

# LEGISLATIVE AUDIT COMMISSION



Review of  
Human Rights Commission  
Two Years Ended June 30, 2007

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**REVIEW: 4291**  
**HUMAN RIGHTS COMMISSION**  
**TWO YEARS ENDED JUNE 30, 2007**

**FINDINGS/RECOMMENDATIONS - 9**

**ACCEPTED - 4**  
**IMPLEMENTED - 5**

**REPEATED RECOMMENDATIONS - 3**

**PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 6**

This review summarizes a report on the Human Rights Commission for the two years ended June 30, 2007, filed with the Legislative Audit Commission February 14, 2008. The auditors performed a compliance examination in accordance with State law and Government Auditing Standards.

The Human Rights Commission was created in 1980 as a quasi-judicial agency to hear and decide complaints of civil rights violations on charges filed originally with the Department of Human Rights. Meeting in three-member panels, the Commission issues orders and decisions on the recommendation of its staff administrative law judges, decides requests for review of dismissals or defaults issued by the Department of Human Rights, and approves settlements agreed upon by the parties to a case. Appendix A shows the number of cases referred to the Human Rights Commission and the number of cases completed during FY07, FY06, and FY05. As of June 30, 2007 the Commission had 955 cases outstanding.

The Commission has 13 Commissioners appointed by the Governor with the advice and consent of the Senate. The Commissioners serve terms of four years each and receive a salary and are reimbursed for expenses. The Commission had two different Executive Directors during the audit period. Mr. James Sledge, who was appointed in May 2003, served as Executive Director for most of the audit period. He resigned in March 2007 to accept another appointment in State Government. The current Executive Director, N. Keith Chambers, was appointed in March 2007. Mr. Chambers had no prior association with the Commission.

The table below shows the average number of Commission employees at the end of the fiscal years indicated:

	<b>FY07</b>	<b>FY06</b>	<b>FY05</b>
<b>Total</b>	<b>18.00</b>	<b>17.00</b>	<b>18.00</b>
Average Number of Administrative Law Judges	7.0	7.0	6.0

### **Expenditures From Appropriations**

The General Assembly appropriated a total of \$1,545,000 from the General Revenue Fund and Special Projects Division Fund to the Commission in FY07. Total expenditures were \$1,315,238 in FY05, \$1,221,137 in FY06, and \$1,351,471 in FY07. Appendix B summarizes these appropriations and expenditures for the period under review.

Lapse period expenditures were 5% in FY07 and 5.1% in FY06.

### **Property and Equipment**

Appendix C presents a summary of property and equipment transactions during the period under review. Property and equipment was \$208,058 as of July 1, 2005, and \$276,527 as of June 30, 2007, an increase of \$4,793, or 2.3%.

### **Accountants' Findings and Recommendations**

Condensed below are the nine findings and recommendations presented in the audit report. Responses to the recommendations are classified based on updated information provided by Dr. Ewa Ewa, Chief Fiscal Officer, in a memo received via electronic mail on July 1, 2008.

#### **Accepted**

- 1. Ensure all expenditures are related to Commission operations. Additionally, request reimbursement for the expenditures.**

**Findings:** The Commission paid telecommunication and travel expenditures for an individual who was no longer employed by the Commission. On March 31, 2007, the Commission's Deputy General Counsel transferred to the Illinois Department of Employment Security. However, the Commission continued to pay the former Deputy General Counsel's telecommunication and travel expenditures from April to June 2007. These expenditures totaled \$172 and \$83 in telecommunication and travel expenditures, respectively.

In addition, the Commission did not have a written agreement with the Department of Employment Security outlining the services to be performed and responsibility for payment of expenditures.

**Response:** The factual basis of this finding, as submitted to IHRC, is not accurate. The Human Rights Commission paid telecommunication and travel expenses for a state employee who used those services specifically for the use of this agency, the Human Rights Commission.

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IHRC will enter into an agreement with IDES regarding the scope of the services provided by this employee and acknowledges that ideally, execution of that agreement should have been in April.

**Auditor Comments:** The Commission made expenditures on behalf of an individual who was no longer employed by it. Although the Commission claims these expenditures were incurred on behalf of the agency, it maintained no documentation of the services it received and did not enter into an agreement detailing the services or associated expenses.

**Updated Response:** Implemented. In view of the aforementioned circumstances, IHRC did complete and entered into an agreement with IDES regarding the scope of the services provided by this employee and acknowledges that ideally, execution of that agreement should have been in April.

## 2. Publish all decisions as required by statute.

**Findings:** The Commission failed to publish its decisions in a timely manner. The auditors reviewed a listing of the 170 Commission orders issued during the examination period, and 80 orders (47%) were not published on the Commission's website. For the 90 orders published on the Commission's website, it could not be determined if these orders were timely published, within 120 days. Additionally, the Commission did not provide its decisions to the Illinois State Library.

Commission officials stated the reason all of the decisions are not posted on its website and deposited with the Illinois State Library is due to lack of both staff and resources.

**Response:** The factual basis of this finding is not accurate. The Commission publishes all decisions within one week of service to the parties by making them available to the public via publication at the Commission library in the JRTC. Decisions are also circulated to Westlaw, Lexis and on the website within resource limitations.

The Commission acknowledges that only a small portion of decisions are available online. In that respect, the IHRC acknowledges that circulation efforts could improve. Circulation does not equate with publication. Inability to post all IHRC decisions online due to staff and budgetary restraints does not equate with a finding of untimely publication decisions. The statute does not require that all decisions be posted online, but rather that decisions be published within 120 calendar days of the completion of service of the written decision on the parties. IHRC acknowledges that advances in technology have made posting all IHRC decisions on our website more feasible and will continue to work towards increasing circulation of IHRC decisions as staff and budgetary restraints permit. The IHRC intends on doing an archive conversion of all paper decisions to electronic format and posting on our website over the next two years. This plan will include a protocol for posting all decisions issued by the Commission on our website.

**Accepted – continued**

IHRC will implement recommendations to improve the circulation of publications.

**Auditor Comments:** By publishing a portion of its decisions on its website, the Commission runs the risk of misleading the public as to the complete body of precedent, thereby undermining the statutory purpose of providing a constant source of precedents for its decisions.

**Updated Response:** Accepted. To improve on its circulatory potential, IHRC periodically updates its website to insure that current information relative to the publication of orders is completed within 90 days as required by statute.

- 3. Serve all parties within the five days as required by the Administrative Code. In addition, ensure all information in the Commission's case tracking system is complete and accurate.**

**Findings:** The Illinois Human Rights Commission was not in compliance with the Labor and Employment Administrative Code. The auditors reviewed 25 cases, noting 23 (92%) cases in which the Commission did not serve all parties within five days of the complaint being filed with the Commission. The notices were 2 to 38 days late.

In addition, during the review of the 25 cases, the auditors noted ten (40%) cases where information maintained in the Commission's case tracking system (EVANS) was not complete or accurate.

Commission officials stated the weaknesses were due to the lack of staff.

**Response:** Accepted. IHRC acknowledges that not all Notices of Public Hearing issued during the audit period were issued within five days of the filing of a Complaint of Civil Rights Violation. IHRC will continue to exercise due diligence to ensure all parties are served within five days as required by IL Adm. Code. IHRC will implement new procedures to ensure all information entered in the Evans system is complete and accurate.

**Updated Response:** Accepted. IHRC has hired staff since these findings who are implementing new procedures to ensure that all information entered in the Evans system is complete, timely and accurate.

- 4. Implement policies and procedures to notify the Illinois Office of the Governor of upcoming term expirations.**

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**Findings:** Seven of 12 (58%) Commissioner's appointment terms have expired. Five of the seven expired in January 2007 and two of the seven expired in January 2005. Additionally, one Commissioner position is vacant.

Commission officials stated the process of handling the re-appointment or replacement of Commissioners is handled by the Illinois Office of the Governor and the Illinois Office of the Comptroller. Additionally, the Commission had notified the Illinois Office of the Governor in June.

**Updated Response:** Implemented. IHRC acknowledges that Commissioner terms have expired and has implemented procedures to ensure efficient reporting of commissioners expiring terms are appropriately channeled to the appropriate authorities for immediate action.

5. **Assign the duties of creating and publishing the Annual Report and developing and implementing a Strategic Plan to appropriate management personnel. Additionally, make the Annual Reports available on the Commission's Internet site as required by statute.**

**Findings:** The Commission has not prepared current annual reports and strategic planning documents. Additionally, the Commission failed to make a copy of its latest Annual Report (Fiscal Year 2005) available on its Internet home page. The Commission has made their Fiscal Year 2004 and 2003 Annual Reports available on its Internet site.

Commission officials stated that funding was the main reason for not producing an Annual Report for Fiscal Years 2006 and 2007.

**Updated Response:** Accepted. IHRC shall implement procedures for the creation and publication of the Annual Report and for the creation and implementation of a Strategic Plan. IHRC has completed its Annual Reports which will be made available on its Internet site as required.

Commission officials would also like to clarify that funding was the main reason for not producing an Annual Report for FY06 and FY07 for which IHRC has no control.

6. **Ensure that current procedures remain in place so that reconciliations are being performed on a monthly basis. Additionally, cross-train fiscal employees to ensure a vacancy in the Fiscal Officer position does not hinder the Commission's reconciliation process.**

**Findings:** The Commission did not perform reconciliations between Commission expenditure records and the Comptroller's Monthly Appropriation Status Report (SB01) for 12 of 24 (50%) months.

**Accepted – concluded**

Commission officials stated that reconciliations were not performed while the Fiscal Officer position was vacant.

**Updated Response:** Implemented. IHRC acknowledges that it did not reconcile expenditure records during the period in which the Fiscal Officer position was vacant. Reconciliation of all financial transactions has been completed and current since the hiring of the Chief Financial Officer.

**7. Revise policies and practices to ensure proper safeguards and appropriately segregate duties and assign functions to employees not currently involved in the fiscal office. (Repeated-2001)**

**Findings:** The Commission lacked the proper segregation of duties in approval and payment of vouchers, property control, management of cash and controls over payroll.

The Fiscal Officer has the authority to prepare and approve vouchers for payment and also reconciles detailed records to the Comptroller's reports. The Fiscal Officer also is the property control officer, and as such is involved in taking physical inventories, processing vouchers, maintaining property records, approving vouchers and reporting property surplus items and property transfers. The Administrative Assistant II makes deposits of cash receipts and also reconciles detailed records to the Comptroller's records. The Commission does not have a person, independent from the payroll function, to review the payroll prior to disbursement.

Commission officials stated the Fiscal Officer position was vacant during a portion of the examination period and that due to the small size of the Commission proper segregation of duties is not feasible.

**Updated Response:** Accepted. IHRC acknowledges this finding with the caveat that there are insufficient budgeted employee positions to properly segregate duties as recommended. Efforts are currently under way to increase the number of staff in the agency for a more efficient operation.

**8. Establish policies and procedures which will ensure timesheets are being prepared and submitted periodically and maintained by the Commission as required by statute. (Repeated-2005)**

**Findings:** The Commission did not prepare and maintain timesheets documenting the employee's time spent each day on official business. The Commission only maintained daily sign in/sign out sheets that did not record the number of hours spent on official State business.

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Commission officials stated there was a misunderstanding of recommendations from the previous audit with regard to this finding.

**Updated Response:** Implemented. IHRC acknowledges this finding and has responded by including a certification statement on time sheets as recommended.

Commission officials would like to clarify that management turnover was not the reason for improper timekeeping. There was a misunderstanding of recommendations from the previous audit with regard to this finding.

### **9. Comply with the Illinois Administrative Code by implementing policies and procedures to ensure performance evaluations are performed in a timely manner. (Repeated-2005)**

**Findings:** The Commission did not perform annual employee performance evaluations timely. During testing of employee files, the auditors noted seven of seventeen (41%) of the files did not contain timely performance evaluations. Employee evaluations were completed from seven to 192 days late.

Commission officials stated staff turnover in the Director and Fiscal Officer positions resulted in delays in performing the annual evaluations.

**Updated Response:** Implemented. IHRC acknowledges this finding and has implemented a policy to improve the timeliness of employee evaluations. Currently there are no outstanding employee evaluations.

## **Emergency Purchases**

The Illinois Purchasing Act (30 ILCS 505/1) states, "The principle of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts..." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption for emergencies "involving public health, public safety, or where immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property and to prevent or minimize serious disruption in State services or to insure the integrity of State records, or to avoid lapsing or loss of federal or donated funds. The Chief procurement officer may promulgate rules extending the circumstances by which a purchasing agency may make 'quick purchases', including but not limited to items available at a discount for a limited period of time."

State agencies are required to file an affidavit with the Auditor General for emergency procurements that are an exception to the competitive bidding requirements per the Illinois Purchasing Act. The affidavit is to set forth the circumstance requiring the emergency purchase. The Commission receives quarterly reports of all emergency purchases from



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the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY07 and FY06, the Human Rights Commission did not file any affidavits for emergency purchases.

### **Headquarters Designations**

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all its officers and employees for whom official headquarters have been designated at any location other than that at which official duties require them to spend the largest part of their working time.

In a report filed July 10, 2007, the Human Rights Commission indicated that no employees spent more than 50% of their work time at locations other than official headquarters.