

STATE OF CONNECTICUT

**AUDITORS' REPORT
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 AND 2004**

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

Table of Contents

INTRODUCTION	1
COMMENTS	1
Foreword.....	1
Members and Officials of the Commission on Human Rights and Opportunities ..	1
Martin Luther King Jr. Holiday Commission	2
Human Rights Referees	3
Recent State Legislation	3
Résumé of Operations.....	4
General Fund Receipts and Expenditures	4
Program Evaluation	5
CONDITION OF RECORDS	9
Late Deposit.....	9
Lack of Federal Receivable Ledgers.....	9
Federal HUD “Partnership Initiative” Funds Not Expended.....	10
Unauthorized Prepayments of Expenditures.....	11
Competitive Bids not Obtained.....	12
Property Control Issues.....	13
Martin Luther King Jr. Holiday Commission Failure to Report to Governor	14
Affirmative Action and Contract Compliance Reports Not Submitted.....	15
Regional Manager Transferred to Central Office	16
Excessive Use of Administrative Leave with Pay	18
Unauthorized Overtime Payments	19
RECOMMENDATIONS	21
CERTIFICATION	25
CONCLUSION	27

October 13, 2006

**AUDITORS' REPORT
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 AND 2004**

We have made an examination of the financial records of the Commission on Human Rights and Opportunities for the fiscal years ended June 30, 2003 and 2004. 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 Connecticut General Statutes. Its principal duty is to enforce State laws prohibiting discrimination in employment, housing, credit, and public accommodations through civil and human rights law enforcement. 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 in Hartford and four regional offices in Hartford, Norwich, Bridgeport, and Waterbury.

Members and Officials of the Commission on Human Rights and Opportunities:

Pursuant to Section 46a-52 of the General Statutes, the Commission on Human Rights and Opportunities consists of nine members. Five Commission members are selected by the Governor and are appointed for five-year terms. One of the five Commissioners is appointed as the

Auditors of Public Accounts

chairperson. The President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives each appoints one member for a three-year term. The Commissioners serve without pay, but are allowed to incur reasonable expenses in the course of serving on the Commission. As of June 30, 2004, the following members served on the Commission:

Amalia Vazquez Bzdyra, Chairperson
Benjamin Rhodes, Secretary
Esther Armand
Debra M. Borrero
James Griffin
Edward Mambruno
George A. Marshall
Andrew M. Norton
Edith Pestana

The Commission appoints the executive director of the CHRO. During the audited period, Cynthia Watts-Elder served as Executive Director until her resignation on August 28, 2003. Raymond Pech served as interim Executive Director until August 16, 2004, when R. Hamisi Ingram was appointed Executive Director.

Martin Luther King Jr. Holiday Commission:

Section 10-29b of the General Statutes established the Martin Luther King Jr. Holiday Commission (MLK Commission). The MLK Commission is obligated, among other mandates, to ensure the commemoration of the birthday of Martin Luther King Jr. in the State is meaningful and reflective of the spirit of his life and death. The MLK Commission consists of 19 members, 11 appointed by the Governor and eight by the General Assembly leadership. The CHRO serves as the secretariat for the MLK Commission. As of June 30, 2004, the following members served on the MLK Commission:

Dennis J. King, Chairperson
Carol Anderson
Elizabeth W. Brown
Sarah Diaz
William L. Dixon
Michael F. Doyle
Reverend Carlton J. Giles
Reverend King T. Hayes
Adele Kusnitz
Benjamin F. Rhodes, Jr.
Mark S. Robinson

There were eight vacancies on the MLK Commission as of June 30, 2004.

Human Rights Referees:

Section 46a-57 of the General Statutes allows the Governor to appoint human rights referees, with the advice and consent of both houses of the General Assembly, to conduct settlement negotiations and authorized hearings. Human rights referees serve for a term of three years. The Executive Director designates one human rights referee to serve as the Chief Human Rights Referee for a term of one year. As of June 30, 2004, the following persons served as human rights referees within the CHRO:

David S. Knishkowy, Chief Referee
Gordon Allen
Jon P. FitzGerald
Leonard Trojanowski
Donna M. Wilkerson

Recent State Legislation:

Public Act 02-7 of the May Special Session eliminates the requirement that the CHRO's chief human rights referee and each full-time referee receives the same salary as family support magistrates, and the fringe benefits available to other State employees. The Act eliminates the requirements that the budget for human rights referees be a separate line item within CHRO's budget and expands the duties of the human rights referees to negotiate settlements. The Act also eliminates the requirement that the CHRO Commissioners receive \$125 per day for each day spent conducting hearings.

Public Act 02-53 adds CHRO members and employees to the list of Federal, State and local employees whose home addresses State and local agencies cannot disclose to the public. Their business addresses remain open to disclosure.

Public Act 02-91 establishes a new, alternative process for disposing of allegations of retaliation filed by employees of the State, quasi-public agencies, and large state contractors who have made whistleblower complaints against their employers. It requires the chief human rights referee to adopt regulations that establish the procedure for filing complaints and noticing and conducting hearings under the new process. Finally, it creates a rebuttable presumption that any personnel action taken or threatened against an employee who makes a whistleblower complaint is retaliatory if it occurs within one year of the complaint.

Public Act 03-6 of the June Special Session eliminates the CHRO's power and duty to employ a commission counsel who is exempt from the State Personnel Act. Instead, it gives the CHRO the power and duty to employ legal staff that would be covered by the State Personnel Act.

Public Act 03-143 permits, instead of requires, the CHRO to adopt regulations to establish procedures and standards for alternative dispute resolution in connection with discriminatory employment practice complaints.

Public Act 03-151 requires CHRO and the Permanent Commission on the Status of Women to provide at least 10 hours of annual training in State and Federal discrimination laws and internal discrimination investigation techniques to all State agency affirmative action officers and to the Attorney General's designees.

Public Act 04-02 of the May Special Session increased the number of human rights referees from five to seven beginning July 1, 2004.

RÉSUMÉ OF OPERATIONS:

General Fund Receipts and Expenditures:

General Fund receipts totaled \$1,237,069 and \$775,587 for the fiscal years ended June 30, 2003 and 2004, respectively, as compared to \$1,092,567 for the fiscal year ended June 30, 2002. Receipts consisted primarily of Federal aid received under cooperative agreements with the Department of Housing and Urban Development (HUD), and with the Equal Employment Opportunity Commission (EEOC). Under these agreements, the CHRO is paid a fixed fee of \$1,800 for each HUD case, and \$500 for each EEOC case, up to a maximum number of cases each fiscal year. The CHRO also receives additional funds from EEOC for training, and from HUD for training, administrative costs, special enforcement and “partnership initiatives” efforts. The decrease in Federal receipts in fiscal year ended June 30, 2004, as compared to fiscal year ended June 30, 2003, is attributable in large part, to the timing of receipt of Federal funds and is particularly true for the EEOC agreement because receipts are based on Federal budget approval and the level of funding. Federal awards totaled \$1,176,400 for fiscal year ended June 30, 2003, and \$1,086,841 for fiscal year ended June 30, 2004.

A summary of General Fund expenditures for the fiscal years ended June 30, 2003 and 2004, as compared with June 30, 2002, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
Budgeted Accounts:	\$	\$	\$
Personal services	6,242,955	5,757,223	5,052,471
Contractual services	584,745	495,338	397,603
Commodities	85,708	74,111	60,644
Sundry charges	(6,940)	0	59,773
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Budgeted Accounts	6,906,468	6,326,672	5,570,491
Restricted Contributions Accounts:	<u>48,742</u>	<u>45,780</u>	<u>67,745</u>
Totals	<u>\$6,955,210</u>	<u>\$6,372,452</u>	<u>\$5,638,236</u>

Overall expenditures decreased by \$1,316,974 during the audited period. Most of this decrease was in personal services, which declined by \$1,190,484 (19 percent) over June 30, 2002 levels, and represents, primarily, a reduction of 22 full-time filled positions as of June 30, 2004, over fiscal year ended June 30, 2002. As of June 30, 2004, the Commission had 83 full-time filled positions.

PROGRAM EVALUATION:

In accordance with Section 2-90 of the Connecticut General Statutes, audits conducted by the Auditors of Public Accounts may include an examination of performance in order to determine an agency's effectiveness in achieving expressed legislative purposes. Our audit of the Commission on Human Rights and Opportunities for the fiscal years ended June 30, 1999 and 2000 included a program evaluation of the inventory of cases and the procedures for handling complaints of workplace discrimination. At that time, we concluded that the processing and monitoring procedures in place were sufficient to ensure that all complaints were adequately addressed. We have conducted another evaluation of this area because, since making that conclusion, the number of total cases outstanding, and the percentage of cases exceeding the statutory timeframe for determination of whether there is reasonable cause to believe discrimination has taken place, have increased substantially.

Any complaint filed with the Commission may go through as many as three phases before resolution. Phase One begins when an employee, or "complainant", files a complaint within 180 days of the date of the alleged discriminatory act. The CHRO has twenty days to forward a copy of the complaint and to draft questions to the employer, or "respondent", who has 45 days to respond to the CHRO. Within the next 90 days after receiving this response, a human rights representative must conduct a "merit assessment review" (MAR) to determine if the case should be dismissed or retained for further action (i.e., mandatory mediation, fact-finding conference, complete investigation, or any combination thereof). If the case is dismissed, the complainant can request a reconsideration. If the case is retained, either initially or due to reconsideration, it goes on to Phase Two. Note the above time frame and merit assessment review process applies to complaints of employment discrimination and not to complaints of discrimination in housing cases.

In Phase Two, as required by Section 46a-83, subsection (d), of the General Statutes, a human rights investigator has 190 days, with two three-month extensions if necessary for a total of 370 days, to conclude if there is reasonable cause to believe discrimination has occurred. If reasonable cause is not found, the complaint is dismissed. (The complainant may also request reconsideration if no reasonable cause is found.) If reasonable cause is found, the parties will attempt to reconcile within the next 50 days. If that fails, the case goes on to Phase Three, the public hearing phase.

In Phase Three, a human rights referee must be assigned within 45 days of a case being certified for public hearing. There is no statutory timeframe for the trial portion of the public hearing phase; however, within 90 days of its conclusion the human rights referee must issue a written decision determining if discrimination has occurred and any remedies to be imposed. If a case is dismissed, the losing party has 45 days to file an appeal with the Superior Court.

As noted above in Phase Two, Section 46a-83, subsection (d), of the General Statutes requires a finding of reasonable cause or no reasonable cause (except for housing complaints) no later than 190 days from the date of MAR determination but permits the Executive Director to issue up to two three-month extensions for a total of 370 days, after which, the statutory timeframe has been exceeded. In accordance with Section 46a-82e, subsection (b), of the General Statutes, the CHRO reports to the Judiciary Committee the number of cases exceeding the statutory timeframe, the reasons for failure to comply, and the recommendations for legislative action, if any, necessary to meet the statutory timeframe. We reported in our last program evaluation of this area that, for fiscal

year ended June 30, 2000, 14 percent of the 823 investigations completed during that fiscal year exceeded 370 days. For fiscal year ended June 30, 2005, the CHRO reported that 49 percent of the 1,032 investigations completed exceeded 370 days. We reviewed the reports submitted to the Judiciary Committee since the fiscal year ended June 30, 2000 and found that the percentage of investigations completed within 190 days has been steadily decreasing while the percentage of investigations exceeding 370 days has been steadily increasing.

The CHRO cites several factors for the increase in the percentage of cases exceeding the statutory timeframe. One factor cited is the need for more human rights representatives. Staffing issues have been cited in all of the CHRO's reports over the last several fiscal years, with some justification. The CHRO experienced a reduction of 29 positions in its overall staffing from fiscal year ended June 30, 2000 to June 30, 2003, from a high of 110 full-time filled positions to a low of 81 positions. As of June 30, 2000, the CHRO had 29 full-time human rights representatives. As of June 30, 2003, that number was down to 20. Recently hired staff, however, has increased the CHRO's full-time filled positions to 90 as of June 30, 2005, including 31 human rights representatives.

The number of total outstanding cases has increased significantly since our last review of this area. As of June 30, 2000, 1,397 cases were outstanding. As of April 4, 2006, 2,193 cases were outstanding, an increase of about 57 percent. We aged these cases and found that 67 percent are less than one year old, 25 percent are between one and two years old, five percent are between two and three years old, and the remaining three percent are more than three years old. The oldest outstanding case, as of April 4, 2006, is eight years old.

In 1999, the Legislative Program Review and Investigations Committee (LPRIC) issued a report on the CHRO that contained thirteen recommendations, most of which have been implemented. However, at the time of our review, some key recommendations that could have a positive impact on the statutory timeframe, have not been implemented or have only recently been implemented. These include a recommendation that the CHRO formally separate the mediation and investigations components in the regions and establish clear and consistent policies on mediation activities. The LPRIC report also recommended that the CHRO conduct a formal evaluation of the current training curriculum and an assessment of its training needs. Full implementation of this recommendation began recently in December 2005 with the hiring of a training manager. The report also recommended that the CHRO proceed with a plan to request additional personnel, a recommendation that was considered implemented at one point but has resurfaced.

Criteria: Section 46a-83, subsection (d), of the Connecticut General Statutes requires a finding of reasonable cause or no reasonable cause with respect to a complaint of workplace discrimination, within 190 days from the date of the Merit Assessment Review (MAR) determination. The Executive Director may grant no more than two extensions of three months each for a maximum of 370 days.

Condition: Based on the CHRO's reports to the Judiciary Committee for the last several fiscal years, the percentage of investigations exceeding 370 days

has been steadily increasing. Almost half of the investigations closed during fiscal year ended June 30, 2005, exceeded the maximum 370 days allowed.

The Legislative Program Review and Investigations Committee's 1999 report on the CHRO recommended the formal separation of the roles of mediation and investigations, an active training curriculum, and that the CHRO proceed with a plan to request additional staff resources. These recommendations have not been fully implemented at the time of our fieldwork.

Effect: Generally, the longer it takes to make a determination of reasonable cause or no reasonable cause that a discriminatory act has occurred, the more time it will take to resolve a complaint of alleged workplace discrimination.

Cause: The Commission on Human Rights and Opportunities has experienced a substantial reduction in personnel over the last several fiscal years. In addition, the CHRO has not fully implemented some of the recommendations made by the Legislative Program Review and Investigations Committee in 1999.

Recommendation: The Commission on Human Rights and Opportunities should take steps to comply with Section 46a-83, subsection (d), of the Connecticut General Statutes by improving its performance in completing determinations of reasonable cause or no reasonable cause in cases of alleged workplace discrimination. (See Recommendation 1.)

Agency Response: "Compliance with this recommendation is contingent upon DAS and OPM approval of staff for CHRO to return the agency to full strength to timely process all complaints and other operational activities. In 1999, as noted in the audit, the Legislative Program Review and Investigations Committee (LPRIC) recommended that the agency seek additional staff to keep up with our caseload. The agency made such requests regularly. Unfortunately, in lieu of approval to refill vacant positions and increase the authorized position count, the agency was subject to a hiring freeze (throughout the reporting period), layoffs and an early retirement program (2003), all of which severely impacted operations. One result was a disbanding of the Contract Compliance Unit altogether, and a reduction in staff on the State agency affirmative action review component. The agency is only recently beginning to recover from the effects of those early retirements and layoffs. The Affirmative Action and Contract Compliance Unit has been reestablished, and we recently hired a Hearings Adjudicator to begin the process of separating mediations from the investigative process. With refills of vacancies in the investigative units and the anticipation of additional staff, the current pending caseload should diminish.

Currently the agency is approximately 30 persons undermanned based upon its 1999 strength and caseload. New training methodologies have been developed to upgrade the skills of intake officers and investigators. However, outreach programs and continuing unlawful practices ensure that the complaint levels will remain in a growth mode. The addition of an adjudicator will assist in making the process a bit swifter as an outcome. Still needed are additional investigators, intake staff, another adjudicator, a second assistant executive director (responsible for enforcement) and a second supervisor for the Affirmative Action/Contract Compliance unit. Only then can we be confident of full compliance with Section 46a-83(d) of the General Statutes.”

CONDITION OF RECORDS

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

Late Deposit:

<i>Criteria:</i>	Section 4-32 of the Connecticut General Statutes requires agencies to deposit amounts of \$500 or more within 24 hours of receipt.
<i>Condition:</i>	The CHRO did not deposit a check, in the amount of \$1,021, until two days after receipt.
<i>Effect:</i>	Section 4-32 of the Connecticut General Statutes was not complied with.
<i>Cause:</i>	Evidently, the employee who takes the deposit to the bank was out sick and no one else was available to make the deposit within the required 24 hours.
<i>Recommendation:</i>	The Commission on Human Rights and Opportunities should comply with Section 4-32 of the Connecticut General Statutes. (See Recommendation 2.)
<i>Agency Response:</i>	“Due to the absence of a staff member, an untimely deposit was made as noted. The agency has implemented new procedures to ensure that deposits are made in a timely manner. In the event that the assigned staff person is performing other duties or is otherwise unavailable, other staff will make deposits.”

Lack of Federal Receivable Ledgers:

<i>Criteria:</i>	The State Comptroller’s State Accounting Manual requires agencies to establish receivable ledgers for Federal grants and contracts.
<i>Condition:</i>	The CHRO does not maintain Federal receivables ledgers for its cooperative agreements with the Department of Housing and Urban Development and with the Equal Employment and Opportunities Commission.
<i>Effect:</i>	Internal control over Federal receivables was potentially lessened.
<i>Cause:</i>	The cause was not determined.
<i>Recommendation:</i>	The Commission on Human Rights and Opportunities should establish receivable ledgers for its Federal cooperative agreements with the Department of Housing and Urban Development and the Equal

Employment Opportunities Commission. (See Recommendation 3.)

Agency Response: “The agency has never documented the deposits in a Federal grants and contracts ledger but has maintained EEOC records that are used to verify the Federal receivables. Additionally, all deposits are automatically transferred from EEOC/HUD into the Core People Soft Program financial ledgers, therefore ensuring accountability and accuracy in the deposits and recording of said deposits. As a result of this audit finding, the agency has now implemented a new Federal receivable ledger.”

Federal HUD “Partnership Initiative” Funds not Expended:

Criteria: The Commission on Human Rights and Opportunities’ cooperative agreement with the Federal Department of Housing and Urban Development (HUD) for fiscal years ended June 30, 2003 and 2004 included “Partnership Initiative” funds in the amount of \$27,947 and \$43,000, respectively, which can be used to carry out the provisions of the fair housing laws, such as contracting with public or private organizations to assist in completing an investigation, hiring temporary staff to reduce the number of aged cases, purchasing equipment for use by investigators, and assigning funds to state attorney generals’ offices to support litigation. Before the funds can be spent, HUD requires the CHRO to submit a “Statement of Work”.

Condition: The Commission on Human Rights and Opportunities did not submit a “Statement of Work” grant application to HUD to receive approval to expend the “Partnership Initiative” funds during the fiscal years ended June 30, 2003, and 2004.

Effect: Available Federal funds to carry out the objectives of the CHRO were not utilized.

Cause: The cause, apparently, was a lack of staff in the “Special Enforcement Unit” needed to prepare a “Statement of Work” to HUD.

Recommendation: The Commission on Human Rights and Opportunities should apply for Partnership Initiative funds when such funds are included in its cooperative agreement with the Department of Housing and Urban Development. (See Recommendation 4.)

Agency Response: “The HUD/FHAP (Fair Housing Assistance Program) Cooperative Agreements in place for the referenced years included an option to apply for “SEE” (Special Enforcement Efforts) funds and “Partnership Initiative” (PI) funds. HUD requires an approved statement of work from the FHAP before they are released. For 2001 through 2003 a

housing testing program through a private non-profit organization was funded through an approved application of SEE funds. The services provided did not meet CHRO's expectations and the program was not renewed.

A retired experienced investigator was brought back to work on pending housing cases and her salary was paid with HUD administrative cost funds. She worked the maximum time allowed under the retiree program for three calendar years, ending December 31, 2002. The use of SEE funds or PI funds would also have been appropriate to pay her salary. In addition, PI or administrative funds were utilized during this review period to purchase three computers and a state-of-the-art digital camera to assist in investigations. Lack of sufficient staffing to devote to non-case processing activities in the housing unit prevented the agency from taking on large projects in house that could have been funded through PI funds.

Due to Federal budget constraints, for the last two fiscal years there have been no SEE or PI funds available. If they are restored, the Commission will make every effort to utilize them."

Unauthorized Prepayments of Expenditures:

- Criteria:* Section 3-117 of the Connecticut General Statutes requires agencies to support each claim against the State with vouchers showing the items of such claim. The State Comptroller's State Accounting Manual requires that all payments be made from an original vendor invoice. Section 4-89, subsection (b), of the Connecticut General Statutes states that all unexpended balances of appropriations shall lapse at the end of the period for which they have been made.
- Condition:* The CHRO processed two expenditures, in the amounts of \$1,500 and \$700, at the end of fiscal year ended June 30, 2003, that were "estimated" payments made in advance of the receipt of the vendor invoices. The \$1,500 advance payment was for monthly legal database services and the \$700 advance payment was for electric utility usage to the lessor of the Bridgeport regional office.
- Effect:* Section 3-117 of the Connecticut General Statutes and the State Comptroller's State Accounting Manual were not complied with. The appropriation lapsing provisions of Section 4-89, subsection (b), of the General Statutes were circumvented.
- Cause:* The cause, apparently, was to avoid lapsing of these funds during the fiscal year ended June 30, 2003.
- Recommendation:* The Commission on Human Rights and Opportunities should comply with Sections 3-117 and 4-89, subsection (b), of the Connecticut

General Statutes, and the State Accounting Manual, when processing expenditures. (See Recommendation 5.)

Agency Response: “The agency acknowledges that this audit finding is accurate. The cause of the unauthorized prepayment of expenditures was attributed to several factors: The previous Business manager had already departed from the agency, and as a result CHRO was without fiscal supervision or experienced staff who were familiar with the General Statutes and lapsing appropriations. The staff member who processed the two vouchers was attempting to process all invoices in a timely manner and as a result was remiss in verifying procedures prior to processing two estimated payments for ongoing services.

The current Business manager has informed the staff of the mandates covered in the State Accounting Manual and the General Statutes. Staff has been advised that all vouchers must be prepared after receipt of actual, not estimated, invoices.”

Competitive Bids not Obtained:

Criteria: The Department of Administrative Services’ General Letter 71 requires agencies to obtain, when possible, at least three written quotations or bids (utilizing Form STO-93) for purchases that are over \$2,500, but not greater than \$10,000. Section 4-214, subsection (a), of the General Statutes requires that each personal service agreement executed having a cost of not more than twenty thousand dollars, and a term of not more than one year shall be based, when possible, on competitive negotiation or competitive quotations.

Condition: In conjunction with an “award ceremony/gala” held on August 20, 2005, the CHRO paid \$4,239 to a hotel for meals, parking, and ballroom rental, without obtaining at least three written quotations or bids and documenting them on the STO-93 form. The CHRO also entered into a personal services agreement for live music for the event in the amount of \$3,000 without entering into competitive negotiations or obtaining competitive quotations as required by Section 4-214, subsection (a), of the Connecticut General Statutes. The total expenditures for the event were \$11,050 of which ticket sales totaled \$4,334, leaving a net General Fund expenditure of \$6,716.

Effect: The purchasing requirements of DAS General Letter 71 were not complied with, which is a violation of purchasing authority. Section 4-

214, subsection (a), of the Connecticut General Statutes was not complied with.

Cause: It appears the CHRO did not allow enough time for bids or solicitations to be obtained and documented as required.

Recommendation: The Commission on Human Rights and Opportunities should comply with Department of Administrative Services' General Letter 71 when procuring goods or services and with Section 4-214 subsection (a) of the Connecticut General Statutes when entering into personal services agreements. (See Recommendation 6.)

Agency Response: "With respect to a site for the event, the agency attempted to obtain several bids. However, most sites responded with brochures indicating what services were offered, rather than a specific proposal for the event. These were pre-packaged materials that are available to all inquirers. In the future the agency will work more closely with potential vendors to insure that at least three specific proposals are submitted in compliance with General Letter 71.

Entertainment is unique to the performers, and therefore presents a more unique problem. While the agency is familiar with section 4-214 of the statutes, it now understands that, while employment of a speaker would likely be considered as a sole source provider, the auditors view musical entertainment in a different light, and believe that an attempt to obtain competitive bids from qualified providers should be made. The Commission will comply with this recommendation and any future bookings of entertainment will take into consideration competitive bids from a minimum of three sources in the future."

Property Control Issues:

Criteria: The State of Connecticut Property Control Manual requires all State agencies to submit a Fixed Assets/Property Inventory Report (CO-59) on or before October 1st, reflecting the sum total of the physical inventory as of June 30th. Good internal control procedures require changes in the physical inventory to be properly recorded in the records.

Condition: Internal control over inventory of property was poor during the fiscal years audited. Additions to the CO-59 Fixed Assets/Property Inventory Report did not agree with the amount reported by the State Comptroller as capital expenditures, for fiscal year ended June 30, 2003, by \$113,927. Equipment, with an original value of \$20,053, was not reported stolen to the State Comptroller until nine months after the date of loss. The CHRO reported "controllable" items, in the amount of \$22,055, as capitalized items, on the CO-59, as of June 30, 2004.

Effect: Property of the State was not adequately protected from loss or theft. Incorrect ending inventory amounts were reported on the CO-59 Fixed Assets/Inventory Report to the State Comptroller as of June 30, 2003 and 2004.

Cause: The cause was not determined.

Recommendation: The Commission on Human Rights and Opportunities should comply with all applicable provisions of the State Comptroller's Property Control Manual. (See Recommendation 7.)

Agency Response: "The agency agrees that property control was not documented in accordance with State regulations for the audit period. Due to lack of familiarity with proper procedures, the inventory clerk consolidated all controllable and capitalized equipment into one list and subsequently provided the information to the Business Manager who completed and submitted the CO-59 (Fixed Assets/Property Inventory Report/GAAP Reporting Form). During this audit period, both employees left the agency, therefore it was difficult to reconstruct the events that led to the discrepancy noted in the auditors finding.

According to agency records, several factors affected the totals carried forward and reported in the 2002-2004 reports such as: the purchase of items in one fiscal year which were not reported until a subsequent year due to delays in tagging and physical inventory issues, items that were reported as being surplus but were still on hand, and the loss of other items that went unreported until the new Business Manager assumed the role in April 2004. As a result of the audit finding, the CO-59 for FY 2005 and FY06 will be adjusted to reflect the true capitalized equipment balances and controllable items will be maintained separately."

The loss of inventory was addressed within the first few months of the arrival of the new Executive Director in August 2004. Measures included prevention of non-state entities from utilizing the premises, implementing shrinkage guidelines, implementing security enhancements to prevent theft and requiring proper documentation for inventory that has moved from one location to another."

Martin Luther King Jr. Holiday Commission Failure to Report to Governor:

Criteria: Section 10-29b, subsection (b) (5), of the Connecticut General Statutes, requires the Martin Luther King Jr. Holiday Commission (MLK Commission) to submit a report to the Governor on its findings, conclusions, proposals and recommendations by each September first.

The Commission on Human Rights and Opportunities acts as the secretariat to the MLK Commission.

Condition: The MLK Commission did not submit a report to the Governor during the fiscal years ended June 30, 2003 and June 30, 2004, as required by the General Statute. The MLK Commission apparently has never submitted a report to the Governor.

Effect: The reporting requirement of Section 10-29b, subsection (b) (5), of the Connecticut General Statutes has not been complied with.

Cause: The cause was not determined.

Recommendation: The Martin Luther King Jr. Holiday Commission should submit a report to the Governor, in accordance with Section 10-29b, subsection (b) (5), of the Connecticut General Statutes. (See Recommendation 8.)

Agency Response: “In January 2005, the Martin Luther King (MLK) Commission was reminded about the language/requirements contained in General Statute 10-29b, which states that the MLK Commission is required to submit, by September 1st of each year, a report to the Governor of its findings, conclusions, proposals and recommendations concerning appropriate observances of the memory of Dr. King. Due to the MLK Commission’s inability to meet regularly, such information was neither gathered nor distributed. While the role of CHRO is to serve the MLK Commission as secretariat and consultant, we are merely viewed by the MLK Commission as the secretary/note taker or bill payer.

To this Commission’s knowledge, the MLK Holiday Commission has not submitted information, from which the CHRO could submit an annual report to the Governor, in some time. The CHRO is in a difficult position, as we cannot require accountability from those we do not control. It is recommended by CHRO that the MLK Commission once again hold regular meetings, in which the CHRO could exercise its duties as secretariat, and insure that statutory reporting requirements are met. Other than this solution, it is the responsibility of the MLK Commission to set a date for its report and ensure that it is completed and reported out by September 1st of each year.”

Affirmative Action and Contract Compliance Reports Not Submitted:

Criteria: Section 46a-56, subsection (a) (6), of the Connecticut General Statutes requires the Commission on Human Rights and Opportunities to submit a report annually to the General Assembly concerning State contracts with female and minority business enterprises (the “Contract Compliance” report). Section 46a-68, subsection (f), of the Connecticut General Statutes requires the CHRO to submit a report to the Governor and to the General Assembly on affirmative action plans

of State agencies by April first of each year (the “Affirmative Action” report).

Condition: The CHRO did not submit the “Contract Compliance” report covering the fiscal year ended June 30, 2004, or the “Affirmative Action” report covering the calendar year ended December 31, 2004. The “Affirmative Action” report for the calendar year ended December 31, 2003, was submitted several months late, in October 2004.

Effect: The reporting requirements of Sections 46a-56, subsection (a) (6), and 46a-68, subsection (f), of the Connecticut General Statutes have not been complied with.

Cause: The cause was not determined.

Recommendation: The Commission on Human Rights and Opportunities should comply with the reporting requirements of Section 46a-56, subsection (a) (6), and Section 46a-68, subsection (f), of the Connecticut General Statutes. (See Recommendation 9.)

Agency Response: “The auditor noted that an annual report on contract compliance for small and minority businesses was not produced for the fiscal year 2004, and that an annual report on the State’s affirmative action endeavors for calendar year 2004 was not produced. In January of 2003, the previous Executive Director laid off the entire contract compliance unit. That unit remained essentially inactive until the beginning of 2005, when permission was given by DAS/OPM to hire staff to perform that function. Due to lack of staff from the layoffs and an unforeseen retirement, the annual report on affirmative action for calendar year 2004 was not produced. At this juncture, the Commission plans to include data for calendar year 2004 in the report covering calendar year 2005. Responsibility for these reports has been reassigned to insure compliance in the future.”

Regional Manager Transferred to Central Office:

Criteria: Section 5-239-1(a) (1) of the State Personnel Regulations provides that permanent and temporary transfers within an agency may be made either by the appointing authority for the good of the service or by request of the employee with the approval of the Commissioner of Administrative Services. Section 5-239-1(a) (2) of the State Personnel Regulations provides that permanent transfers within an agency may be made with the approval of the Commissioner of Administrative Services from one organizational unit to another if the position to which

transfer is made is in the same or in a lower salary range and has

requirements as to the knowledge, skill, ability, experience and training substantially the same as the occupied position.

Condition: On November 1, 2004, the Executive Director transferred the Regional Manager of the West Central Region to a non-Regional Manager position at the Central Office without first obtaining approval from the Commissioner of Administrative Services. This transfer was intended to be permanent pending the establishment of a new position for the Regional Manager at the Central Office. At the time of our fieldwork, the Regional Manager retained the Regional Manager's title and salary, while performing in the capacity of a lower-paid Human Rights Representative. The CHRO then assigned an Assistant Commission Counsel II as the "interim Regional Manager" in the West Central region while continuing her employment in a part-time capacity at the Central Office. This action effectively transferred this employee to the Regional Office without DAS approval.

Effect: Established State Personnel Regulations for transferring employees were not followed. The CHRO is paying the salary of a Regional Director's position for the duties of a Human Rights Representative that pays considerably less, is non-managerial in nature, and does not have the same requirements as to knowledge, skill and ability as is required for a transfer of an employee in accordance with State Personnel Regulations. The CHRO is also paying the higher salary of an Assistant Commission Counsel II while she performs the duties of a Regional Manager in a part-time capacity.

Cause: We were informed by the Agency that the transfer was made due to personnel issues at the West Central Region.

Recommendation: The Commission on Human Rights and Opportunities should comply with State Personnel Regulations when transferring employees. (See Recommendation 10.)

Agency Response: "CHRO intended to transfer the Regional Manager from her position in Waterbury to another equivalent managerial position in the Central Office. Once the Regional Manager came to the Central Office, however, she determined that she no longer wanted the intended managerial position.

As noted in the draft audit report, a major reason for the proposed transfer was personnel issues in the West Central office. We did not wish to exacerbate those issues, and tried for many months to convince the Regional Manager to reconsider the equivalent position to which she initially agreed.

The Commission now realizes that the equivalent position should have been established and approved by DAS/OPM before the initial offer was made. The matter has now been reversed and the manager has

been returned to West Central Regional Office.”

Excessive Use of Administrative Leave with Pay:

Criteria: Section 5-240-5a, subsection (f), of the State Personnel Regulations allows agencies to place an employee on administrative leave with pay for a period up to 15 days to permit investigation of alleged serious misconduct that could constitute grounds for dismissal.

Condition: An employee was placed on administrative leave with pay for 24 days, from October 23, 2002 to November 25, 2002, while the agency conducted an investigation.

Another employee was placed on administrative leave with pay for a total of 33 days, in two nonconsecutive periods of 16 and 17 days each. The first 16 day period of administrative leave with pay, from September 9, 2004 to September 30, 2004, was to investigate allegations of misconduct by the employee. The investigation concluded the employee had committed an act of misconduct and the employee was placed on suspension for sixty days without pay beginning October 1, 2004. Before the 60-day suspension had expired on December 29, 2004, however, the CHRO and the employee entered into a stipulated agreement whereby the employee would resign, the 60-day suspension would be reduced to 30 days, and the employee would be placed on another period of administrative leave with pay, from November 16, 2004 until the effective date of her resignation, December 9, 2004.

Three additional employees were placed on administrative leave with pay for a total of 29 days, from February 10, 2006 through March 27, 2006.

Effect: The CHRO did not comply with State Personnel Regulation Section 5-240-5a, subsection (f), with respect to placing the employees on administrative leave with pay for a period not exceeding 15 business days.

Cause: The cause was not determined.

Recommendation: The Commission on Human Rights and Opportunities should comply with Section 5-240a, subsection (f), of the State Personnel Regulations when placing employees on administrative leave with pay. (See Recommendation 11.)

Agency Response: “The Commission does not challenge this finding. While we are familiar with the language of section 5-240-5a(f) of the regulations, it is our understanding that a leave in excess of 15 days is not absolutely

prohibited, depending on the circumstances. Regarding the three instances listed:

- 1) An employee was on AL for 24 days in 2002. She was put out on administrative leave on October 23, and a Loudermill hearing was held on November 25. The investigation involved medical issues and took longer than anticipated to conclude. The employee was terminated.
- 2) The employee who had two nonconsecutive AL periods in 2004 was suspended without pay, at the conclusion of the first leave period (16 days), following a Loudermill hearing. Prior to and during her suspension, the agency discovered evidence of further wrongdoing by the employee. When notified of the likelihood of further disciplinary action, the employee's union initiated talks which resulted in an agreement that the agency would reduce the suspension and return the employee to administrative leave with pay for 17 days, at which point she would resign from state service. This appeared to be the most expeditious way to resolve a difficult situation.
- 3) Three employees were placed on administrative leave beginning on February 10, 2006. They continued on leave until March 27, when they were suspended without pay. In these cases, there were some administrative concerns about the manner in which they were initially placed on administrative leave, thus delaying the investigation. A Loudermill hearing was held on March 3, 2006. Following the hearing, the decision as to appropriate discipline took some time, given the nature of the employees' conduct.

In the future, when placing an employee on administrative leave is necessary, the agency will endeavor to keep such leaves under 15 days. We must remain mindful, however, that, depending on the conduct involved, a thorough investigation of the circumstances may take longer than 15 days.”

Unauthorized Overtime Payments:

- Criteria:* Internal controls should be in place that prevent employees from receiving unauthorized overtime payments.
- Condition:* A payroll clerk was able to input for herself, over a period of several months, 118.5 overtime hours, totaling \$3,997, into the Core-CT Payroll system that were neither recorded nor approved by a supervisor on the payroll clerk's timesheet.
- Effect:* The employee received unauthorized and unapproved overtime payments in the amount of \$3,997.

- Cause:* Internal controls were not in place to prevent the unauthorized overtime from being inputted into the Core-CT system by payroll personnel.
- Recommendation:* The Commission on Human Rights and Opportunities should strengthen internal controls over overtime payments. (See Recommendation 12).
- Agency Response:* “This finding is accurate. In April of 2004, it was discovered that the person serving as the agency’s payroll clerk had been crediting herself, on the Core- CT payroll system, and its predecessor, with one or two hours of unearned overtime every week for a substantial period of time. An investigation was done – by the State Auditor’s Office – and the employee was separated from State service. As soon as this situation was discovered, the interim Executive Director issued an order prohibiting any employee from entering his or her own hours onto the Core-CT system for payroll purposes. Employees in the business office are now cross-trained on several functions. In addition, the agency has taken other proactive steps to ensure that tighter internal controls exist and that all salaries, overtime and other earnings are verified prior to checks being issued by the Comptroller’s Office. The Business Manager now updates a biweekly payroll expenditure data worksheet to reflect all salaries paid to each employee. Overtime and miscellaneous payments are verified for approvals and in the event that any discrepancies occur, these are investigated and acted upon in a timely manner.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Commission should comply with Section 4-32 of the General Statutes, and deposit all cash receipts within the time limits specified by this Section 4-32.

We found another instance of non-compliance with this General Statute and thus we are repeating the recommendation.

- Outstanding obligations should only be committed against available appropriations in accordance with Section 4-98, subsection (a), of the General Statutes.

We did not find non-compliance with this General Statute during the fiscal years audited. Thus, we are not repeating this recommendation.

- Management should review the available caseload and determine whether the number of staff attorneys' positions is more than necessary to efficiently administer the public hearing process.

The CHRO reviewed the current caseload and staff attorneys' positions and has concluded staffing levels are not currently excessive. We are not repeating this recommendation.

Current Audit Recommendations:

1. **The Commission on Human Rights and Opportunities should take steps to comply with Section 46a-83, subsection (d), of the Connecticut General Statutes by improving its performance in completing determinations of reasonable cause or no reasonable cause in cases of alleged workplace discrimination.**

Comment:

Based on reports submitted to the Judiciary Committee for the last several fiscal years, the percentage of investigations exceeding the statutory maximum of 370 days has been steadily increasing. As of June 30, 2005, the percentage was 49 percent. The CHRO has not fully implemented the Legislative Program Review and Investigations Committee 1999 recommendations to formally separate mediation and investigations, establish an active training curriculum, and proceed with a plan to request additional staff resources.

2. **The Commission on Human Rights and Opportunities should comply with Section 4-32 of the Connecticut General Statutes.**

Comment:

The CHRO did not deposit a check, in the amount of \$1,021, until two days after receipt.

3. **The Commission on Human Rights and Opportunities should establish receivable ledgers for its Federal cooperative agreements with the Department of Housing and Urban Development and the Equal Employment Opportunities Commission.**

Comment:

The Commission on Human Rights and Opportunities does not maintain Federal receivables ledgers for its cooperative agreements with the Department of Housing and Urban Development and with the Equal Employment Opportunities Commission.

4. **The Commission on Human Rights and Opportunities should apply for Partnership Initiative funds when such funds are included in its cooperative agreement with the Department of Housing and Urban Development.**

Comment:

The Commission on Human Rights and Opportunities did not submit a “Statement of Work” grant application to HUD to receive approval to expend the Partnership Initiative moneys available during the fiscal years ended June 30, 2003 and 2004.

5. **The Commission on Human Rights and Opportunities should comply with Sections 3-117 and 4-89, subsection (b), of the Connecticut General Statutes, and the State Accounting Manual, when processing expenditures.**

Comment:

The Commission on Human Rights and Opportunities processed two expenditures in the amounts of \$1,500 and \$700 at the end of fiscal year ended June 30, 2003. These expenditures were “estimated” payments made in advance of the receipt of the vendor invoices.

- 6. The Commission on Human Rights and Opportunities should comply with Department of Administrative Services' General Letter 71 when procuring goods or services and Section 4-214, subsection (a), of the Connecticut General Statutes when entering into personal services agreements.**

Comment:

In conjunction with an award ceremony/human rights gala held on August 20, 2005, the CHRO paid \$4,239 to a hotel for meals, parking, and ballroom rental, without soliciting at least three written quotations or bids, as required by General Letter 71. The CHRO also entered into a personal services agreement for live music for the event in the amount of \$3,000 without entering into competitive negotiations or obtaining competitive quotations as required by Section 4-214, subsection (a), of the General Statutes.

- 7. The Commission on Human Rights and Opportunities should comply with all applicable provisions of the State Comptroller's Property Control Manual.**

Comment:

Internal control over inventory of property was poor during the fiscal years audited. Recordkeeping was poor. Additions to the CO-59 differed with the amount reported by the State Comptroller as capital expenditures for fiscal year ended June 30, 2003 by \$113,927. Equipment, with an original value of \$20,053, was not reported stolen to the State Comptroller until nine months later. The Commission reported "controllable" items, in the amount of \$22,055, as capitalized items on the CO-59 as of June 30, 2004.

- 8. The Martin Luther King Jr. Holiday Commission should submit a report to the Governor in accordance with Section 10-29b, subsection (b) (5), of the Connecticut General Statutes.**

Comment:

The Martin Luther King Jr. Holiday Commission did not submit a report to the Governor during the fiscal years ended June 30, 2003, and June 30, 2004, as required by the Section 10-29b, subsection (b), of the General Statutes.

- 9. The Commission on Human Rights and Opportunities should comply with the reporting requirements of Section 46a-56, subsection (a) (6), and Section 46a-68, subsection (f), the Connecticut General Statutes.**

Comment:

The Commission on Human Rights and Opportunities did not submit the "Contract Compliance" report covering the fiscal year ended June 30, 2004, or the "Affirmative Action" report covering the calendar year ended December

31, 2004, as required by the Connecticut General Statutes. The “Affirmative Action” report for the calendar year ended December 31, 2003 was submitted several months late, in October 2004.

10. The Commission on Human Rights and Opportunities should comply with State Personnel Regulations when transferring employees.

Comment:

On or about November 1, 2004, the Executive Director of the CHRO transferred the Regional Manager of the West Central Region to the Central Office, taking away her regional manager duties, without first obtaining approval from the Commissioner of Administrative Services. At the time of our fieldwork, this Regional Manager retained the Regional Manager’s title and salary, while performing in the capacity of a lower-paid Human Rights Representative. This transfer was intended to be permanent pending the establishment of a new position at the Central Office. The CHRO then named an Assistant Commission Counsel II as the “interim Regional Manager” while keeping this employee employed part-time at the Central Office in her non-managerial position. This action effectively transferred this employee to the Regional Office without DAS approval.

11. The Commission on Human Rights and Opportunities should comply with Section 5-240a, subsection (f), of the State Personnel Regulations when placing employees on administrative leave with pay.

Comment:

An employee was placed on administrative leave with pay for 24 days, from October 23, 2002 to November 25, 2002, while the agency conducted an investigation. The CHRO placed another employee on administrative leave with pay for a total of 33 days, in two nonconsecutive periods of 16 and 17 days each during calendar year 2004. Three additional employees of the CHRO were placed on administrative leave with pay for a total of 29 days, from February 10, 2006 through March 27, 2006.

12. The Commission on Human Rights and Opportunities should strengthen internal controls over overtime payments.

Comment:

A payroll clerk was able to input for herself, over a period of several months, 118.5 overtime hours, totaling \$3,997, into the Core-CT Payroll system that were neither recorded nor approved by a supervisor on the payroll clerk’s timesheet.

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, 2003 and 2004. 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, 2003 and 2004 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 auditing standards generally accepted in the United States of America and the standards applicable to financial 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, 2003 and 2004, 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 instances of noncompliance, which are 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. We believe the following findings represent reportable conditions: failure to deposit receipts in a timely manner, noncompliance with Connecticut General Statutes over appropriations and expenditures, poor controls over fixed assets, failure to comply with statutory reporting requirements, failure to follow purchasing regulations, unapproved transfer of employees, excessive use of administrative leave with pay, and poor controls over overtime payments.

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, of the reportable conditions described above, we believe the following reportable conditions to be material or significant weaknesses: noncompliance with Connecticut General Statutes over appropriations and expenditures, failure to follow purchasing regulations, excessive use of administrative leave with pay, and poor control over overtime payments.

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.

Gary P. Kriscenski
Principal Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts