u>\$ 73,520</u>	<u>\$ 1,315,238</u>	<u>\$ 120,529</u>

Note: Information was obtained from the Agency's records, which have been reconciled to those of the State Comptroller.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2004**

Fourteen Months Ended August 31, 2004

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2004	Lapse Period Expenditures 7/01 - 8/31/04	Total Expenditures	Balances Lapsed
<u>Public Act 093-0062</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 931,000	\$ 844,351	\$ 39,048	\$ 883,399	\$ 47,601
Employee Retirement Contribution Paid By the Employer	37,200	3,173	119	3,292	33,908
State Contribution to State Employees' Retirement System	124,900	77,727	-	77,727	47,173
State Contribution to Social Security	71,100	62,704	2,902	65,606	5,494
Contractual Services	133,732	95,157	22,809	117,966	15,766
Travel	30,000	11,861	2,472	14,333	15,667
Commodities	13,000	3,672	609	4,281	8,719
Printing	4,500	4,500	-	4,500	-
Equipment	13,900	3,309	889	4,198	9,702
Elec. Data Processing	3,000	178	350	528	2,472
Telecommunications	26,900	15,815	2,819	18,634	8,266
Grand Total - All Funds	\$ 1,389,232	\$ 1,122,447	\$ 72,017	\$ 1,194,464	\$ 194,768

Note: Information was obtained from the Agency's records, which have been reconciled to those of the State Comptroller.

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

<u>GENERAL REVENUE FUND - 001</u>	Fiscal Year		
	2005	2004	2003
	PA 093-0842	PA 093-0062	SB 2393
<u>Appropriations (Net of Transfers)</u>	\$ 1,435,767	\$ 1,389,232	\$ 1,452,600
<u>Expenditures:</u>			
Personal Services	930,655	883,399	966,889
Employee Retirement Contribution			
Paid by the Employer	170	3,292	38,096
State Contribution to State			
Employees' Retirement System	151,559	77,727	99,835
State Contribution to Social			
Security	68,730	65,606	71,393
Contractual Services	117,982	117,966	125,560
Travel	17,472	14,333	16,667
Commodities	5,126	4,281	6,326
Printing	192	4,500	-
Equipment	5,377	4,198	2,363
Electronic Data Processing	362	528	-
Telecommunications	17,613	18,634	19,501
Total Expenditures	1,315,238	1,194,464	1,346,630
<u>Lapsed Balances</u>	\$ 120,529	\$ 194,768	\$ 105,970
 <u>State Officer's Salaries</u>			
<u>Appropriations:</u>			
Chairman	\$ 44,400	\$ 44,400	\$ 44,400
Twelve Members	478,700	478,700	478,700
Total Appropriations	523,100	523,100	523,100
<u>Expenditures:</u>			
Chairman	-	14,744	33,218
Twelve Members	471,808	471,589	467,081
Total Expenditures	471,808	486,333	500,299
<u>Lapsed Balances</u>	\$ 51,292	\$ 36,767	\$ 22,801

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2005**

<u>Information Technology Initiatives</u>	<u>FY 05</u>	<u>FY 04</u>
General Revenue Fund-001		
Contractual Services	\$ -	\$ -
Equipment	-	-
Electronic Data Processing	-	-
Sub-Total	<u>-</u>	<u>-</u>
<u>Internal Audit Consolidation Initiative</u>		
General Revenue Fund-001		
Contractual Services	-	8,195
Sub-Total	<u>-</u>	<u>8,195</u>
<u>Legal Services Consolidation Initiative</u>		
General Revenue Fund-001		
Contractual Services	-	-
Sub-Total	<u>-</u>	<u>-</u>
<u>Vehicle Fleet Initiatives</u>		
General Revenue Fund-001		
Contractual Services	-	-
Operation of Automotive Equipment	-	-
Sub-Total	<u>-</u>	<u>-</u>
Grand Total	<u>\$ -</u>	<u>\$ 8,195</u>

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2005 AND 2004**

	July 1, 2004 to June 30, 2005	July 1, 2003 to June 30, 2004
Equipment		
Balance, July 1	\$ 205,104	\$ 340,536
Additions:		
Purchases	<u>2,954</u>	<u>-</u>
Deductions:		
Surplus property transfers	-	131,234
Deletions	<u>-</u>	<u>4,198</u>
Total Deductions	<u>-</u>	<u>135,432</u>
Balance, June 30	<u>\$ 208,058</u>	<u>\$ 205,104</u>

This schedule was reconciled to the Agency Report of State Property submitted to the Comptroller's Office.

**STATE OF ILLINOIS
HUMAN RIGHTS COMMISSION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2005, 2004, AND 2003**

GENERAL REVENUE FUND - 001	<u>2005</u>	<u>2004</u>	<u>2003</u>
Reimbursement for Personal Phone Calls	\$ 67	\$ -	\$ 52
Reimbursement for Jury Duty	-	14	-
Reimbursement for Personal Travel	-	-	125
Rebates	50	-	-
Other	<u>2,877</u>	<u>-</u>	<u>-</u>
 Total Cash Receipts	 <u>\$ 2,994</u>	 <u>\$ 14</u>	 <u>\$ 177</u>

**RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**

Cash Receipts per Commission	<u>\$ 2,994</u>	<u>\$ 14</u>	<u>\$ 177</u>
 Deposits Remitted to the Comptroller	 <u>\$ 2,994</u>	 <u>\$ 14</u>	 <u>\$ 177</u>

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

We considered significant variations in expenditures to be an annual dollar variance of 20% or more. The following are the significant variations pursuant to this criteria and explanations of the variances.

GENERAL REVENUE FUND – 001

	<u>FY05</u>	<u>FY04</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Employee Retirement Contribution Paid by the Employer	\$ 170	\$ 3,292	\$ (3,122)	(95%)
State Contribution to State Employees' Retirement System	\$ 151,559	\$ 77,727	\$ 73,832	95%
Travel	\$ 17,472	\$ 14,333	\$ 3,139	22%
Printing	\$ 192	\$ 4,500	\$ (4,308)	(96%)
Equipment	\$ 5,377	\$ 4,198	\$ 1,179	28%
Electronic Data Processing	\$ 362	\$ 528	\$ (166)	(31%)

Employee Retirement Contribution Paid by the Employer

In fiscal year 2005, Merit Compensated employees began paying the full 4% of their retirement benefits. Prior to fiscal year 2005, the Commission paid the 4% retirement contribution.

State Contribution to State Employees' Retirement System

The State Contribution to State Employees' Retirement System was significantly lower in fiscal year 2004 due to contributions for newly hired employees do not begin for six months after the employee is hired. During fiscal year 2004, the Commission hired five new employees.

Travel

In fiscal year 2005, the Commission expended more funds in travel due to a Commission meeting in Springfield. Additionally, the Commission's senior staff increased its travel to Springfield.

Printing

The Commission normally expends funds from this line item for the production of their Annual Report. The decrease in fiscal year 2005 was caused by the prior year Annual Report that covered two fiscal years.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES – CONTINUED

Equipment

In fiscal year 2005 the Commission purchased the following items that increased expenditures from fiscal year 2004: shredder, several state seals, desk chair, workstation table, vacuum cleaner and a copier.

Electronic Data Processing

During fiscal year 2004 the Commission purchased toner cartridges for its copy machines and five keyboards for its computers.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES – CONTINUED

We considered significant variations in expenditures to be an annual dollar variance of 20% or more. The following are the significant variations pursuant to this criteria and explanations of the variances.

GENERAL REVENUE FUND – 001

	<u>FY04</u>	<u>FY03</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Employee Retirement Contribution Paid by the Employer	\$ 3,292	\$ 38,096	\$ (34,804)	(91%)
State Contribution to State Employees' Retirement System	\$ 77,727	\$ 99,835	\$ (22,108)	(22%)
Commodities	\$ 4,281	\$ 6,326	\$ (2,045)	(32%)
Printing	\$ 4,500	\$ 0	\$ 4,500	100%
Equipment	\$ 4,198	\$ 2,363	\$ 1,835	78%
Electronic Data Processing	\$ 528	\$ 0	\$ 528	100%

Employee Retirement Contribution Paid by the Employer

The Employee Retirement Contribution Paid by the Employer was lower in fiscal year 2004 due to the State stopped paying for all Merit Compensation employees. The Commission consists mostly of Merit Compensation employees.

State Contribution to State Employees' Retirement System

The State Contribution to State Employees' Retirement System was significantly lower in fiscal year 2004 due to the Commission had a high employee turnover and contributions do not begin until six months after an employee is hired.

Commodities

The Commission ordered various office supplies in fiscal year 2003 that were not reordered in fiscal year 2004.

Printing

The Commission used funds from this line item to pay for printing their Annual Report that cover two fiscal years.

Equipment

The Commission began paying for legal publications used for permanent library purposes in fiscal year 2004.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES – CONTINUED

Electronic Data Processing

During fiscal year 2004, the Commission purchased toner cartridges for its copy machines and for several printers.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

We considered significant variations in receipts to be an annual dollar variance of 20% or more. The following are the significant variations pursuant to this criteria and explanations of the variances.

	<u>FY05</u>	<u>FY04</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Revenue Fund	\$ 2,994	\$ 14	\$ 2,980	100%

General Revenue Fund

The increase during fiscal year 2005 was due to two refunds from the State Retirement System for errors in employer/employee pick-up amounts (caused by changes in the fiscal year 2005 contribution rate). There was also an increase in the amount of employees called for jury duty and personal telephone usage reimbursements.

	<u>FY04</u>	<u>FY03</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Revenue Fund	\$ 14	\$ 177	\$ (163)	(92%)

General Revenue Fund

The decrease in receipts during fiscal year 2004 was caused by a decrease in reimbursements from personal telephone calls and personal travel.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

We considered significant lapse period spending to be 20% of the total expenditures for the fiscal year for that line item. The following are significant lapse period spending pursuant to this criteria and explanations of the expenditures.

GENERAL REVENUE FUND – 001

Fiscal Year 2005

	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Lapse % of Total</u>
Commodities	\$ 5,126	\$ 1,015	20%

Commodities

Office supplies were ordered on June 6, 2005. The invoice was received on June 14, 2005 and vouchered for payment on June 24, 2005. It was not paid by the Comptroller's Office until July 2005.

Fiscal Year 2004

	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Lapse % of Total</u>
Equipment	\$ 4,198	\$ 889	21%

Equipment

\$465 of the total was for publications received from West Publishing in May and June of 2004. These publications are automatically sent through the Commission's subscription every month when they are updated. The invoices were not received until June and July of 2005, and processed upon receipt.

The remaining \$424 was for state seals that were ordered in May of 2004, and were not received until June of 2005. The invoice was received and processed in July of 2005.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

**ANALYSIS OF OPERATIONS
DATA ON OPERATIONS**

AGENCY FUNCTIONS AND PLANNING PROGRAM

The Human Rights Commission (Commission) was created July 1, 1980, as a result of the Public Act 81-1216. The Act combined the Fair Employment Practices Commission, Department of Equal Fair Employment Practices Commission, Department of Equal Opportunity and Human Relations Commission to form the Illinois Human Rights Commission and the Department of Human Rights. The Commission consists of thirteen members (Commissioners) appointed by the Governor with the advice and consent of the Senate. The Governor designates one Commission member as chairperson.

The Commission is a quasi-judicial agency. Its main function is to hear and decide complaints of civil rights violations on charges filed originally with the Department of Human Rights. Meeting in three member panels, the Commission issues orders and decisions on the recommendation of its staff administrative law judges, decides requests for review of dismissals or defaults issued by the Department of Human Rights, and approves settlements agreed to by the parties to a case.

The Commission adjudicates allegations of unlawful discrimination in employment, real property transactions, access to financial credit, and public accommodations.

PLANNING PROGRAM

The Commission enhanced its web site to facilitate Commission orders and the posting of decisions on-line for easy access to the general public. During fiscal year 2005 the Commission established the Governor Edward Coles Memorial Fellowship for first and second year law students.

AUDITORS' ASSESSMENT OF COMMISSION'S PLANNING PROGRAM

The Illinois Human Rights Commission appears to have effectively established adequate operating programs to meet their defined goals and objectives.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

**ANALYSIS OF OPERATIONS
DATA ON OPERATIONS**

AVERAGE NUMBER OF EMPLOYEES

A comparative schedule of the average number of Commission employees, for the fiscal years ended June 30 is presented below:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenue Fund - 001			
Officials/Managers	3.00	2.75	2.75
Professionals	7.00	7.00	8.00
Technicians	1.00	0.75	0.50
Paraprofessionals	2.00	1.50	2.00
Office/Clerical	<u>5.00</u>	<u>5.00</u>	<u>5.25</u>
Average Total Employees	<u>18.00</u>	<u>17.00</u>	<u>18.50</u>

EMERGENCY PURCHASES

No emergency purchases were reported by the Commission to the Office of the Auditor General during FY 05 or FY 04.

ILLINOIS FIRST PROJECTS

According to Commission officials, there were no Illinois First projects involving the Commission during the examination period.

**STATE OF ILLINOIS
ILLINOIS HUMAN RIGHTS COMMISSION**

**ANALYSIS OF OPERATIONS
SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)**

	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>
Complaints filed through the Department of Human Rights	181	197	268
Complaints filed by complainants	34	13	13
Remands	0	0	0
Cases carried over from prior year	<u>632</u>	<u>695</u>	<u>747</u>
Total complaints filed	847	905	1,028
Cases completed	<u>255</u>	<u>273</u>	<u>333</u>
Open cases at fiscal year end	<u>592</u>	<u>632</u>	<u>695</u>
Average number of administrative law judges at fiscal year end	<u>6.0</u>	<u>6.0</u>	<u>7.0</u>
Average caseload	<u>99</u>	<u>105</u>	<u>99</u>