



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF HUMAN RIGHTS

Compliance Examination
 For the Two Years Ended June 30, 2015

Release Date: January 26, 2016

FINDINGS THIS AUDIT: 6	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	2007		15-3	
Category 2:	4	1	5				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	5	1	6				
FINDINGS LAST AUDIT: 4							

SYNOPSIS

- **(15-1)** The Department inappropriately expended General Revenue funds that were appropriated to the Department to fund the expenses of the Commission on Discrimination and Hate Crimes.
- **(15-2)** The Department failed to maintain adequate controls over employee travel reimbursement vouchers.
- **(15-3)** The Department did not exercise sufficient control over its property.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2015**

EXPENDITURE STATISTICS	2015	2014	2013
Total Expenditures (All Funds).....	\$ 12,947,359	\$ 12,642,397	\$ 12,336,687
OPERATIONS TOTAL.....	\$ 12,947,359	\$ 12,642,397	\$ 12,336,687
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	10,354,255	10,308,225	8,454,822
Other Payroll Costs (FICA, Retirement).....	1,515,186	1,860,364	1,588,243
All Other Operating Expenditures.....	1,077,918	473,808	2,293,622
Total Receipts.....	\$ 2,909,882	\$ 2,715,759	\$ 2,912,987
Average Number of Employees (Not Examined).....	140	140	138

SELECTED ACTIVITY MEASURES (Not Examined)	2015	2014	2013
Discrimination Caseload Statistics			
Docketed.....	3,367	3,200	3,759
Completed.....	3,325	3,792	3,881
Carryover.....	251	677	1,010
Charges Completed per Month per Investigator.....	5.3	5.2	6.2
Investigators employed at end of year.....	46	46	54

AGENCY DIRECTOR
During Examination Period: Mr. Rocco Claps
Currently: Mr. Rocco Claps

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INAPPROPRIATE EXPENDITURE OF
APPROPRIATED GENERAL REVENUE FUNDS**

The Department of Human Rights (Department) inappropriately expended General Revenue funds that were appropriated to the Department to fund the expenses of the Commission on Discrimination and Hate Crimes (Commission).

**Commission inactive during
examination period**

**Department expended funds for
other operational expenses**

In FY14 and FY15, the General Assembly appropriated \$75,200 and \$73,500 out of the General Revenue Fund to the Department for the purpose of funding expenses associated with the Commission. During the course of testing, we were informed that the Commission had been inactive during the examination period. We further noted the Department had expended all of the appropriated funds for other operational expenses of the Department. (Finding 1, pages 8-9)

We recommended the Department improve procedures to ensure that funds are expended in accordance with the purposes for which they are appropriated by the General Assembly.

**Department accepts the
recommendation**

Department officials accepted the recommendation.

**INADEQUATE CONTROLS OVER COMPLIANCE
WITH TRAVEL REGULATIONS**

The Department did not have adequate controls over employee travel reimbursement vouchers. Some of the conditions we noted are as follows:

**Lodging expenses in excess of
allowable rates**

**Lack of evidence of Director and
Governor's Office approval for out-
of-state travel**

- Vouchers did not include appropriate receipts to support the reimbursement for air travel or lodging.
- Vouchers included lodging expenses that were in excess of the rates allowed by the Governor's Travel Control Board.
- Employees were incorrectly paid due to per diem claims exceeding the allowable rates.
- Vouchers did not include evidence of approval by the Department's Director prior to the out-of-state travel.
- Vouchers did not include evidence of approval dates by the Governor's Office prior to the out-of-state travel.
- Vouchers submitted by an employee included claims for parking when the employee was not in travel status.
- The Department did not maintain evidence of employees being properly licensed and having at least the minimum

required insurance for employees who submitted travel reimbursement requests claiming mileage for their personally owned vehicles used for official State business. (Finding 2, pages 10-12)

We recommended the Department establish appropriate procedures and internal controls to ensure travel expenditures are proper and appropriately document compliance with established regulations, recoup overpayments made to employees, and ensure all employees are properly licensed and carry the necessary insurance coverage.

Department accepts the recommendation

Department officials accepted the recommendation and stated they have initiated improvements to its policies and procedures. In addition, they have recouped overpayments where possible.

INADEQUATE CONTROLS OVER STATE PROPERTY AND EQUIPMENT

The Department did not have adequate controls over its property and equipment. Some of the conditions we noted are as follows:

- Equipment items were not tagged or recorded on the Department's property listing.
- The Department did not properly report equipment deletions and transfers on its C-15s in the quarter when the equipment items were disposed. All were recorded on the 4th quarter C-15 regardless of when the transaction occurred.
- Equipment additions, deletions, and transfers out were not recorded within 30 days of acquisition/disposal. (Finding 3, pages 13-14) **This finding was first reported in 2007.**

We recommended the Department improve its procedures to ensure compliance with the property control rules.

Department accepts the recommendation

Department officials accepted the recommendation and stated they will provide additional training to agency staff to correct issues. (*For the Department's previous response, see Digest Footnote #1.*)

OTHER FINDINGS

The remaining findings pertain to: (1) noncompliance with the Fiscal Control and Internal Auditing Act, (2) noncompliance with the Illinois Vehicle Code, and (3) improper processing of refund receipts. We will review the Department's progress towards the implementation of our recommendations in our next examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Department for the two years ended June 30, 2015, as required by the Illinois State Auditing Act. The auditors qualified their report on State compliance for Finding 2015-001. Except for the noncompliance described in this finding, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:jv

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this examination were Borschnack, Pelletier & Co.

DIGEST FOOTNOTES

#1 – INADEQUATE CONTROLS OVER STATE PROPERTY AND EQUIPMENT – (Previous Department Response)

2013: The Department has taken note of the corrections for future reporting periods and will adhere to the recommendation.