

STATE OF CONNECTICUT

**AUDITORS' REPORT
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 2000**

AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ♦ ROBERT G. JAEKLE

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May 23, 2001

**AUDITORS' REPORT
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 2000**

We have made an examination of the financial records of the Commission on Human Rights and Opportunities for the fiscal years ended June 30, 1999 and 2000. This report on that examination consists of the Comments, Condition of Records, Recommendations and Certification, which follow.

Financial statement presentation and auditing have been done on a Statewide Single Audit basis to include all State agencies. This audit has been limited to assessing the Commission's compliance with certain provisions of financial related laws, regulations, contracts and grants and evaluating the Commission's internal control structure policies and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The Commission on Human Rights and Opportunities (CHRO) operates primarily under the provisions of Chapter 814c, Sections 46a-51 through 46a-104 of the General Statutes. Its principal duty is to enforce State laws prohibiting discrimination in employment, housing, credit, and public accommodations. The CHRO investigates all discrimination complaints and attempts to correct any violation it finds through conciliation, public hearing, or court action. It also enforces laws regarding affirmative action and contract compliance of Connecticut State agencies. The CHRO functions through a central office and four regional offices that accept and investigate civil rights complaints. The central office is located in Hartford and the regional offices are currently located in Hartford, Norwich, Bridgeport, and Waterbury.

Members of the Commission and Officials

Pursuant to Section 46a-52 of the General Statutes, the Commission consists of nine members. Five Commission members are selected by the Governor and are appointed for five-year terms. One of the five is appointed as the chairperson. The President Pro Tempore of the Senate, Minority Leader of the Senate, Speaker of the House of Representatives and Minority Leader of the House of Representatives each appoint one member for a three year term.

The Commissioners serve without compensation except when conducting public hearings, in accordance with Section 46a-57, of the General Statutes. The Commissioners are allowed to incur reasonable expenses including educational training and necessary stenographic and clerical help in the course of serving on the Commission. As of June 30, 2000, the following were Commission members:

Amalia Vazquez Bzdyra, Esquire, Chairperson
Jane L. Glover, Deputy Chairperson
Benjamin F. Rhodes, Jr., Secretary
Vivien Blackford
Julia Powell O'Brien
Roger Vann
Andrew M. Norton
Edith Pestana
Vacancy

In addition to the above, the following also served on the Commission during the audited period.

Nicholas A. Cioffi
George M. Gomes
Dennis King
Richard A. Robinson
Jonathan S. Tobin
Russell C. Williams

A commission-appointed executive director implements the Commission's policies. Mr. Louis Martin served as Executive Director from January 16, 1991 through July 14, 1998. Mr. Jewel Brown and Ms. Valeria Caldwell-Gaines served as interim co-acting Executive Directors from July 20, 1998 through September 10, 1998. Mr. Jewel Brown then served as Acting Executive Director from September 10, 1998 through March 11, 1999. Ms. Cynthia Watts-Elder was appointed as Acting Executive Director from March 15, 1999 through July 23, 1999 at which time she was appointed the Executive Director and served in this position for the remainder of the audit period.

RÉSUMÉ OF OPERATIONS:

Significant Legislation:

Public Act 98-245 allows the Governor to appoint seven human rights referees for three year terms to conduct authorized hearings. These human rights referees are full time employees with applicable fringe benefits. The budget for the human rights referees is a separate line item within the budget of the CHRO.

General Fund Receipts and Expenditures:

General Fund receipts totaled \$1,510,354 and \$1,098,346 for the fiscal years ended June 30, 1999 and 2000, respectively, as compared to \$764,573 for the fiscal year ended June 30, 1998. The increase in receipts over fiscal year ended June 30, 1998 is primarily due to vouchers for \$905,000 not being submitted and paid by the United States Equal Employment Opportunity Commission (EEOC) until the 1998-1999 fiscal year. Receipts consisted primarily of Federal aid from Federal Housing and Urban Development (HUD) agreements and EEOC agreements. Under these agreements, CHRO was paid a fixed fee per case processed; for instance, CHRO received \$500 for each EEOC case processed. There were contract increases from both HUD and EEOC for the audited period.

A summary of General Fund expenditures for the fiscal years ended June 30, 1999 and 2000, as compared with June 30, 1998, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Budgeted Accounts:	\$	\$	\$
Personal services	4,517,899	5,059,847	5,956,909
Contractual services	621,932	701,456	573,175
Commodities	55,328	72,666	90,216
Sundry charges	120	540	3,450
Equipment			1,487
Total Budgeted Accounts	<u>5,195,279</u>	<u>5,834,509</u>	<u>6,625,237</u>
Restricted Contributions Accounts:	<u>117,735</u>	<u>32,184</u>	<u>57,519</u>
Totals	<u>\$5,313,014</u>	<u>\$5,866,693</u>	<u>\$6,682,756</u>

Personal services costs increased by \$541,948 (12 percent) during fiscal year 1998 – 1999 and \$897,062 (18 percent) during fiscal year 1999 – 2000. As noted in the “Significant Legislation” section of this report, these increases were primarily due to the appointment of seven referees by the Governor. Prior to January 1999, part-time hearing officers who were compensated on a per diem basis filled these positions. As of January 1999, the newly appointed full-time referees were compensated at a substantially higher cost.

PROGRAM EVALUATION:

Under the provisions of Section 2-90 of the General Statutes the Auditors of Public Accounts are authorized to perform audits of programs and activities. We reviewed the inventory of cases and the applicable procedures for our program evaluation.

Section 46a-83(d) of the General Statutes requires that a finding of reasonable cause or no reasonable cause be issued on all discriminatory practice complaints (except housing complaints) within 190 days of the date of filing. The Executive Director or her designee may issue up to two three-month extensions of the investigation for good cause shown. The time frame, which is advisory not mandatory, begins at the time a complaint is retained following a merit assessment review. If a complaint is dismissed, the complainant may request a reconsideration of the dismissal through an in-house appeal or the dismissal may be appealed in superior court. In addition, a complainant may also request a release of jurisdiction if the complaint is still pending 210 days from the date of filing. This release allows the complainant to file a civil action in lieu of pursuing the administrative complaint.

As of June 30, 1999 there were a total of 1,371 pending cases of which 929 cases were unassigned and 442 cases were assigned to investigators. As of June 30, 2000 there were a total of 1,397 pending cases of which 835 cases were unassigned and 562 cases were assigned to investigators. Total pending cases increased by 26 (1.8 percent), unassigned cases decreased by 94 (10.1 percent) and assigned cases increased by 120 (27.1 percent). The unassigned cases were served and awaiting an answer from the respondent or under merit assessment review to determine whether there was reasonable cause for the complaint to proceed.

Our review disclosed there are documented procedures that are governed by statutes for the processing and possible appeals of all complaints received by the CHRO. These procedures are strictly followed. To assist in the monitoring of the processing of the complaints, there is a computer data base system, which is known as the Complaint Tracking System (CTS). The CTS is used to generate weekly reports of all complaints. Commission managers review these reports. On an annual basis, the CHRO prepares a report to the Judiciary Committee of the General Assembly. This annual report details the number of cases that exceed the statutory time frame, the reasons they exceeded the time frame and the necessary recommendations for the CHRO to meet the statutory time frame. For the fiscal year ended June 30, 2000, there were 114 cases (14 percent) that exceeded the statutory time frame for the processing of the complaints. The reasons for the delays included staff turnover that resulted in an insufficient number of investigative staff and inadequately trained staff. Legislative proposals were submitted to the Judiciary Committee to address these areas and improve the processing of complaints.

Complaints received at the CHRO for the period reviewed appeared to be adequately monitored. In addition, the processing and monitoring procedures that are in place over complaints filed at the CHRO appear to be sufficient to ensure that all complaints are adequately addressed.

CONDITION OF RECORDS

Our examination of the financial records of the Commission on Human Rights and Opportunities revealed the following areas that warrant comment.

Errors in the Automated Personnel System:

<i>Criteria:</i>	The Automated Personnel System (APS) should reflect accurate information on all employees.
<i>Condition:</i>	<ol style="list-style-type: none">1. We noted five employees out of a sample size of 40 transactions (12.5 percent) with erroneous pay rates.2. We scanned the APS computer files and noted other employees that were not part of our sample selection with erroneous pay rates.3. We scanned the APS computer files and noted other employees that were not part of our sample selection that had erroneous start dates.
<i>Effect:</i>	Information on employees in the APS could not be relied upon.
<i>Cause:</i>	The reasons for these conditions could not be determined.
<i>Recommendation:</i>	The Automated Personnel System data files should be thoroughly reviewed and all discrepancies promptly corrected. (See Recommendation 1.)
<i>Agency Response:</i>	“The agency has hired a temporary Personnel Officer 2 to assist in reviewing and correcting the automated personnel system.”

Cash Receipts:

- Criteria:* Section 4-32 of the Connecticut General Statutes requires that receipts totaling \$500 or more must be deposited within 24 hours and that receipts totaling less than \$500 must be deposited within seven days.
- Condition:* One receipt dated September 15, 1999 and received around October 25, 1999 in the amount of \$270 was deposited late on November 16, 1999.
- Effect:* The Commission was not in compliance with the seven-day deposit provision of Section 4-32 of the Connecticut General Statutes. On January 10, 2001 we brought this matter to the attention of the Governor and other State Officials as required by Section 2-90 of the Connecticut General Statutes.
- Cause:* The receipt was held for several days until a department head returned to the office.
- Recommendation:* The Commission should make extra efforts to comply with Section 4-32 of the Connecticut General Statutes. (See Recommendation 2.)
- Agency Response:* “The agency acknowledges that this receipt was held in the Legal department by the manager(s) of the unit for several days prior to processing to the Business Office. The agency understands the importance of timely deposits and will adjust its procedures as necessary.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Commission should comply with Sections 4-213 and 3-117 of the General Statutes by executing written agreements with personal service contractors. No instances of personal service contractors being hired without the execution of personal service agreements were noted during our test of expenditures. The recommendation is not repeated in this report.
- The Commission should comply with Section 4-32 of the General Statutes. We noted one cash receipt that was not deposited within the time limits specified by Section 4-32 of the General Statutes. This matter will be repeated as Recommendation 2 below.
- The Commission should institute a tracking system for all EEOC contracts and bill for all grant and contract moneys when due. Documented procedures have been established to track EEOC contracts and bill for all moneys when due. This matter is not repeated in this report.

Current Audit Recommendations:

- 1. The Automated Personnel System data files should be thoroughly reviewed and all discrepancies promptly corrected.**

Comment:

We noted erroneous pay rates, position titles, status and start dates for employees on the APS.

- 2. The Commission should make extra efforts to comply with Section 4-32 of the Connecticut General Statutes.**

Comment:

We noted one instance in which cash receipts were not deposited within the time frame specified by Section 4-32.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Commission on Human Rights and Opportunities for the fiscal years ended June 30, 1999 and 2000. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grants, and to understanding and evaluating the effectiveness of the Agency's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grants applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the Commission on Human Rights and Opportunities for the fiscal years ended June 30, 1999 and 2000, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial-related audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Commission on Human Rights and Opportunities complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grants and to obtain a sufficient understanding of the internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Compliance:

Compliance with the requirements of laws, regulations, contracts and grants applicable to the Commission on Human Rights and Opportunities is the responsibility of the Commission on Human Rights and Opportunities' management.

As part of obtaining reasonable assurance about whether the Agency complied with laws, regulations, contracts, and grants, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Agency's financial operations for the fiscal years ended June 30, 1999 and 2000, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial or less than significant instance of noncompliance, which is described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

The management of the Commission on Human Rights and Opportunities is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts and grants applicable to the Agency. In planning and performing our audit, we considered the Agency's internal control over its financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Agency's financial operations in order to determine our auditing procedures for the purpose of evaluating the Commission on Human Rights and Opportunities' financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grants, and not to provide assurance on the internal control over those control objectives.

However, we noted certain matters involving the internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that, in our judgment, could adversely affect the Agency's ability to properly record, process, summarize and report financial data consistent with management's authorization, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grants.

A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants or the requirements to safeguard assets that would be material in relation to the Agency's financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to the Agency being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over the Agency's financial operations and over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material or significant weaknesses. However there were no reportable conditions that were a material or significant weakness.

This report is intended for the information of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation shown to our representatives by the Commission on Human Rights and Opportunities personnel during the course of our examination.

Wendell M. Hinds
Auditor II

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

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