

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS**

**COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

**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, 2019**

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**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

DEPARTMENT OFFICIALS

| | |
|--|----------------------|
| Director (January 21, 2019 to present) | Mr. James L. Bennett |
| Acting Director (July 1, 2017 to January 20, 2019) | Ms. Janice Glenn |
| Deputy Director | Mr. H. Alex Bautista |
| Chief Fiscal Officer | Mr. Alan Brazil |
| Chief Legal Counsel (November 1, 2017 to present) | Ms. Mary. M. Madden |
| Acting Chief Legal Counsel (September 7, 2017 to October 31, 2017) | Mr. Lon Meltesen |
| Chief Legal Counsel (September 5, 2017 to September 6, 2017) | Vacant |
| Chief Legal Counsel (July 1, 2017 to September 4, 2017) | Ms. Ngozi Okorafor |

Department offices are located at:

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

535 West Jefferson
1st Floor
Springfield, IL 62702

2309 West Main Street
Suite 112
Marion, Illinois 62959



JB Pritzker, Governor
James L. Bennett, Director

MANAGEMENT ASSERTION LETTER

March 6, 2020

Borschnack, Pelletier & Co.
Certified Public Accountants
200 E. Court St., Suite 608
Kankakee, IL 60901

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 Illinois Department of Human Rights (Department). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department’s compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Department has materially complied with the specified requirements listed below.

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Department of Human Rights

SIGNED ORIGINAL ON FILE

James L. Bennett
Director

Alan Brazil
Chief Fiscal Officer

Mary M. Madden
Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

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.

ACCOUNTANT’S REPORT

The Independent Accountant’s 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>Current</u> | <u>Prior</u> |
|---|----------------|--------------|
| Findings | Report | Report |
| Repeated findings | 8 | 3 |
| Prior recommendations implemented or not repeated | 3 | 1 |
| | 0 | 5 |

SCHEDULE OF FINDINGS

| <u>Item</u> | <u>Page</u> | <u>Last</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------------------|-------------|-------------|--|--|
| No. | | Reported | | |
| FINDINGS (STATE COMPLIANCE) | | | | |
| 2019-001 | 8 | 2017 | Noncompliance with Statutorily Mandated Time Limits | Significant Deficiency and Noncompliance |
| 2019-002 | 10 | 2017 | Failure to Maintain an Internal Audit Program | Significant Deficiency and Noncompliance |
| 2019-003 | 11 | New | Lack of Access Reviews | Significant Deficiency and Noncompliance |
| 2019-004 | 13 | New | Noncompliance with Report Filing Requirements | Significant Deficiency and Noncompliance |
| 2019-005 | 15 | New | Failure to Evaluate and Report on Sexual Harassment Helpline | Significant Deficiency and Noncompliance |
| 2019-006 | 17 | New | Lack of Adequate File Storage Capacity | Significant Deficiency and Noncompliance |

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY

| <u>Item No.</u> | <u>Page</u> | <u>Last Reported</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------------------|-------------|----------------------|---|--|
| FINDINGS (STATE COMPLIANCE) | | | | |
| 2019-007 | 19 | 2017 | Inadequate Controls over State Property and Equipment | Significant Deficiency and Noncompliance |
| 2019-008 | 22 | New | Inadequate Controls over Voucher Processing | Significant Deficiency and Noncompliance |

EXIT CONFERENCE

The Department waived having an exit conference in a communication dated February 18, 2020 from the Department's Deputy Director, Mr. H. Alex Bautista.

The responses to the recommendations were provided by the Department's Deputy Director, Mr. H. Alex Bautista, in a communication dated February 18, 2020.

**INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE, ON
INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY
INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department of Human Rights (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2019. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Department complied with the specified requirements during the two years ended June 30, 2019, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2019-001 through 2019-008.

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

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

Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2019-001 through 2019-008 that we consider to be significant deficiencies.

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

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

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Department's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2019, and June 30, 2018, in Schedules 1 through 5 and the Analysis of Operations Section are presented for purposes of additional analysis. Such information is the responsibility of the Department's management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2019, and June 30, 2018, in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2017, in Schedules 3 through 5 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 5 or the Analysis of Operations Section.

SIGNED ORIGINAL ON FILE

Kankakee, IL

March 6, 2020

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-001 **FINDING** Noncompliance with Statutorily Mandated Time Limits

The Illinois Department of Human Rights (Department) did not meet the procedural time limits set forth when a charge of a civil rights violation had been filed.

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

- In 21 (53%) employment cases tested, the Department did not serve a copy of the charge to the respondent within 10 days of the day the charge was filed. The charges were served on the respondent from 2 to 97 days late.
- In 21 (53%) employment cases tested, the Department did not serve a notice to the complainant of the complainant's rights to file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed. These notices were served on the complainant from 2 to 97 days late.
- In 20 (50%) employment cases tested, the Department did not serve a notice to the respondent of the complainant's rights to file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed. These notices were served on the respondent from 2 to 97 days late.
- In one (3%) employment case tested, the Department did not serve a notice to the respondent of the complainant's rights to file with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed.

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

During the prior examination period, the Department indicated the untimely issuance of notices was due to a lack of personnel, information technology, and equipment, charges received by mail, and the number of cases filed in the Charge Processing Division. In the current examination period, Department management indicated the same challenges persist.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-001 **FINDING** Noncompliance with Statutorily Mandated Time Limits (continued)

Failure to provide the notification or untimely notifying the complainant and respondent of a charge as outlined in statute may compromise the complainant and respondent's time to respond or prepare for the charge. (Finding Code No. 2019-001, 2017-001)

RECOMMENDATION

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

DEPARTMENT RESPONSE

The Department agrees with this recommendation. The Department is implementing a new state-of-the art case management system that will improve efficiency and timeliness in the issuance of notices to parties.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-002 **FINDING** Failure to Maintain an Internal Audit Program

The Illinois Department of Human Rights (Department) failed to maintain a full-time program of internal auditing.

We noted the Department did not employ a Chief Internal Auditor or any internal audit staff during the examination period. On August 18, 2017, the Department entered into an agreement with the Department of Central Management Services (CMS) to provide the Department with internal auditing services.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/2001(a)) states, “Each designated State agency as defined in section 1003(a) shall maintain a full-time program of internal auditing.” Section 1003(a) defines designated State agencies to include each Department of State government created in the Civil Administrative Code of Illinois (20 ILCS 5/5-15) which includes the Department of Human Rights.

In the prior examination period, Department management indicated the Department had not maintained an in-house internal audit staff due to the small size of the Department and budgetary constraints. In the current examination period, the Department believed the agreement with CMS and the internal audit services received would satisfy the underlying intent of the Act.

Failure to maintain a full-time program of internal auditing increases the risk the Department would not timely identify significant deficiencies and material weaknesses in internal control within the Department’s operations. (Finding Code No. 2019-002, 2017-002)

RECOMMENDATION

We recommend the Department comply with the required provisions of the Act by appointing a chief internal auditor and implementing a full-time program of internal auditing.

DEPARTMENT RESPONSE

The Department agrees with this recommendation. The Department will hire a Chief Internal Auditor who will be responsible for the Department’s Internal Audit Program.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-003 **FINDING** Lack of Access Reviews

The Department of Human Rights (Department) had not performed a current review of access rights to applications and data.

During the examination period, the Department maintained an intergovernmental agreement with the Department of Innovation & Technology (DoIT) to formalize the relationship between the Department and DoIT. The Department was also a user of DoIT's Central Inventory System, Central Time and Attendance System, Central Payroll System, Accounting Information System, eTime System and ERP System. As a user of these systems, the Department is ultimately responsible for ensuring access to and input of data is appropriate.

During our examination, we noted the Department had not performed a review to ensure access to the applications and their data was appropriate. In addition, the Department was unable to provide security reports for the systems noted above and therefore, we were unable to determine if access rights were appropriate.

Generally accepted information technology guidance endorses the development of well-designed and well-managed controls to protect computer systems and data. Effective computer security controls provide for safeguarding, securing, and controlling access to hardware, software, and the information stored in the computer system.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management indicated the Department believed reviewing access rights was the responsibility of DoIT. In addition, the Department's Operations Manager position was vacant beginning June 1, 2019 and the Department had not permanently filled that position as of the date of our examination.

Without proper review of access, there is a greater risk of unauthorized access to Department resources. (Finding Code No. 2019-003)

RECOMMENDATION

We recommend the Department review access rights to its information systems on a regular basis to ensure the access rights to the systems are appropriate.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-003 **FINDING** Lack of Access Reviews (continued)

DEPARTMENT RESPONSE

The Department agrees with this recommendation. The Department agrees to develop a protocol to conduct periodic reviews of access rights provided by DOIT to Department employees for applications and data maintained by DOIT on behalf of the Department.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-004 **FINDING** Noncompliance with Report Filing Requirements

The Illinois Department of Human Rights (Department) did not comply with several requirements for filing reports and publications.

During our examination, we noted the Department did not:

- Timely make and deliver a report of its acts and doings to the Governor for the fiscal year at least 10 days prior to the General Assembly convening in the following calendar year. Department management stated they delivered a Fiscal Year 2017 and 2018 report but did not have evidence of when the reports were submitted. Department management indicated they were not aware of the deadline for submitting the Department's annual report.

The State Finance Act (30 ILCS 105/3) requires each officer of the executive department to make and deliver an annual report of their acts and doings for the fiscal year at least 10 days prior to the convening of the General Assembly in the following calendar year.

- Provide copies of its Annual Report for Fiscal Years 2017 and 2018 or any other reports to the State Government Report Distribution Center at the State Library. Department management indicated it did not have procedures in place for submitting copies of its publications with the State Library.

The State Library Act (15 ILCS 320/7(t)) created a State Government Report Distribution Center for the General Assembly. The Center is to receive all reports in all formats available required by law or resolution to be filed with the General Assembly and furnish copies of such reports on the same day on which the report is filed with the Clerk of the House of Representatives and the Secretary of the Senate, as required by the General Assembly Organization Act, without charge to members of the General Assembly upon request.

- Provide and deposit with the State Library, sufficient copies of all publications issued by the Department, including electronic publications, for its collection and exchange purposes. Department management indicated it did not have procedures in place for submitting copies of its publications with the State Library.

The State Library Act (15 ILCS 320/21(a)) requires, all State agencies to provide and deposit with the Illinois State Library, sufficient copies of all publications issued by such State agencies for its collection and for exchange purposes.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-004 **FINDING** Noncompliance with Report Filing Requirements (continued)

- Inform the Government Documents Section of the State Library in writing of the Department's person(s) responsible for the distribution of documents annually by January 15 and within two weeks after any changes. Department management indicated it did not have procedures in place for making this notification.

During the current examination period, the Illinois Administrative Code (23 Ill. Admin. Code 3020.150) required each State agency inform the Government Documents Section in writing of the person, persons, or positions responsible for distribution of publications of that agency by January 15 of each year, and within two weeks after any changes. Effective January 7, 2020, agencies are required to provide the information by July 15 of each year.

Failure to file reports and publications or inform the State Library of the person or persons responsible for distribution of documents deprives the Governor and the General Assembly of valuable information needed to manage the operations of the State. (Finding Code No. 2019-004)

RECOMMENDATION

We recommend the Department implement procedures to ensure all reports and publications are timely submitted to the appropriate parties as required by State statute and administrative rule.

DEPARTMENT RESPONSE

The Department agrees with this recommendation and will prepare and submit reports as required by State Finance Act, the State Library Act, and the Illinois Administrative Code.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-005 **FINDING** Failure to Evaluate and Report on Sexual Harassment Helpline

The Illinois Department of Human Rights (Department) did not formally evaluate and report on the sexual harassment helpline as required.

Public Act 100-554 as amended by Public Act 100-0588 required the Department to establish and maintain a sexual harassment and discrimination helpline by February 16, 2018. The Department issued a competitive procurement request on January 9, 2018 and contracted with the successful vendor to provide this service effective February 16, 2018. The purpose of the helpline is to help persons who contact the Department through the helpline to find necessary resources, including counseling services, and to assist in the filing of sexual harassment and discrimination complaints with the Department or other applicable agencies. As of December 17, 2019, we noted the Department had not completed its evaluation or submitted the reports.

The Illinois Human Rights Act (Act) (775 ILCS 5/2-107(e)), requires the Department to annually evaluate the helpline and report to the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct, the following information: (i) the total number of calls received, including messages left during non-business hours; (ii) the number of calls reporting sexual discrimination claims; (iii) the number of calls reporting harassment claims; (iv) the number of calls reporting sexual harassment claims; (v) the number of calls that were referred to each Executive Inspector General; and (vi) the number of calls that were referred to the Legislative Inspector General.

Department management indicated it has informally evaluated the processes for the helpline on an ongoing basis by holding regularly scheduled biweekly telephone conferences with the Call Center and has made adjustments where needed; however, due to competing Department priorities, an uncertain due date for reporting, and staff turnover the Department was finalizing the compilation of data for its first annual report.

Failure to timely evaluate and report on the sexual harassment and discrimination helpline limits the General Assembly's access to information needed to assess the status of sexual harassment and discrimination cases reported to the State. (Finding Code No. 2019-005)

RECOMMENDATION

We recommend the Department comply with the Act and submit its report on the sexual harassment and discrimination helpline to the Clerk of the House of Representatives and the Secretary of the Senate as required by the Act.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-005 **FINDING** Failure to Evaluate and Report on Sexual Harassment Helpline
(continued)

DEPARTMENT RESPONSE

The Department agrees with this recommendation. The Department will finalize its draft report and submit it to the General Assembly.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-006 **FINDING** Lack of Adequate File Storage Capacity

The Illinois Department of Human Rights (Department) did not have adequate file storage capabilities to properly secure all case files.

During our examination, we noted the Department did not have adequate storage capacity to properly secure all case files processed by the Department's Chicago Office. The volume of case files located in the Intake Unit and the Case Disposition Unit (CDU) has become very large and the Department does not have enough file cabinets or locking storage space to secure all case files. Throughout our examination, we noted numerous closed case files stacked on top of file cabinets. These files were noted to be in the same location on multiple visits and it was evident that they had remained unsecured during that time.

The Department's Chicago office is located in the James R Thomson Center (JRTC). In order to enter the Department's Chicago Office, an individual must first present a valid form of identification and pass through a security check point located in the lower level of the building. The Department's office is located on the 10th floor of the building but does not have locking doors to limit access to the office. A receptionist is on duty during business hours; however, if she is not at her desk, anyone who had passed through the building's security check could walk into the Department's office. In addition, janitorial staff and employees of other State agencies located in the building have the ability to access the building after hours and potentially could access the Department's office as well.

The Personal Information Protection Act (815 ILCS 530/45) requires data collectors which maintain or store records that contain personal information concerning an Illinois resident to implement and maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, modification, or disclosure. In accordance with the Illinois Human Rights Act (775 ILCS 5/7A-102(B)), the Department's case files are confidential.

Department management indicated they were aware of the problem and had already considered two separate proposals for securing the Department's files. Department management stated that neither proposal has advanced due to the costs involved and the uncertain future of the JRTC.

Failure to adequately secure Department case files increases the risk of unauthorized access of personal information of Illinois residents. (Finding Code No. 2019-006)

RECOMMENDATION

We recommend the Department take appropriate measures to properly secure all case files.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-006 **FINDING** Lack of Adequate File Storage Capacity (continued)

DEPARTMENT RESPONSE

The Department agrees with this recommendation. The Department will develop a three point plan to: (a) implement “additional” and “temporary” security measures to further secure physical files during the period of time the State arrives at a final decision on the sale of the JRTC; (b) implement additional permanent measures to optimally secure physical files should the State decide not to sell the JRTC; and (c) ensure new offices procured for the Department contain appropriate safeguards to secure physical files.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-007 **FINDING** Inadequate Controls over State Property and Equipment

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

We noted the following:

- We tested all 8 (100%) Agency Reports of State Property (C-15) and noted the following:
 - Three items totaling \$1,617 were approved to be scrapped in December of 2017, but were not reported as deletions until the June 2018 report.
 - Three chairs totaling \$2,438 were scrapped and reported as deletions on the December 2018 report; however, the Department was unable to provide any documentation of obtaining approval from the Department of Central Management Services (DCMS) to scrap the items.
 - The Department stated a desk totaling \$1,293 was sent to surplus when the Springfield Office moved at the beginning of Fiscal Year 2019; however, 1) the Department could not provide any paperwork evidencing such transfer, and 2) the Department did not remove it from its property control records until the final quarter of Fiscal Year 2019 after not being located during the annual inventory.
 - The June 2019 report included deletions of 4 items totaling \$2,000. Three of the items were items that could not be located during the Department's physical inventory. The Department was unable to provide a Request for Deletion from Inventory Form IL-401-1353 or any other paperwork noting DCMS approvals for the deletions.
 - Three iPads totaling \$2,050 were removed from C-15 reporting on the December 2018 C-15 report as being assets under \$1,000 and not high-theft items. The auditors noted numerous other Department owned iPhones and iPads were identified as high-theft items while these 3 iPads were not considered high-theft items.

The Statewide Accounting Management System (SAMS) Manual (Procedure 29.10.30) requires items with an individual value of less than \$1,000 that are highly susceptible to theft to be reported on the C-15 report. SAMS Manual (Procedure 29.20.10) requires agencies to enter, on the appropriate line of the C-15, all additions, deletions and net transfers that occurred during the quarter being reported.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-007 **FINDING** Inadequate Controls over State Property and Equipment (continued)

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.920) states no item of equipment valued at \$100 or more may be scrapped without the permission of the DCMS. The Code (Ill. Admin. Code 5010.310) requires all deletions from agency property records (except transfers within and outside of the agency) to be approved by DCMS prior to completing the transaction. In addition, the Code (Ill. Admin. Code 5010.610) states that agencies may not dispose of transferable equipment without the knowledge and approval of DCMS.

Department management indicated the noted errors were due to administrative oversight of the reporting process, and the changeover of processes and thresholds from the old system to the new system. The Department further indicated the high-theft indicator for the 3 iPads was inadvertently not enabled in the property tracking system.

- The Department also indicated that 2 laptops had gone missing during the examination period. These two laptops were owned by the Department of Innovation and Technology (DoIT) and were not included on the Department's Property Control records. The Department did not immediately perform a complete assessment of missing computers to determine whether they contained confidential information and whether notifications were required as outlined in the Personal Information Protection Act (815 ILCS 530/25).

Department management indicated the Department's practices include saving case information to the Department's shared network rather than the hard drive of individual computers. The noted computers were used by employees in the Department's training division and should not have included any confidential information; however, a documented assessment was not performed.

Failure to exercise proper controls over property and equipment increases the risk of loss and misappropriation, increases the risk of potential exposure of confidential information, and results in inaccurate information being submitted to the State Comptroller. (Finding Code No. 2019-007, 2017-003, 2015-003, 2013-004, 11-4, 09-3, 07-3)

RECOMMENDATION

We recommend the Department improve its controls over property and equipment to ensure compliance with the Code, the Personal Information Protection Act, and the SAMS Manual.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-007 **FINDING** Inadequate Controls over State Property and Equipment (continued)

DEPARTMENT RESPONSE

The Department agrees with this recommendation. The Chief Fiscal Officer will update internal controls over property and equipment including: (a) monthly review of reports used to prepare quarterly C-15s and (b) detailed quarterly review of all information supporting C-15s to ensure accuracy of classification of data reported and preparation of appropriate reports as required by statute, when applicable.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-008 **FINDING** Inadequate Controls over Voucher Processing

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

We tested 181 vouchers for expenditures coded to contractual services, travel, commodities, printing, equipment, telecommunications, operation of automotive equipment, or paid during the lapse period and noted the following:

- 36 (20%) vouchers tested totaling \$138,373 were approved for payment more than 30 days after receipt of the vendor's invoice. The vouchers were approved for payment from 1 to 306 days late.

The Illinois Administrative Code (74 Ill. Adm. Code 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. In addition, the Illinois Administrative Code (74 Ill. Adm. Code 1000.50) requires user agencies to process payments within 30 days after physical receipt of internal service fund bills.

- One (1%) voucher tested totaling \$715, where the Department failed to process an additional voucher to pay the vendor required interest, totaling \$6.

The State Prompt Payment Act (30 ILCS 540/3-2) requires a State Agency to pay an invoice within 90 days after receiving a proper invoice for goods or services that were furnished to the State. If payment is not issued within 90 days, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or 0.033% for each day, after the end of this 90-day period, until final payment is made.

Department management indicated the Department historically grouped multiple internal service fund bills for payment due to budgetary concerns. The other delays and failure to pay required interest were due to oversight.

Failure to review and approve vouchers timely could lead to errors or subject the State to unnecessary interest charges. Failure to pay required interest may result in vendors choosing to stop doing business with the State. (Finding Code No. 2019-008)

RECOMMENDATION

We recommend the Department strengthen controls over voucher processing to ensure vouchers are approved timely and that required interest is paid.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

2019-008 **FINDING** Inadequate Controls over Voucher Processing (continued)

DEPARTMENT RESPONSE

The Department agrees with this recommendation. Management will review and revise its processes to address the following: (a) timely approval of invoice vouchers and (b) payment of interest for overdue invoices.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2019

SIXTEEN MONTHS ENDED OCTOBER 31, 2019

| | Appropriations (Net of Transfers) | Expenditures Through 6/30/19 | Lapse Period Expenditures 7/01 - 10/31/19 | Total Expenditures | Balances Lapsed |
|--|---|------------------------------------|---|--------------------------|-------------------------|
| <u>Public Acts 100-0586 and 101-0007</u> | | | | | |
| <u>APPROPRIATED FUNDS</u> | | | | | |
| <u>General Revenue Fund - 0001</u> | | | | | |
| Ordinary and Contingent Expenses | \$ 204,600 | \$ - | \$ 86,999 | \$ 86,999 | \$ 117,601 |
| Operational Expenses | 9,918,900 | 8,261,240 | 1,313,345 | 9,574,585 | 344,315 |
| Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs | 795,500 | - | 726,972 | 726,972 | 68,528 |
| Total Fund 0001 | <u>\$ 10,919,000</u> | <u>\$ 8,261,240</u> | <u>\$ 2,127,316</u> | <u>\$ 10,388,556</u> | <u>\$ 530,444</u> |
| <u>Special Projects Division Fund - 0607</u> | | | | | |
| Operational Expenses | \$ 4,537,800 | \$ 2,270,736 | \$ 39,184 | \$ 2,309,920 | \$ 2,227,880 |
| Total Fund 0607 | <u>\$ 4,537,800</u> | <u>\$ 2,270,736</u> | <u>\$ 39,184</u> | <u>\$ 2,309,920</u> | <u>\$ 2,227,880</u> |
| <u>DHR Training and Development Fund - 0778</u> | | | | | |
| Administrative Expenses | \$ 100,000 | \$ 19,884 | \$ 1,759 | \$ 21,643 | \$ 78,357 |
| Total Fund 0778 | <u>\$ 100,000</u> | <u>\$ 19,884</u> | <u>\$ 1,759</u> | <u>\$ 21,643</u> | <u>\$ 78,357</u> |
| <u>DHR Special Fund - 0797</u> | | | | | |
| Funding Expenses of DHR | \$ 500,000 | \$ 237,307 | \$ 14,964 | \$ 252,271 | \$ 247,729 |
| Total Fund 0797 | <u>\$ 500,000</u> | <u>\$ 237,307</u> | <u>\$ 14,964</u> | <u>\$ 252,271</u> | <u>\$ 247,729</u> |
| GRAND TOTAL ALL FUNDS | <u>\$ 16,056,800</u> | <u>\$ 10,789,167</u> | <u>\$ 2,183,223</u> | <u>\$ 12,972,390</u> | <u>\$ 3,084,410</u> |

Note 1: Appropriations, total expenditures, and lapsed balances were obtained from the State Comptroller's records and have been reconciled to the records of the Department as of October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2018

SIXTEEN MONTHS ENDED OCTOBER 31, 2018

| | Appropriations (Net of Transfers) | Expenditures Through 6/30/18 | Lapse Period Expenditures 7/01 - 10/31/18 | Total Expenditures | Balances Lapsed |
|--|---|------------------------------------|---|-----------------------|---------------------|
| <u>Public Acts 100-0021 and 100-0586</u> | | | | | |
| <u>APPROPRIATED FUNDS</u> | | | | | |
| <u>General Revenue Fund - 0001</u> | | | | | |
| Investigation & Processing of Human Rights | | | | | |
| Cases and Expenses of Elementary & Higher | | | | | |
| Education Processing | \$ 929,300 | \$ 776,585 | \$ - | \$ 776,585 | \$ 152,715 |
| Operational Expenses | 8,594,400 | 7,525,972 | 331,210 | 7,857,182 | 737,218 |
| Personal Services & Social Security | 30,010 | - | 5,334 | 5,334 | 24,676 |
| Total Fund 0001 | <u>\$ 9,553,710</u> | <u>\$ 8,302,557</u> | <u>\$ 336,544</u> | <u>\$ 8,639,101</u> | <u>\$ 914,609</u> |
| <u>Special Projects Division Fund - 0607</u> | | | | | |
| Personal Services | \$ 2,377,600 | \$ 715,004 | \$ 368,077 | \$ 1,083,081 | \$ 1,294,519 |
| State Contributions to State Employees | | | | | |
| Retirement System | 1,284,200 | 339,051 | 174,532 | 513,583 | 770,617 |
| State Contributions to Social Security | 181,900 | 52,189 | 26,937 | 79,126 | 102,774 |
| Group Insurance | 464,000 | 184,008 | 89,270 | 273,278 | 190,722 |
| Contractual Services | 177,000 | 49,048 | 22,126 | 71,174 | 105,826 |
| Travel | 37,000 | 22,030 | 8,590 | 30,620 | 6,380 |
| Commodities | 6,800 | 5,989 | - | 5,989 | 811 |
| Printing | 9,300 | 3,277 | 2,442 | 5,719 | 3,581 |
| Total Fund 0607 | <u>\$ 4,537,800</u> | <u>\$ 1,370,596</u> | <u>\$ 691,974</u> | <u>\$ 2,062,570</u> | <u>\$ 2,475,230</u> |
| <u>DHR Training and Development Fund - 0778</u> | | | | | |
| Administrative Expenses | \$ 100,000 | \$ 6,356 | \$ 1,214 | \$ 7,570 | \$ 92,430 |
| Total Fund 0778 | <u>\$ 100,000</u> | <u>\$ 6,356</u> | <u>\$ 1,214</u> | <u>\$ 7,570</u> | <u>\$ 92,430</u> |
| <u>DHR Special Fund - 0797</u> | | | | | |
| Funding Expenses of DHR | \$ 500,000 | \$ 117,609 | \$ 15,000 | \$ 132,609 | \$ 367,391 |
| Total Fund 0797 | <u>\$ 500,000</u> | <u>\$ 117,609</u> | <u>\$ 15,000</u> | <u>\$ 132,609</u> | <u>\$ 367,391</u> |
| GRAND TOTAL ALL FUNDS | <u>\$ 14,691,510</u> | <u>\$ 9,797,118</u> | <u>\$ 1,044,732</u> | <u>\$ 10,841,850</u> | <u>\$ 3,849,660</u> |

Note 1: Appropriations, total expenditures, and lapsed balances were obtained from the State Comptroller's records and have been reconciled to the records of the Department as of October 31, 2018.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

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 | | |
|---|--|--|-------------------------------------|
| | 2019 P.A. 100-0586 P.A. 101-0007 | 2018 P.A. 100-0021 P.A. 100-0586 | 2017 Court Order P.A. 99-0524 |
| <u>General Revenue Fund - 0001</u> | | | |
| Appropriations (Net After Transfers) | \$ 10,919,000 | \$ 9,553,710 | \$ - |
| Expenditures | | | |
| Ordinary and Contingent Expenses | \$ 86,999 | \$ - | \$ - |
| Investigation & Processing of Human Rights Cases and Expenses of Elementary & Higher Education Processing | - | 776,585 | - |
| Operational Expenses | 9,574,585 | 7,857,182 | 9,224,440 |
| Personal Services & Social Security | - | 5,334 | - |
| Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs | 726,972 | - | - |
| Total Expenditures | \$ 10,388,556 | \$ 8,639,101 | \$ 9,224,440 |
| Lapsed Balances | \$ 530,444 | \$ 914,609 | \$ - |
| <u>Special Projects Division Fund - 0607</u> | | | |
| Appropriations (Net After Transfers) | \$ 4,537,800 | \$ 4,537,800 | \$ 4,537,800 |
| Expenditures | | | |
| Personal Services | \$ - | \$ 1,083,081 | \$ 1,103,562 |
| State Contributions to State Employees Retirement System | - | 513,583 | 492,946 |
| State Contributions to Social Security | - | 79,126 | 80,614 |
| Group Insurance | - | 273,278 | 311,490 |
| Contractual Services | - | 71,174 | 76,042 |
| Travel | - | 30,620 | 30,966 |
| Commodities | - | 5,989 | 6,604 |
| Printing | - | 5,719 | 6,667 |
| Operational Expenses | 2,309,920 | - | - |
| Total Expenditures | \$ 2,309,920 | \$ 2,062,570 | \$ 2,108,891 |
| Lapsed Balances | \$ 2,227,880 | \$ 2,475,230 | \$ 2,428,909 |
| <u>Budget Stabilization Fund - 0686</u> | | | |
| Appropriations (Net After Transfers) | \$ - | \$ - | \$ 500,000 |
| Expenditures | | | |
| Ordinary and Contingent Expenses | \$ - | \$ - | \$ 499,996 |
| Total Expenditures | \$ - | \$ - | \$ 499,996 |
| Lapsed Balances | \$ - | \$ - | \$ 4 |

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 | | |
|--|--------------------------------|--------------------------------|-----------------------------|
| | 2019 | 2018 | 2017 |
| | P.A. 100-0586 P.A. 101-0007 | P.A. 100-0021 P.A. 100-0586 | Court Order P.A. 99-0524 |
| <u>DHR Training and Development Fund - 0778</u> | | | |
| Appropriations (Net After Transfers) | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| Expenditures | | | |
| Administrative Expenses | \$ 21,643 | \$ 7,570 | \$ 6,407 |
| Total Expenditures | \$ 21,643 | \$ 7,570 | \$ 6,407 |
| Lapsed Balances | \$ 78,357 | \$ 92,430 | \$ 93,593 |
| <u>DHR Special Fund - 0797</u> | | | |
| Appropriations (Net After Transfers) | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Expenditures | | | |
| Funding Expenses of DHR | \$ 252,271 | \$ 132,609 | \$ 83,365 |
| Total Expenditures | \$ 252,271 | \$ 132,609 | \$ 83,365 |
| Lapsed Balances | \$ 247,729 | \$ 367,391 | \$ 416,635 |
| <u>GRAND TOTAL, ALL FUNDS</u> | | | |
| Appropriations (Net After Transfers) | \$ 16,056,800 | \$ 14,691,510 | \$ 5,637,800 |
| Total Expenditures | 12,972,390 | 10,841,850 | 11,923,099 |
| Lapsed Balances | \$ 3,084,410 | \$ 3,849,660 | \$ 2,939,141 |

The comparative schedule of net appropriations, expenditures, and lapsed balances does not include State Officer's salaries paid by the Office of the Comptroller. For the years ended June 30, 2019, 2018, and 2017, State Officer's salaries were as follows:

| | P.A. 100-0586 | P.A. 100-0021 | P.A. 100-0021 |
|---|---------------|---------------|---------------|
| <u>General Revenue Fund - 0001 State Comptroller</u> | | | |
| Appropriations (Net After Transfers) | \$ 115,700 | \$ 115,700 | \$ 115,700 |
| Expenditures | | | |
| Director's Salary | \$ 123,546 | \$ 115,613 | \$ 115,613 |
| Total Expenditures | \$ 123,546 | \$ 115,613 | \$ 115,613 |
| Lapsed Balances | \$ (7,846) | \$ 87 | \$ 87 |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

Note 1: Fiscal Year 2018 and 2019 appropriations, total expenditures, and lapsed balances were obtained from the State Comptroller's records as of October 31, 2018 and 2019 and have been reconciled to the Department's records.

Note 2: Fiscal Year 2017 expenditure authority, appropriations, total expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017 and have been reconciled to the Department's records.

Note 3: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 4: The Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Department never received an enacted personal services appropriation for Fund 0001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2017.

Note 5: During Fiscal Year 2017, the Department operated from Fiscal Year 2017 appropriations granted by Public Act 99-0524 for Funds 0607, 0686, 0778, and 0797.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018 AND 2017

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|---------------------|
| General Revenue Fund - 0001 | | | |
| Jury Duty and Reimbursements | \$ 1,306 | \$ 195 | \$ 305 |
| Total Cash Receipts per Department | 1,306 | 195 | 305 |
| Less - In Transit at End of Year | 40 | - | - |
| Add - In Transit at Beginning of Year | - | - | 25 |
| Total Cash Receipts per State Comptroller's Records | <u>\$ 1,266</u> | <u>\$ 195</u> | <u>\$ 330</u> |
| Special Projects Division Fund - 0607 | | | |
| Equal Employment Opportunity Commission (EEOC) | \$ 1,369,110 | \$ 1,457,310 | \$ 577,000 |
| U.S. Department of Housing and Urban Development | 895,906 | 984,029 | 890,244 |
| Prior Year Refund | - | - | 2,145 |
| Total Cash Receipts per Department | <u>2,265,016</u> | <u>2,441,339</u> | <u>1,469,389</u> |
| Less - In Transit at End of Year | - | - | - |
| Add - In Transit at Beginning of Year | - | - | 8 |
| Total Cash Receipts per State Comptroller's Records | <u>\$ 2,265,016</u> | <u>\$ 2,441,339</u> | <u>\$ 1,469,397</u> |
| DHR Training and Development Fund - 0778 | | | |
| Training Fees | \$ 16,554 | \$ 15,987 | \$ 13,998 |
| Total Cash Receipts per Department | 16,554 | 15,987 | 13,998 |
| Less - In Transit at End of Year | 68 | 32 | - |
| Add - In Transit at Beginning of Year | 32 | - | 2,157 |
| Total Cash Receipts per State Comptroller's Records | <u>\$ 16,518</u> | <u>\$ 15,955</u> | <u>\$ 16,155</u> |
| DHR Special Fund - 0797 | | | |
| Registration Fees | \$ 146,775 | \$ 120,000 | \$ 133,875 |
| Prior Year Refund | - | 105 | - |
| Total Cash Receipts per Department | <u>146,775</u> | <u>120,105</u> | <u>133,875</u> |
| Less - In Transit at End of Year | 5,700 | 5,850 | 2,850 |
| Add - In Transit at Beginning of Year | 5,850 | 2,850 | 5,100 |
| Total Cash Receipts per State Comptroller's Records | <u>\$ 146,925</u> | <u>\$ 117,105</u> | <u>\$ 136,125</u> |
| GRAND TOTAL - ALL FUNDS | | | |
| Total Cash Receipts per Department | \$ 2,429,651 | \$ 2,577,626 | \$ 1,617,567 |
| Less - In Transit at End of Year | 5,808 | 5,882 | 2,850 |
| Add - In Transit at Beginning of Year | 5,882 | 2,850 | 7,290 |
| Total Cash Receipts per State Comptroller's Records - All Funds | <u>\$ 2,429,725</u> | <u>\$ 2,574,594</u> | <u>\$ 1,622,007</u> |

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2019**

| | <u>State Property</u> |
|--------------------------|-----------------------|
| Balance at July 1, 2017 | \$ 415,077 |
| Additions | 4,289 |
| Deletions | (1,617) |
| Net Transfers | - |
| Adjustments | - |
| | - |
| Balance at June 30, 2018 | \$ 417,749 |
| Balance at July 1, 2018 | \$ 417,749 |
| Additions | 7,754 |
| Deletions | (364,241) |
| Net Transfers | - |
| Adjustments | - |
| | - |
| Balance at June 30, 2019 | \$ 61,262 |

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

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)

FUNCTIONS

Introduction

The Department of Human Rights (Department) administers the Illinois Human Rights Act (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 disability, 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 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 300 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 Department 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, access to financial credit, or the availability of public services and public accommodations, sexual harassment in employment, sexual harassment of students in education, and retaliation for having opposed discrimination. The Charge Processing Division receives about 30,000 inquiries and processes an average of 4,000 cases per year. The Charge Processing Division is the largest division in the Department, consisting of the Intake Unit, Investigation groups, and Quality Control Unit.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined) (Continued)

Fair Housing Division

The Fair Housing Division investigates charges of discrimination involving housing and real estate transactions on the basis of race, color, religion, sex (including sexual harassment), pregnancy, national origin, familial status (children under 18), ancestry, age (40 and over), marital status, physical and mental disability, sexual orientation (including gender-related identity), military status, unfavorable discharge from military service, and order of protection status.

Legal Division

The Legal Division reviews the investigative work of the Department, provides legal guidance, and monitors the Liaison Unit and the Public Contracts Unit.

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 file Complaints with the Illinois Human Rights Commission, (“Commission”). Fair Housing Unit staff attorneys also litigate Fair Housing cases before the Commission. If the investigator recommends a finding of Lack of Substantial Evidence, the complainant may file a Request for Review with the Commission to which the Department’s attorneys file a response.

The Legal Division also provides investigators with technical advice, responds to inquiries from the public on a daily basis by staffing the “Attorney of the Day” post, and responds to requests under the Freedom of Information Act.

Liaison Unit

The Liaison Unit of the Legal Division ensures compliance by State entities with the equal employment opportunity/affirmative action (EEO/AA) provisions of the Illinois Human Rights Act. The Liaison Unit provides ongoing technical assistance and ensures compliance by State entities with requirements to submit affirmative action plans, quarterly reports, and layoff reports to the Department. The Liaison Unit reviews the reports and monitors State entities to assure compliance with goals established in their affirmative action plans.

Public Contracts Unit

The Public Contracts Unit (“PCU”) of the Legal Division registers entities seeking to establish eligibility status for competitively bidding on State contracts. The PCU provides technical assistance and training on how to develop equal employment opportunity policies and procedures. Additionally, the PCU reviews affirmative action plans to ensure compliance with established equal employment opportunity laws and guidelines. The PCU conducts audits to examine policies, procedures and efforts expended by the contractor toward meeting its EEO/AA obligations.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined) (Continued)

Other Services

Institute for Training and Development

The 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.

Disability Program

The 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 priorities set forth by the Department are as follows:

- I. Prohibit discrimination in employment, housing, public accommodations, financial credit and sexual harassment in higher education.
- II. Enhance State agencies' compliance with equal employment opportunity / affirmative action guidelines and 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 mission of the Commission on Discrimination and Hate Crimes to combat discrimination based on ethnicity, religion, skin color, gender, gender identification, disability or sexual orientation.
- V. Generate revenue for the identified Department programs.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined) (Continued)

The Department has 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. 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 – Charge Processing Division

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------------|--------------------|--------------------|
| Docketed | 2,561 | 2,601 | 2,919 |
| Completed | 2,717 | 3,017 | 3,069 |
| Complainant filings at Human Rights Commission | 44 | 13 | 29 |
| Average monthly charges completed per month per investigator | 6.1 | 5.6 | 7.1 |
| Investigators employed at end of year | 37 | 45 | 36 |

Employment Charges by Basis

Basis of Discrimination

| | <u>2019</u> | <u>% of Total</u> | <u>2018</u> | <u>% of Total</u> | <u>2017</u> | <u>% of Total</u> |
|--------------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Sex | 790 | 17% | 361 | 9% | 539 | 20% |
| Race | 709 | 16% | 670 | 16% | 768 | 28% |
| Retaliation | 967 | 21% | 889 | 21% | 948 | 34% |
| Age | 482 | 11% | 526 | 13% | 628 | 23% |
| Physical Disability | 463 | 10% | 474 | 11% | 558 | 20% |
| National Origin | 279 | 6% | 342 | 8% | 382 | 14% |
| Sexual Harassment | 416 | 9% | 425 | 10% | 410 | 15% |
| Other | 66 | 1% | 149 | 4% | 51 | 19% |
| Mental Disability | 164 | 4% | 141 | 3% | 156 | 6% |
| Sexual Orientation/Gender Id | 55 | 1% | 59 | 1% | 77 | 3% |
| Religion | 54 | 1% | 51 | 1% | 77 | 3% |
| Arrest Record | 29 | 1% | 20 | 0% | 31 | 1% |
| Color | 61 | 1% | 24 | 1% | 28 | 1% |
| Marital Status | 23 | 1% | 10 | 0% | 14 | 1% |
| Military Discharge | 1 | 0% | 18 | 0% | 10 | 0% |
| Coercion | 5 | 0% | 2 | 0% | 1 | 0% |
| Total Employment Charges Filed | 4,564 | | 4,161 | | 2,748 | |

Note: Number of charges by basis is greater than total employment charges filed because some charges were filed under more than one basis. Percent of total charges filed is also greater than 100% because charges can be filed on more than one basis.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined) (Continued)

Housing Discrimination Charges By Basis:

Basis of Discrimination

| | <u>2019</u> | <u>% of Total</u> | <u>2018</u> | <u>% of Total</u> | <u>2017</u> | <u>% of Total</u> |
|------------------------------|--------------------|------------------------------|--------------------|------------------------------|--------------------|------------------------------|
| Physical Disability | 55 | 16% | 63 | 17% | 87 | 31% |
| Race | 97 | 29% | 101 | 28% | 75 | 27% |
| Mental Disability | 67 | 20% | 81 | 22% | 61 | 22% |
| National Origin | 24 | 7% | 20 | 6% | 42 | 15% |
| Familial Status | 30 | 9% | 32 | 9% | 34 | 12% |
| Sex | 23 | 7% | 15 | 4% | 8 | 3% |
| Retaliation | 18 | 5% | 17 | 5% | 14 | 5% |
| Sexual Orientation/Gender Id | 0 | 0% | 7 | 2% | 10 | 4% |
| Age | 2 | 1% | 2 | 1% | 5 | 2% |
| Religion | 4 | 1% | 8 | 2% | 3 | 1% |
| Marital Status | 4 | 1% | 3 | 1% | 7 | 2% |
| Color | 0 | 0% | 0 | 0% | 1 | 0% |
| Other | 15 | 4% | 12 | 3% | 3 | 1% |
| Total Housing Charges Filed | 340 | | 361 | | 282 | |

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:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--------------------------|--------------------|--------------------|--------------------|
| Inquiries received | 15,811 | 11,161 | 12,550 |
| Charges filed | 2,871 | 2,914 | 3,201 |
| Completed Investigations | 3,175 | 3,319 | 3,378 |

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined) (Continued)

Disposition of Completed Cases

| | <u>2019</u> | <u>% of Total</u> | <u>2018</u> | <u>% of Total</u> | <u>2017</u> | <u>% of Total</u> |
|------------------------------|--------------------|------------------------------|--------------------|------------------------------|--------------------|------------------------------|
| Substantial evidence | 190 | 6% | 214 | 6% | 201 | 6% |
| Settlements | 805 | 25% | 815 | 25% | 869 | 26% |
| Withdrawn by complainant | 266 | 8% | 374 | 11% | 352 | 10% |
| Dismissals: | | | | | | |
| Lack of substantial evidence | 1,352 | 43% | 1,453 | 44% | 1,562 | 46% |
| Lack of jurisdiction | 166 | 5% | 173 | 5% | 155 | 5% |
| Failure to proceed | 286 | 9% | 221 | 7% | 188 | 6% |
| Administrative closures | 110 | 3% | 69 | 2% | 51 | 1% |

Compliance Division – Annual Bidder Registration Activity Summary:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|------------------------------------|--------------------|--------------------|--------------------|
| Forms received during year | 1,894 | 1,738 | 2,026 |
| Forms processed during the year | 1,764 | N/A | 1,852 |
| Forms responded to during the year | N/A | 827 | 1,087 |

N/A – The Department did not have this information available.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Not Examined)

Management of the Department of Human Rights (Department) provided the following explanations for the significant variations (\$10,000 and 20%) in expenditures.

FISCAL YEAR 2019

General Revenue Fund - 0001

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|---|---------------------------------------|--------------|--------------------------------|----------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| Ordinary and Contingent Expenses | \$ 86,999 | \$ - | \$ 86,999 | n/a |
| Investigation & Processing of Human Rights Cases and Expenses of Elementary & Higher Education Processing | \$ - | \$ 776,585 | \$ (776,585) | -100% |
| Operational Expenses | \$ 9,574,585 | \$ 7,857,182 | \$ 1,717,403 | 22% |
| Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs | \$ 726,972 | \$ - | \$ 726,972 | n/a |

Ordinary and Contingent Expenses, Investigation & Processing of Human Rights Cases and Expenses of Elementary & Higher Education Processing, and Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs

The Ordinary and Contingent Expenses and the Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs increased because the Department did not receive this appropriation line item in Fiscal Year 2018. Investigation & Processing of Human Rights Cases and Expenses of Elementary & Higher Education Processing decreased because the Department did not receive this appropriation line item in Fiscal Year 2019.

Operational Expenses

Operational Expenses increased primarily due to the payroll step increases in effect for Fiscal Year 2019 and prompt payment interest paid.

Special Projects Division Fund – 0607

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|-------------------------|---------------------------------------|--------------|--------------------------------|----------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| Operational Expenses | \$ 2,309,920 | \$ - | \$ 2,309,920 | n/a |
| All Other Line Items | \$ - | \$ 2,062,570 | \$(2,062,570) | -100% |

Operational Expenses and All Other Line Items

Operational Expenses increased and All Other Line Items decreased because the Department received a lump sum appropriation in Fiscal Year 2019 as compared to line item appropriations in Fiscal Year 2018.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Not Examined)
(Continued)

DHR Training and Development Fund – 0778

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|-------------------------|---------------------------------------|-------------|--------------------------------|----------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| Administrative Expenses | \$ 21,643 | \$ 7,570 | \$ 14,073 | 186% |

Administrative expenses increased \$14,073 (186%) in Fiscal Year 2019 due to acquisition of training materials for Real Colors (personality styles), Once and For All (sexual harassment) and Accountability That Matters. Additionally, training staff incurred significant travel expenses for Rapid Results training in Springfield.

DHR Special Fund – 0797

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|-------------------------|---------------------------------------|-------------|--------------------------------|----------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| Funding Expenses of DHR | \$ 252,271 | \$ 132,609 | \$ 119,662 | 90% |

Funding expenses for DHR increased \$119,662 (90%) primarily due to increases in contractual services, rent payments for a new office in Springfield and office equipment acquisitions.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Not Examined)
(Continued)**

FISCAL YEAR 2018

General Revenue Fund - 0001

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|---|---------------------------------------|-------------|--------------------------------|----------|
| | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Investigation and Processing of Human Rights Cases and Expenses of Elementary and Higher Education Processing | \$ 776,585 | \$ - | \$ 776,585 | n/a |

Investigation and Processing of Human Rights Cases and Expenses of Elementary and Higher Education Processing

Expenses of Investigation and Processing of Human Rights Cases increased due to lack of an appropriation for this line item in Fiscal Year 2017.

Budget Stabilization Fund - 0686

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|----------------------------------|---------------------------------------|-------------|--------------------------------|----------|
| | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Ordinary and Contingent Expenses | \$ - | \$ 499,996 | \$ (499,996) | -100% |

Ordinary and Contingent Expenses

Passage of Public Act 100-0021 eliminated the necessity for an appropriation from the Budget Stabilization Fund in Fiscal Year 2018.

DHR Special Fund – 0797

| <u>Expenditure Item</u> | <u>Fiscal Year Ended June 30,</u> | | <u>Increase (Decrease)</u> | |
|-------------------------|---------------------------------------|-------------|--------------------------------|----------|
| | <u>2018</u> | <u>2017</u> | <u>Amount</u> | <u>%</u> |
| Funding Expenses of DHR | \$ 132,609 | \$ 83,365 | \$ 49,244 | 59% |

Funding Expenses of DHR

Funding expenses of DHR increased \$49,244. (59%) primarily due to increased contractual services expenditures for the mandated Sexual Harassment Helpline which commenced in Fiscal Year 2018.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS (Not Examined)

Management of the Department of Human Rights (Department) provided the following explanations for the significant variations (\$10,000 and 20%) in receipts.

Special Projects Division Fund – 0607

Equal Employment Opportunity Commission (EEOC)

EEOC receipts increased \$880,310 (153%) in Fiscal Year 2018 compared to Fiscal Year 2017.

Federal Grant receipts fluctuate from year to year depending upon the cases closed by the Department and the timing of federal drawdowns. The Fiscal Year 2018 receipts relate to cases closed October 2016 through September 2017. The Fiscal Year 2017 receipts relate to cases closed May 2016 through September 2016.

DHR Special Fund – 0797

Registration Fees

Registration fees increased \$26,775 (22%) in Fiscal Year 2019 compared to Fiscal Year 2018. The Department collects registration fees from vendors applying for or renewing a public contractor number in order to bid on State contracts. Public contract registrations are required to be renewed every five years. Revenues vary depending on the number of contracts the State is offering and renewal dates.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Not Examined)

FISCAL YEAR 2019

Our testing of lapse period expenditures for Fiscal Year 2019 disclosed the following significant (\$10,000 and 20%) lapse period expenditures:

General Revenue Fund – 0001

| <u>Expenditure Item</u> | <u>Total Expenditures</u> | <u>Lapse Period Expenditures</u> | <u>%</u> |
|---|---------------------------|----------------------------------|----------|
| Ordinary and Contingent Expenses | \$ 86,999 | \$ 86,999 | 100% |
| Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs | \$ 726,972 | \$ 726,972 | 100% |

Ordinary and Contingent Expenses

Lapse period expenditures for ordinary and contingent expenses related to back payments of step increases dating back to Fiscal Year 2016. These payments were calculated, scheduled and paid by September 15, 2019 as directed by the Department of Central Management Services (CMS) pursuant to legislation signed into law on June 5, 2019. The lapse period was extended during fiscal 2019 to accommodate these special one-time payments.

Previously Unpaid Wage Increases for Personal Services, Social Security and Related Interest Costs

Lapse period expenditures for previously unpaid wage increases for personal services, social security and related interest costs related to back payments of step increases dating back to Fiscal Year 2016. These payments were calculated, scheduled and paid by September 15, 2019 as directed by The Department of Central Management Services (CMS) pursuant to legislation signed into law on June 5, 2019. The lapse period was extended during fiscal 2019 to accommodate these special one-time payments.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Not Examined) (Continued)

FISCAL YEAR 2018

Our testing of lapse period expenditures for Fiscal Year 2018 disclosed the following significant (\$10,000 and 20%) lapse period expenditures:

Special Projects Division Fund – 0607

| <u>Expenditure Item</u> | <u>Total Expenditures</u> | <u>Lapse Period Expenditures</u> | <u>%</u> |
|--|---------------------------|----------------------------------|----------|
| Personal Services | \$ 1,083,081 | \$ 368,077 | 34% |
| State Contributions to State Employees Retirement System | \$ 513,583 | \$ 174,532 | 34% |
| State Contributions to Social Security | \$ 79,126 | \$ 26,937 | 34% |
| Group Insurance | \$ 273,278 | \$ 89,270 | 33% |
| Contractual Services | \$ 71,174 | \$ 22,126 | 31% |

Personal Services, State Contributions to State Employees Retirement System, State Contributions to Social Security, and Group Insurance

Lapse period expenditures for personal services, State contributions to State employees retirement system, State contributions to social security and group insurance related to fourth quarter payroll paid in the lapse period.

Contractual Services

Expenditure payouts in the lapse period for contractual services were primarily for temporary office staff.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018 and 2017**

ANALYSIS OF ACCOUNTS RECEIVABLE (Not Examined)

| | U.S. Department of Housing and Urban Development (HUD) | Equal Employment Opportunity Commission (EEOC) | TOTAL |
|-----------------------------|---|---|--------------|
| Accounts Receivable 6/30/17 | \$ 982,749 | \$ 977,900 | \$ 1,960,649 |
| Revenues | 842,916 | 1,153,510 | 1,996,426 |
| Collections | (984,029) | (1,457,310) | (2,441,339) |
| Accounts Receivable 6/30/18 | \$ 841,636 | \$ 674,100 | \$ 1,515,736 |
| Revenues | 992,051 | 1,563,010 | 2,555,061 |
| Collections | (895,906) | (1,369,110) | (2,265,016) |
| Accounts Receivable 6/30/19 | \$ 937,781 | \$ 868,000 | \$ 1,805,781 |

The accounts receivable generated by the Illinois Department of Human Rights primarily represents billings to the U.S. Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC) for work sharing agreements for which the Department incurs costs, that are substantially personal services related in nature, for which it is paid fees based on case volume. Reimbursements for work sharing costs are deposited into the Special Projects Division Fund. The Department calculated receivables at the end of each fiscal year and billed HUD and EEOC according to the federal fiscal year. All accounts receivable are and have historically been current. As such, the Department does not provide for, nor has it presented, an allowance for doubtful accounts.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

AVERAGE NUMBER OF EMPLOYEES (Not Examined)

The following table, prepared from Department records, presents the average number of employees by division, for the fiscal years ended June 30,

| | Fiscal Year | | |
|-------------------|--------------------|-------------|-------------|
| | 2019 | 2018 | 2017 |
| Administration | 23 | 25 | 26 |
| Charge Processing | 72 | 75 | 74 |
| Fair Housing | 10 | 10 | 12 |
| Legal | 17 | 16 | 15 |
| Total | <u>122</u> | <u>126</u> | <u>127</u> |

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN RIGHTS
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

MEMORANDUMS OF UNDERSTANDING (Not Examined)

During the examination period, the Department did not have any “Memorandums of Understanding”, however, other agreements of similar nature existed including:

| <u>Other Party</u> | <u>Purpose</u> | <u>Term</u> |
|--|---|---|
| FISCAL YEAR 2018 | | |
| Office of the Governor | Interagency agreement to share the employment costs of employees working in the Office of the Governor who perform policy, legal, operational, legislative or similar work which also benefit the Department. | July 1, 2017 to June 30, 2018. |
| Department of Innovation and Technology (DoIT) | Interagency agreement in connection with the Information Technology Transformation project for the State of Illinois. | July 1, 2017 to June 30, 2018 |
| FISCAL YEAR 2019 | | |
| Office of the Governor | Interagency agreement to share the employment costs of employees working in the Office of the Governor who perform policy, legal, operational, legislative or similar work which also benefit the Department. | July 1, 2018 to June 30, 2019. |
| Department of Central Management Services (DCMS) | Interagency agreement for the DCMS Bureau of Internal Audit to provide Internal Auditing Functions to IDHR pursuant to the Fiscal Control and Internal Auditing Act. | August 18, 2018 until terminated by either party. |
| Illinois Human Rights Commission and DCMS | Interagency agreement implementing the Governor’s Executive Order 2018-08 Reforming the Administration and Eliminating the Backlog of Matters at the Human Rights Commission. | August 17, 2018 until December 20, 2019 |
| DoIT | Interagency agreement in connection with the Information Technology Transformation project for the State of Illinois. | July 1, 2018 to June 30, 2019 |