



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS DEPARTMENT OF HUMAN RIGHTS

State Compliance Examination
 For the Two Years Ended June 30, 2023

Release Date: April 16, 2024

FINDINGS THIS AUDIT: 13				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	2	0	2	2021		23-5, 23-9, 23-11, 23-13	
Category 2:	4	7	11	2017		23-3, 23-4	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2007		23-8	
TOTAL	6	7	13				
FINDINGS LAST AUDIT: 12							

INTRODUCTION

This digest covers the Illinois Department of Human Rights' (Department) State Compliance Examination for the two years ended June 30, 2023.

SYNOPSIS

- (23-1) The Department's internal controls over its voucher processing function were not operating effectively during the examination period.
- (23-3) The Department did not meet the procedural time limits set forth when a charge of a civil rights violation had been filed and when a complainant filed a request to opt out of the Department's investigation.

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.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**VOUCHER PROCESSING INTERNAL CONTROLS
NOT OPERATING EFFECTIVELY**

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

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

4 of 140 (3%) attributes were not properly entered into the ERP System

Our testing noted 4 of 140 (3%) attributes were not properly entered into the ERP System. Therefore, the Department's internal controls over voucher processing were not operating effectively.

Even given the limitations noted above, we conducted an analysis of the Department's expenditures data for Fiscal Years 2022 and 2023 to determine compliance with the State Prompt Payment Act and the Illinois Administrative Code. We noted the following noncompliance:

Department did not timely approve 130 of 1,232 (11%) vouchers totaling \$539,556

- The Department owed a vendor interest totaling \$220 in Fiscal Year 2023; however, the Department had not approved the voucher for payment to the vendor.
- The Department did not timely approve 130 of 1,232 (11%) vouchers processed during the examination period, totaling \$539,556. We noted these late vouchers were approved between 1 and 182 days late.
- For one of 35 (3%) vouchers tested, totaling \$64,150, the Department failed to maintain supporting documentation showing the dates invoices were received. (Finding 1, pages 10-12)

We recommended the Department design and maintain internal controls to provide assurance its data entry of key

attributes into the ERP System is complete and accurate. We also recommended the Department strengthen its internal controls to ensure bills are processed within 30 days of receipt, vouchers are approved for payment of interest due to vendors, and supporting documentation is properly maintained.

Department agreed

The Department accepted our recommendations, and stated that its Chief Fiscal Officer would strengthen controls over voucher processing, including additional detailed review of voucher entries into the ERP System, improving timeliness of processing by tightening time frames for invoice submission, payment of vendor interest, and retention of supporting documentation.

NONCOMPLIANCE WITH STATUTORILY MANDATED TIME LIMITS

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

In our review of 60 employment cases filed with the Department, we noted the following:

Copy of the charge not served to the respondent within 10 days

- In 15 (25%) employment cases tested, the Department did not serve a copy of the charge to the respondent within 10 days of the day the charge was filed. The charges were served to the respondent from 1 to 161 days late.
- In 15 (25%) employment cases tested, the Department did not serve a notice to the complainant of the complainant's right to file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed. These notices were served to the complainant from 1 to 161 days late.
- In 15 (25%) cases tested, the Department did not serve a notice to the respondent of the complainant's right to file a complaint with the Human Rights Commission or commence a civil action in the appropriate circuit court within 10 days of the day the charge was filed. These notices were served to the respondent from 1 to 161 days late.

In addition, in our testing of 24 employment cases where the complainant requested to opt out of the Department's investigation, we noted the Department did not issue the required notice to the parties for 7 (29%) employment cases within 10 business days of receipt of the complainants' request

to opt out of the investigation. The notices were issued from 2 to 17 days late. (Finding 3, pages 16-18)

This finding has been reported since 2017.

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

Department agreed

The Department accepted our recommendations.

OTHER FINDINGS

The remaining findings are reportedly being given attention by Department personnel. We will review the Department's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Department for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001 and 2023-002. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth & Co. LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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