

STATE OF CONNECTICUT



*AUDITORS' REPORT
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, AND 2009*

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

Table of Contents

INTRODUCTION	1
COMMENTS	1
Foreword.....	1
Members and Officials of the Commission on Human Rights and Opportunities ..	2
Martin Luther King Jr. Holiday Commission	2
Human Rights Referees	3
Recent State Legislation	3
Résumé of Operations.....	4
General and Federal Fund Receipts and Expenditures	4
CONDITION OF RECORDS	6
Compliance with the Statutory Timeframes for Making a Finding of Reasonable Cause	6
Annual Affirmative Action Reports and Contract Compliance Reports Not Submitted	7
Performance Assessment and Recognition Forms were not Prepared.....	8
The Commission’s Investigator’s Forms and Procedures Manual Needs to be Updated	9
Property Control.....	10
Records Retention.....	10
Lack of Receipts Journal.....	11
Other Matters	12
RECOMMENDATIONS	13
CERTIFICATION	17
CONCLUSION	20

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AUDITORS OF PUBLIC ACCOUNTS

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

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AUDITORS' REPORT COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES FOR THE FISCAL YEARS ENDED JUNE 30, 2008, AND 2009

We have made an examination of the financial records of the Commission on Human Rights and Opportunities (CHRO) for the fiscal years ended June 30, 2008, and 2009. 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 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 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.

In a typical fiscal year, about 2,200 complaints are filed with the Commission. Eighty-five to ninety percent are employment complaints, about ten percent are housing complaints, and the

remainder involves service, credit, and public accommodations complaints. As of June 24, 2011, 2,613 cases were open. A review of these complaints found the following: 68 cases were filed in calendar years prior to 2006, the oldest filed in 2000, 52 in 2007, 136 in 2008, 433 in 2009, 1,160 in 2010, and 764 in 2011.

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 members are selected by the Governor and are appointed for five-year terms. One of the five commissioners is appointed as the chairperson by the Governor. 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, 2009, the following members served on the Commission:

Andrew M. Norton, Chairperson
Edward Mambruno, Secretary
Cheryl Lynn Clarke
Patricia J. Wrice
Alexia E. Cruz
Milton Johnson
John Lobon
Shelley Copeland
Vacancy

Also serving on the Commission during the audited period:

Larry D. Conaway
Lillian Brown
James Griffin
George A. Marshall
Gloria Mengual

The Commission appoints the Executive Director for a four-year term. Raymond Pech was appointed interim Executive Director in December 2006 and Executive Director on March 9, 2007, and retired on June 1, 2008. Robert Brothers Jr., formerly the Managing Director and Commission Attorney, was appointed Acting Executive Director, and after a national search, was appointed Executive Director on January 13, 2010.

Martin Luther King Jr. Holiday Commission:

Section 10-29b of the General Statutes established the Martin Luther King Jr. Holiday Commission (MLK Jr. Commission). The MLK Jr. Commission is obligated, among other mandates, to ensure that 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 Jr. Commission consists of 19

members, 11 members appointed by the Governor and eight members by the General Assembly leadership. The CHRO serves as the secretariat for the MLK Jr. Commission. As of June 30, 2009, the following members served on the MLK Jr. Commission:

Dennis J. King, Chairman
Diane Paige Blondet
Sarah Diaz
William L. Dixon
Rev. King T. Hayes
Bradford Howard, Jr.
Rodney E. Matthews
Benjamin F. Rhodes, Jr.
Mark S. Robinson
Carol Anderson
Joseph J. Teal
Rev. Carlton J. Giles
Annette Carter
James Williams

There were five vacancies on the MLK Jr. Commission as of June 30, 2009.

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, 2009, the following persons served as human rights referees within the CHRO's Office of Public Hearings (OPH):

Donna M. Wilkerson, Chief Referee
J. Allen Kerr Jr.
Jon P. FitzGerald
Thomas C. Austin Jr.
Jerome D. Levine

David S. Knishkowy also served during the audited period.

Recent State Legislation:

Public Act 09-7 of the September 2009 Special Session requires that, effective October 5, 2009 and until July 1, 2011, there will be five human rights referees. On and after July 1, 2011, there shall be three human rights referees who shall be appointed by the Governor and serve for a term of three years.

Public Act 09-87 amended Section 46a-68 of the General Statutes in order to classify the Metropolitan District of Hartford County as a state agency for the purposes of that section. That section requires each state agency, department, board and commission to develop and implement an affirmative action plan that commits the agency, board and commission to a program of affirmative action in all aspects of personnel and administration. The act also states that, in the case of a discrimination complaint filed against the Metropolitan District of Hartford County, the Attorney General, or the Attorney General's designee, shall not represent the district before the Commission on Human Rights and Opportunities or the Equal Employment Opportunity Commission.

RÉSUMÉ OF OPERATIONS:

General and Federal Fund Receipts and Expenditures:

General Fund receipts totaled \$1,776,282 and \$1,394,308 for the fiscal years ended June 30, 2008 and 2009, respectively, as compared to \$6,680 for the fiscal year ended June 30, 2007. 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 for each HUD case and for each EEOC case, up to a maximum number of cases each fiscal year. These receipts are deposited to the state's General Fund. For the fiscal year ended June 30, 2007, General Fund receipts totaled only \$6,680 because no case processing fees were received during that fiscal year, due to the fact that the approval of most federal awards occurred late in the federal fiscal year, which ends September 30. As a result, these case processing fees receipts are reflected in the deposits for the fiscal year ended June 30, 2008.

During the fiscal years audited, the CHRO also received federal funds from the EEOC and HUD for travel, training, administrative costs, special enforcement efforts and other purposes. Such federal grant receipts totaled \$288,156 and \$46,201, for fiscal years ended June 30, 2008 and 2009, respectively.

The Commission reports a total of \$2,117,641 and \$2,441,615 in known settlements during the fiscal years ended June 30, 2008 and 2009, respectively. In addition, confidential settlements are reached between the parties in which the Commission is not a participant. Due to confidentiality requirements, these settlement payments are not deposited but are paid directly to the complainants.

The Office of Public Hearings reports having dismissed from the public hearing process, either by decision or by settlement, 63 cases and 56 cases, during fiscal years ended June 30, 2008 and 2009, respectively. The values of these settlements awarded to complainants were reported as \$225,425 and \$205,961, respectively during the fiscal years audited, not including complaints settled for undisclosed amounts. Similar to settlements received through the conciliation process, these settlements are not deposited by the Commission.

A summary of General Fund expenditures for the fiscal years ended June 30, 2007, 2008 and 2009, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Budgeted Accounts:			
Personal services	\$6,241,208	\$6,639,050	\$6,746,167
Contractual services	488,524	627,260	511,604
Equipment	1,000	5,800	0
Other expenses	<u>70,543</u>	<u>77,241</u>	<u>47,460</u>
Total General Fund	<u>\$6,801,275</u>	<u>\$7,349,351</u>	<u>\$7,305,231</u>

Expenditures changed very little during the audited period. The increase from fiscal year 2007 to fiscal year 2008 was mostly due to an increase in salaries for full-time employees primarily a result in general wage increases. As of June 30, 2009, the Commission had 93 full-time positions, a decrease of 10 full-time positions, or 10 percent, over June 30, 2007 levels.

Federal funds expenditures totaled \$129,754, and \$166,756 for fiscal years ended June 30, 2008 and 2009, respectively.

CONDITION OF RECORDS

Our review of the Commission on Human Rights and Opportunities found the following areas that require improvement.

Compliance with the Statutory Timeframes for Making a Finding of Reasonable Cause:

- Criteria:* Section 46a-83, subsection (d), of the Connecticut General Statutes requires the CHRO to make 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 from the date of the MAR.
- Condition:* During the fiscal years ended June 30, 2008 and 2009, respectively, 738 of 1,326 and 633 of 1,127 complaints closed exceeded the statutory maximum of 370 days.
- Effect:* Generally, the longer it takes to make a determination of cause, or no cause, the longer the complainant must wait for a resolution of his or her complaint.
- Cause:* In reports to the Judiciary Committee, the CHRO cites staff resignations, retirements, transfers, and the hiring freeze as the primary cause of this condition. The CHRO also cites the emphasis on addressing the older case inventory, resulting in an increase of the number of cases exceeding the 370 day timeframe.
- Recommendation:* The Commission on Human Rights and Opportunities should take steps to fully 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 within the statutory timeframe. (See Recommendation 1.)
- Agency Response:* “The most direct cause of delays in investigations is the lack of adequate staff. Staffing levels have gone from 103 to 73 in the span of just over two years. In addition to the reduction in staffing levels the Chief of Field Operations retired and such position has not been authorized for refill. This puts further stress on an already understaffed and under supervised field operations. Although the hiring of additional staff seems unlikely the Commission has proposed HB 6595 which has passed both the house and senate and is awaiting signature by the Governor. This bill will streamline the investigation process and

speed the time it takes to complete an investigation.”

Annual Affirmative Action Reports 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, known as 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, known as the Affirmative Action report.

Condition: The CHRO has not submitted the Contract Compliance report for the fiscal year ended June 30, 2009.

The CHRO has not submitted the Affirmative Action report for calendar year 2009.

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

Cause: The CHRO has had a significant reduction of staff with most positions not being refilled. Priority has been given to other responsibilities.

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 and submit the required Contract Compliance and Affirmative Action Reports. (See Recommendation 2.)

Agency Response: “Upon taking the position of Executive Director back in June of 2008 as acting and in January of 2010 as permanent I found several reports required to be submitted by the Commission regarding both Affirmation Action and Contract Compliance to be over due. Although all such reports were submitted the Commission is again late in our annual AA/CC report filing. I have addressed this issue with the Supervisor of AA and CC, and have been advised that all due reports are in the process of being completed and a draft of the AA report is ready. The CC report will be completed within the next 60 days. Although the cause for the late filing of this report is a reduction in staffing levels the report is required by statute and will be filed in a

more timely fashion in the future.”

Performance Assessment and Recognition Forms were not Prepared:

Criteria: The Commission on Human Rights and Opportunities participates in the Performance Assessment and Recognition System (PARS) for managerial employees. The PARS handbook, published by the Department of Administrative Services, details the processes and the forms required to be filed at the beginning of the fiscal year for each managerial employee. These forms are a Planning and Appraisal record and an Annual Review form. The purpose of the Performance Assessment and Recognition System is to:

- facilitate joint planning between a manager and supervising manager on what the manager is expected to accomplish.
- establish clear, achievable, measurable, results-oriented performance objectives, consistent with the agency’s priorities and mission, and considered fair by both the manager and the supervising manager.
- promote ongoing communication between the manager and the supervising manager concerning expectations, how well the manager is meeting these expectations, and what steps must be taken to ensure that objectives are met.
- guide regular evaluations of progress and promotion of the manager’s professional development.
- identify corrective action needed when a manager has not accomplished a performance objective.
- provide a basis for differentiating among levels of performance and thus serve as a basis for a manager’s annual salary increase or bonus payment.
- improve individual job performance and thereby increase the effectiveness of the agency.

Participation in the Performance Assessment and Recognition System is voluntary. However, if any agency elects not to participate, it cannot award lump-sum payments to a manager who has reached the maximum of his or her pay plan.

Condition: The required PARS forms were not prepared for the fiscal years ended

June 30, 2008 and June 30, 2009.

- Effect:* The objectives of the Performance Assessment and Recognition System are not being achieved. PARS increases were awarded without the required review and documentation being completed.
- Cause:* The prior Executive Director did not place a high priority on meeting this requirement. PARS increases were awarded regardless of whether the agency complied with the requirements, therefore there is no disincentive for failing to comply.
- Recommendation:* The Commission on Human Rights and Opportunities should comply with all provisions of the Performance Assessment and Recognition System handbook when awarding managerial merit increases. (See Recommendation 3.)
- Agency Response:* “The audit notes that Performance Assessment and Recognition (PARS) forms were not completed for managers. Although this is something that should be done it is worth noting that the Chief of Field Operations was directly responsible for supervising the Field office managers. This position has been vacant for sometime adding to the mounting responsibility of the Executive Director. It is the hope of this Executive Director that the PARS will be completed and maintained on a regular annual basis.”

The Commission’s Investigator’s Forms and Procedures Manual Needs to be Updated:

- Criteria:* Good business practices require that an employee policy and procedures manual be kept current.
- Condition:* The Commission on Human Rights and Opportunities’ investigator’s forms and procedures manual has not been updated for several years.
- Effect:* A manual that is not kept up-to-date reduces the likelihood that all employees are current on changes in agency policies and procedures.
- Cause:* Lack of adequate resources.
- Recommendation:* The Commission on Human Rights and Opportunities should update its investigator’s forms and procedures manual. (See Recommendation 4.)
- Agency Response:* “Updating the Investigator’s procedure and forms manual is overdue. Again staffing shortages have created more issues in performing the daily work of the agency and the long term project like this. I am currently in the process of assigning someone from the legal department to start and complete this project.”

Property Control:

- Criteria:* Section 4-36 of the General Statutes requires each state agency to keep property inventory records in the manner prescribed by the State Comptroller. The Property Control Manual provides further guidance on controls for inventory management, including that equipment reports should be accurately prepared.
- Condition:* We found that the equipment value reported to the Comptroller for June 30, 2009 was overstated by approximately \$13,763. We also found that two equipment items, with a total cost of \$5,939, could not be located.
- Effect:* The amount reported to the State Comptroller did not accurately reflect the capitalized inventory as of June 30, 2009. Insufficient controls can lead to increased risk of loss and inaccurate accountability.
- Cause:* The amount reported to the Comptroller included non-capitalized items.
- Recommendation:* The Commission on Human Rights and Opportunities, in conjunction with the Department of Administrative Services, should maintain accurate equipment inventory records and accurately report capital assets to the State Comptroller. (See recommendation 5.)
- Agency Response:* “Property control should improve with both the move of our central office now complete and having DAS perform our business function it is our hope and desire that all such issues will be resolved.”

Records Retention:

- Criteria:* The records retention/disposition schedule issued by the Connecticut State Library’s Office of the Public Records Administrator requires state agencies, at a minimum, to retain fiscal records for three years, or until audited, whichever is later.
- Condition:* During our review of cash receipts, the cash receipts log and supporting documentation could not be provided to us for review. In addition, all expenditure documentation, with the exception of payroll, for fiscal years ended June 30, 2008 and 2009 could not be located.
- Effect:* Without proper documentation, financial account balances and transactions cannot be properly supported.
- Cause:* Procedures and responsibilities of the business office were not adequately transitioned to the agency upon the business office function

being transferred to DAS. Internal control procedures have not been established to meet these responsibilities.

Recommendation: The Commission on Human Rights and Opportunities should improve records retention over fiscal records to assure they are properly maintained in accordance with state procedures. (See Recommendation 6.)

Agency Response: “It appears that this concern was related to DAS handling the business function of the agency. The agency will do everything possible to ensure that this is corrected.”

Lack of Receipts Journal:

Criteria: State Accounting Manual requires agencies to post all receipts in a cash receipts journal.

Condition: We found that receipts have not been posted to a cash receipts journal since October 2009.

Effect: Receipts cannot be verified and internal control over receipts is weakened.

Cause: Procedures and responsibilities of the business office were not adequately transitioned to the agency upon the business office function being transferred to DAS. Internal control procedures have not been established to meet these responsibilities.

Recommendation: The Commission on Human Rights and Opportunities should post all receipts to a cash receipts journal and should maintain a cash receipts journal in conformity with State Accounting Manual requirements. (See Recommendation 7.)

Agency Response: “It was brought to my attention during this audit period that certain records which are now the responsibility of DAS were not adequately recorded. The Commission will attempt to do all that is possible to correct this by working with DAS. It was further noted that the agency was not keeping a log for checks regarding payment for documents via FOI. This has been corrected as a log is now being kept in all offices.”

Other Matters:

In addition to the preceding findings, we reviewed other matters pertaining to the Commission on Human Rights and Opportunities.

The prior audit included two recommendations related to the position of Assistant Director. First, the Commission on Human Rights and Opportunities should appoint an Assistant Director or the similar position of Deputy Director, and second, the CHRO should provide managerial supervision of the Affirmative Action/Contract Compliance unit. The Assistant Director/Deputy Executive Director position remains vacant, and although there has been improvement in the Affirmative Action/Contract Compliance unit, the lack of managerial supervision remains an issue. Since the issuance of the prior audit report, several other positions within the agency have become vacant and the agency has not been given permission to refill these positions. As of March 31, 2011 eight positions were vacant, including two managerial positions. These vacancies have a negative impact on the ability of the agency to meet its goals and mandates.

In addition to the Assistant Director position, there are vacancies in the positions of Chief of Field Operations, two Human Rights Representatives and the position of IT Analyst. The Chief of Field Operations, which has been vacant since June of 2009, is a managerial position responsible for numerous administrative duties including overseeing the four regional offices as well as administering the receipt of federal awards. The two Human Rights Representative positions were established to investigate and resolve claims of discrimination. The position of IT Analyst was responsible for administering the case management system, producing reports to assist management in the analysis of the case load as well as assisting employees with daily IT needs. These four positions directly impact the CHRO's ability to meet certain contractual and statutory obligations. Each year, the CHRO enters into a contract with the Equal Employment Opportunity Commission for the resolution of employment discrimination cases. The contract for the federal fiscal year ending September 30, 2010, called for the CHRO to receive reimbursement for 1,607 cases at \$550 per case resolved. The agency was only able to close 1,306 cases, which resulted in lost reimbursement of \$165,550. As reported in our recommendation above, case backlog continues to be a concern with 56 percent of cases closed during the audit period exceeding the statutory maximum of 370 days.

In addition to the positions already discussed, there are vacancies in the positions of Executive Secretary, Administrative Assistant and Office Assistant.

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Commission on Human Rights and Opportunities should take steps to fully 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 within the statutory timeframe. This recommendation is being repeated. (See Recommendation 1.)
- 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 and submit the required Contract Compliance and Affirmative Action Reports. This recommendation is being repeated. (See Recommendation 2.)
- The Commission on Human Rights and Opportunities should establish a comprehensive training and professional development program headed by a training officer, as recommended by the Legislative Program and Investigations Committee's 1999 report. Although the position of training officer is not filled, CHRO has made an effort to meet the training needs of the agency by using staff attorneys. This recommendation will not be repeated.
- The Commission on Human Rights and Opportunities should improve controls over the payroll and personnel function to prevent unauthorized personnel actions from being processed. Our testing did not disclose any situations similar to the issues that resulted in this recommendation. As a result, this recommendation will not be repeated.
- The Commission on Human Rights and Opportunities should comply with all applicable requirements of the Telecommuting Program guidelines when approving and administering telecommuting agreements. The primary concerns were addressed and DAS is now responsible for administering this program, thus this recommendation will not be repeated.
- The Commission on Human Rights and Opportunities should appoint an Assistant Director, or permit the Executive Director to appoint one or two Deputy Directors in accordance with Section 46a-52, subsection (d), of the Connecticut General Statutes. The status of this recommendation has not changed. In lieu of repeating this recommendation, we are disclosing this issue in the Other Matters section of this report.
- The Commission on Human Rights and Opportunities should investigate all complaints of alleged violence in the workplace in a timely manner and comply with all provisions of the Violence in the Workplace Policy and Procedures Manual. This recommendation has been implemented.

- The Commission on Human Rights and Opportunities should comply with all provisions of the Performance Assessment and Recognition System handbook when awarding managerial merit increases and bonuses. We are repeating this recommendation. (See Recommendation 3.)
- The Martin Luther King Jr. Holiday Commission should submit an annual report to the Governor, in accordance with Section 10-29b, subsection (b) (5), of the Connecticut General Statutes. This recommendation has been implemented.
- The Commission on Human Rights and Opportunities should provide for managerial supervision of the Affirmative Action/Contract Compliance Unit, provide additional training to personnel in order to prevent instances of noncompliance with state personnel policies and regulations, and address all instances of noncompliance quickly and decisively. Although there is still no managerial supervision of the unit, many of the underlying issues have improved. We will not be repeating this recommendation; however we are addressing some of the same concerns in our disclosure of Other Matters.
- The Commission on Human Rights and Opportunities should update its investigator's forms and procedures manual. This recommendation is being repeated. (See Recommendation 4.)
- The Commission on Human Rights and Opportunities should require the submission and approval of the State Comptroller's travel authorization request form CO-112 for any travel requiring prior approval. It does not appear that this issue was corrected during the audit period; however, DAS is now responsible for travel authorizations and they appear to be addressing the issue. This recommendation will not be repeated.
- The Commission on Human Rights and Opportunities should annually prepare an evaluation of the Executive Director, as required by Section 46a-52, subsection (c), of the General Statutes. This recommendation has been implemented.
- The Commission on Human Rights and Opportunities should conduct a comprehensive review of its procedures for reviewing affirmative action plans to ensure that all plans are received, submitted in a timely manner, and are reviewed within ninety days of receipt. The CHRO also should amend its regulations to address the issue of late submission, and the requirements for granting conditional approval of affirmative action plans. The agency has addressed the issues contained in our recommendation. This recommendation will not be repeated.
- The Commission on Human Rights and Opportunities should comply with Section 4-36 of the Connecticut General Statutes, the State of Connecticut's Property Control Manual and the Core-CT Asset Management Guide for Managers and improve internal control over equipment inventory and reporting. This recommendation has been implemented.

Current Audit Recommendations:

- 1. The Commission on Human Rights and Opportunities should take steps to fully 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 within the statutory timeframe.**

Comment:

During fiscal years ended June 30, 2008 and 2009, 738 of 1326 and 633 of 1127 complaints closed, respectively, exceeded the statutory maximum of 370 days.

- 2. 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 and submit the required Contract Compliance and Affirmative Action Reports.**

Comment:

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

- 3. The Commission on Human Rights and Opportunities should comply with all provisions of the Performance Assessment and Recognition System handbook when awarding managerial merit increases.**

Comment:

The required PARS forms were not prepared for the fiscal years ended June 30, 2008, and June 30, 2009.

- 4. The Commission on Human Rights and Opportunities should update its investigator's forms and procedures manual.**

Comment:

The Commission on Human Rights and Opportunities' investigator's forms and procedures manual has not been updated for several years.

- 5. The Commission on Human Rights and Opportunities, in conjunction with the Department of Administrative Services, should maintain accurate equipment inventory records and accurately report capital assets to the State Comptroller.**

Comment:

We found that the equipment value reported to the Comptroller for June 30, 2009 was overstated by approximately \$13,763. We also found that two equipment items, with a total cost of \$5,939, could not be located.

6. **The Commission on Human Rights and Opportunities should improve records retention over fiscal records to assure they are properly maintained in accordance with state procedures.**

Comment:

A cash receipts log with supporting documentation and all expenditure documents could not be found for fiscal years ended June 30, 2008 and 2009.

7. **The Commission on Human Rights and Opportunities should post all receipts to a cash receipts journal and should maintain a cash receipts journal in conformity with State Accounting Manual requirements.**

Comment:

The agency has not maintained a cash receipts journal since October 2009.

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, 2008, and 2009. This audit was primarily limited to performing tests of the agency's compliance with certain provisions of laws, regulations, contracts and grant agreements 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 grant agreements applicable to the agency are complied with, (2) the financial transactions of the agency are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, 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, 2008, and 2009, 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 grant agreements and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

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

In planning and performing our audit, we considered the Commission on Human Rights and Opportunities' internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the agency's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing assurance on the effectiveness of the agency's internal control over those control objectives.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance requirements was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial operations, safeguarding of assets and compliance with requirements that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis unauthorized, illegal, or irregular transactions or the breakdown in the safekeeping of any asset or resource. A *significant deficiency* is a control deficiency, or combination of control

deficiencies, that adversely affects the agency's ability to properly initiate, authorize, record, process, or report financial data reliably, consistent with management's direction, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is more than a remote likelihood that a financial misstatement, unsafe treatment of assets, or noncompliance with laws, regulations, contracts and grant agreements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the following deficiency described in the accompanying Condition of Records and Recommendations sections of this report to be a significant deficiency in internal control over financial operations, safeguarding of assets and compliance with requirements: Recommendation 6 - the agency should improve controls over records retention of fiscal records to assure they are properly maintained in accordance with state procedures.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with certain provisions of laws, regulations, contracts, and grant agreements or the requirements to safeguard assets that would be material in relation to the agency's financial operations, noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions, and/or material financial misstatements by the agency being audited will not be prevented or detected by the agency's internal control.

Our consideration of the internal control over the agency's financial operations, safeguarding of assets, and compliance with requirements, was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Commission on Human Rights and Opportunities complied with laws, regulations, contracts and grant agreements, 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, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we also noted certain matters which we reported to agency management in the accompanying Condition of Records and Recommendations sections of this report.

The Commission on Human Rights and Opportunities' responses to the findings identified in our audit are described in the accompanying Condition of Records sections of this report. We did not audit the Commission on Human Rights and Opportunities' responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of agency management, 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.



David Tarallo
Associate Auditor

Approved:



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts