

STATE OF CONNECTICUT



*AUDITORS' REPORT
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
FISCAL YEARS ENDED JUNE 30, 2017 AND 2018*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

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September 29, 2020
EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Commission on Human Rights and Opportunities (CHRO). The objectives of this review were to evaluate the commission’s internal controls; compliance with policies and procedures, as well as certain legal provisions; and management practices and operations for the fiscal years ended June 30, 2017 and 2018.

The key findings and recommendations are presented below:

Page 12	The CHRO case tracking system does not effectively, efficiently, and reliably support CHRO in its mission. This is due to design limitations, inadequate maintenance, and unreliable information. CHRO should prioritize the replacement of its Case Tracking System and increase its information technology capabilities to enhance operational effectiveness and efficient use of its resources. (Recommendation 4.)
Page 10	The CHRO Office of Public Hearings (OPH) operated with only 2 of the 3 statutorily-required human rights referees since December 2015. Furthermore, one full-time employee performs all of the office’s administrative duties. As of April 22, 2020, OPH has 269 hearings scheduled through August 2021. The office also lacks an adequate case tracking system. CHRO should continue to request the appointment of the vacant human rights referee position. In addition, the commission should consider whether the Office of Public Hearings needs additional support, including the acquisition of a case management system. (Recommendation 3.)

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AUDITORS OF PUBLIC ACCOUNTS

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September 29, 2020

AUDITORS' REPORT

We have audited certain operations of the Commission on Human Rights and Opportunities in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2017 and 2018. The objectives of our audit were to:

1. Evaluate the commission's internal controls over significant management and financial functions;
2. Evaluate the commission's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Evaluate the effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the commission, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Résumé of Operations is presented for informational purposes. This information was obtained from various available sources including, but not limited to, the

commission's management and the state's information systems, and was not subjected to the procedures applied in our audit of the commission. For the areas audited, we identified:

1. Deficiencies in internal controls;
2. Apparent noncompliance with policies and procedures or legal provisions; and
3. Need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations in the accompanying report presents any findings arising from our audit of the Commission on Human Rights and Opportunities.

COMMENTS

FOREWORD

The Commission on Human Rights and Opportunities (CHRO) operates primarily under the provisions of Chapter 814c, Sections 46a-51 through 46a-104 of the General Statutes. Its principal duty is to enforce state laws prohibiting discrimination in employment, housing, credit, and public accommodations through civil and human rights law enforcement. CHRO processes discrimination complaints through case assessment review, mediation, investigation, conciliation, prosecution, and adjudication. As part of its mission, CHRO acts as an advocate and provides education and outreach. It also enforces affirmative action laws and state agency contract compliance. CHRO functions through a central office in Hartford and 4 regional offices in Hartford, Norwich, Bridgeport, and Waterbury.

In a typical fiscal year, over 3,000 complaints are filed with the commission. About 83% of complaints relate to employment, about 8% housing, and the remainder involve service, credit, and public accommodation. As of June 30, 2018, CHRO had 2,702 open cases.

CHRO also reviews state agency affirmative action plans, in accordance with Section 46a-68 of the General Statutes. In fiscal year 2017-2018, the commission reviewed 37 plans, approving 29 of them. The commission conditionally approved six plans and disapproved two. In accordance with Section 46a-68a of the General Statutes, the commission may issue a certificate of noncompliance if it disapproves the affirmative action plan. The issuance of a certificate of noncompliance bars the agency from filling a position or position classification by hire or promotion until the commission deems the agency is in compliance. If the agency has achieved compliance, the commission withdraws the certificate of non-compliance.

Furthermore, CHRO annually monitors millions of dollars of state contracts for statutory compliance. CHRO reviews affirmative action and set aside plans of contractors doing business with state agencies. Thus, CHRO is responsible for ensuring equity and opportunity for small and

minority business enterprises throughout the state of Connecticut, including those owned by women, ethnic minorities, and people with disabilities.

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 9 members. The Governor appoints 5 members for 5-year terms. The Governor appoints one of the commissioners as the 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 appoint one member for a 3-year term. The commissioners serve without pay, but receive compensation for reasonable expenses in the course of serving on the commission. As of June 30, 2018, the following members served on the commission:

Cherron Payne, Chairperson
Edward Mambruno
Lisa B. Giliberto
Andrew M. Norton
Nicholas Kapoor
Edith M. Pestana
Joseph M. Suggs Jr.
Dr. Shuana K. Tucker

One vacancy.

Cherron Payne was appointed chairperson on January 22, 2016 and continues to serve in that capacity.

Tanya A. Hughes, Esq. was appointed executive director to a 4-year term on November 13, 2013 and reappointed for another 4-year term on September 13, 2017. Cheryl Sharp, Esq. was appointed deputy director, effective July 4, 2014.

Martin Luther King Jr. Holiday Commission

Section 10-29b of the General Statutes established the Martin Luther King Jr. Holiday Commission (MLK Jr. Commission) to ensure that the commemoration of Martin Luther King Jr.'s birthday 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 8 members by the General Assembly leadership. CHRO serves as the secretariat and consultant for the MLK Jr. Commission. As of June 30, 2018, the following members served on the MLK Jr. Commission:

James O. Williams, Chairperson	Carol Anderson
Donna Campbell	Sweets S. Wilson
Darryl A. Hugley	Diane Paige' Blondet
Diane Jones	Regina V. Roundtree
Diane Lucas	

There were 10 vacancies on the MLK Jr. Commission as of June 30, 2018.

Human Rights Referees

Section 46a-57 of the General Statutes allows the Governor to appoint 3 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 3-year terms. The executive director designates one human rights referee to serve as the chief human rights referee for a one-year term. As of June 30, 2018, the following persons served as human rights referees within the CHRO Office of Public Hearings (OPH):

Michele C. Mount, Chief Human Rights Referee
Elissa Wright
(Vacancy)

The Office of Public Hearings provided us with a spreadsheet it uses to track its cases. As of July 16, 2019, there were 123 open cases. According to the calendar on the OPH website, as of June 25, 2019, OPH scheduled cases into March 2020 for public hearing/trials, pre-hearing conferences, or other types of proceedings. As of April 22, 2020, OPH scheduled 269 hearings through August 2021.

Significant Legislation

Public Act 16-16, effective May 6, 2016, required CHRO to create a one-page form on housing discrimination and federal and state fair housing laws by July 1, 2016 and post the form on its website. The “disclosure form” must be (1) in plain language and an easily readable and understandable format and (2) reviewed and updated by CHRO as necessary. Beginning 60 days after CHRO posted the form, anyone selling, leasing with the option to buy, or exchanging a residential property with a least two units must, at the time of closing, attach a copy of the disclosure form, signed by the prospective purchaser, to the purchase agreement, option, or lease containing a purchase option.

Public Act 17-118, effective October 1, 2017, expanded the employment protections provided to pregnant women under the state’s anti-discrimination law. It required employers to provide a reasonable workplace accommodation for a pregnant employee or applicant, unless the employer demonstrates that accommodation would be an undue hardship. The act also prohibited employers from (1) limiting, segregating, or classifying an employee in a way that would deprive women of employment opportunities due to pregnancy or (2) forcing a pregnant employee or applicant to accept a reasonable accommodation if unnecessary. It also eliminated certain employment protection provisions related to transfers to temporary positions for pregnant workers. The act also required (1) employers to notify employees of their rights under the act and (2) CHRO to develop instruction courses and conduct ongoing public education efforts to inform employers, employees, employment agencies and job seekers about their rights and responsibilities under the act.

Memorandum of Understanding with the Department of Labor

The Commission on Human Rights and Opportunities was assigned to the Department of Labor (DOL) for administrative purposes only, effective July 1, 2012. CHRO and DOL signed a memorandum of understanding (MOU) in late 2012 that specifies the parties’ responsibilities. DOL is responsible for CHRO’s human resources, affirmative action, and business office functions. CHRO retains certain other responsibilities. The MOU remains in effect while CHRO is under DOL for administrative purposes only.

RÉSUMÉ OF OPERATIONS

General Fund and Other Fund Receipts and Expenditures

General Fund and Other Restricted Accounts Fund receipts totaled \$1,811,304 and \$1,913,710 for the fiscal years ended June 30, 2017 and 2018, respectively, as compared to \$1,443,218 for the fiscal year ended June 30, 2016. Receipts consisted primarily of federal aid received under cooperative agreements with the Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC). Under these agreements, CHRO receives a fixed fee for each HUD and EEOC case, up to a maximum number of cases each fiscal year. These receipts go into the state’s General Fund. Receipts increased in fiscal year 2016-2017 due to CHRO processing more cases.

CHRO also received federal EEOC and HUD funds for travel, training, administrative costs, special enforcement efforts, and other purposes. These grant receipts totaled \$107,300 and \$87,230, for the fiscal years ended June 30, 2017 and 2018, respectively.

The Office of Public Hearings closed 77 and 59 discrimination cases, during the fiscal years ended June 30, 2017 and 2018, respectively. The Office of Public Hearings also conducts hearings into whistleblower retaliation cases filed pursuant to Section 4-61dd of the General Statutes. The Office of Public Hearings closed 11 and 14 cases, during the fiscal years ended June 30, 2017 and 2018, respectively.

A summary of General Fund expenditures for the fiscal years ended June 30, 2017, and 2018, is presented below (the fiscal year ended June 30, 2016 is provided for comparative purposes):

	Fiscal Years Ended June 30,		
	2016	2017	2018
Personal Services	\$6,154,994	\$5,817,720	\$5,566,418
Other Expenses	318,292	307,671	258,765
MLK Jr. Commission	4,582	4,656	3,331
Total General Fund	\$6,477,868	\$6,130,047	\$5,828,514

Total expenditures primarily decreased due to a reduction in filled paid positions during the audited period. The commission filled 76 paid positions as of June 30, 2016. As of June 30, 2017,

those positions decreased to 66 following several retirements and other separations. Filled positions increased slightly to 68 as of June 30, 2018.

Capital Equipment Purchase Fund expenditures totaled \$749, \$142,638, and \$0 for the fiscal years ended June 30, 2016, 2017, and 2018, respectively. The increase in fiscal year 2016-2017 was due to an upgrade of the agency's information technology equipment.

Federal and Other Restricted Accounts Fund expenditures totaled \$41,954, \$94,209, and \$103,235 for the fiscal years ended June 30, 2016, 2017, and 2018, respectively. The increase is substantially due to the increase in personal services costs under Fair Housing Assistance.

OTHER MATTERS

In prior audits, we reported that position vacancies had a negative impact on the commission's operation. As of June 30, 2018, CHRO (not including the Office of Public Hearings) had 61 (out of 79 authorized) full-time filled paid positions. Two regional manager positions were vacant during the audited period. Human Rights and Opportunities (HRO) Representatives investigate complaints of alleged discrimination, and work primarily in the regional offices. In any given fiscal year, HRO Representatives comprise approximately half of the commission's total workforce. As of June 30, 2018, CHRO filled 33 out of 41 authorized HRO Representative positions. Also, the Managing Director/Commission Attorney position has been vacant since July 1, 2013. CHRO "red circled" 5 additional vacant positions (Administrative Assistant, Secretary 1, Office Assistant, and 2 HRO Assistant Commission Counsel 1) Red Circled means that an agency is phasing out the job title and will no longer place employees under that title. It is critical that CHRO fills these vacant positions to return to a level of staffing of a few years ago.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our review of the Commission on Human Rights and Opportunities for fiscal years ended June 30, 2017 and 2018 noted the following conditions:

CHRO – Meeting and Attendance Issues

Criteria: Section 46a-52 of the General Statutes requires the Commission on Human Rights and Opportunities to consist of 9 members. The Governor appoints 5 members. The president pro tempore of the Senate, minority leader of the Senate, speaker of the House of Representatives, and minority leader of the House of Representatives each appoint one member.

Section 1-225(b) requires each public agency of the state to file a schedule of its regular meetings for the ensuing year to the office of the Secretary of the State no later than January 31 of each year.

Regulations of State Agencies Section 46a-54-3a (b) indicates that Robert's Rules of Order shall govern the commission in all cases to which they are applicable and in which they are not inconsistent with other agency regulations. Robert's Rules of Order, which is generally used as conventional guidance for conducting meetings, provide that minutes of meetings should be signed by a designated representative to indicate that they have been formally approved.

Condition: The commission had one long-standing vacancy for a member appointed by the President Pro Tempore of the Senate. It has been vacant since January 2017. Furthermore, the commission did not have 2 members' current appointment letters on file.

The commission did not submit its annual meeting schedule to the Office of the Secretary of the State for 2017 and 2018.

The commission's designated representative did not sign meeting minutes as approved and final.

Context: The commission had monthly meetings through the audited period.

Effect: The commission's effectiveness may be hindered without a full complement of members.

The absence of the submission of the annual schedule of commission meetings to the Secretary of the State did not comply with the Freedom of Information Act and may preclude attendance by the public.

It is questionable whether meeting minutes are final without the designated official's signed approval.

Cause: It appears that the commission's administration was not aware of these issues.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Commission on Human Rights and Opportunities should comply with Sections 46a-52 and 1-225 of the General Statutes and Section 46a-54-3a (b) of the Regulations of State Agencies regarding commission membership, meeting schedules, and meeting minutes. (See Recommendation 1.)

Agency Response:

"We disagree. The Commission submits an annual schedule of commission meetings to the Office of Legislative Management. Typically, the Administrative Assistant to the Executive Director will provide the information for our Commission meetings to the Office of the Legislative Management of the CT General Assembly to secure the space for the calendar year. She was assigned this responsibility after the Legislative Analyst position was vacated due to retirement in 2015. This position remained vacant for years. With respect to the posting of the agenda to SOTS (the Secretary of State), that has occurred monthly. Per the Executive Secretary, she was not aware that she needed to provide the entire calendar, nor was she aware of how to do so. She only received instructions about monthly posting. This has since been corrected. The Commissioners vote on the annual calendar and this information is forwarded to CGA, Office of Legislative Management. The Commission will submit all future notices of the calendar of Commission meetings to the Secretary of State in accordance with relevant statutory provisions. Future submissions of meetings minutes will be signed henceforth.

The Administration is aware that we must file a calendar of Commission meetings with the Secretary of State. As such, the Commissioners of the Agency vote on the calendar and the calendar is thereafter filed. Further, the Secretary of the State has consistently been notified of the Commission's monthly meetings every month within a minimum of 24 hours of the meeting, in accordance with either regulatory or statutory provisions."

Auditors' Concluding Comment:

While the commission claims to notify the Secretary of the State of its monthly meetings, it still did not comply with Section 1-225 of the

General Statutes. The commission did not submit the annual commission meeting schedules for 2017 and 2018.

Martin Luther King, Jr. Holiday Commission – Noncompliance with Governing Statutes

Criteria: Section 10-29b of the General Statutes established a Martin Luther King, Jr. Holiday Commission, consisting of 19 members appointed by the Governor and leaders of the general assembly, with vacancies to be filled by the appointing authority. The commission meets as often as deemed necessary by the chairperson or a majority of the commission. The Commission on Human Rights and Opportunities serves as secretariat and consultant to the commission.

The commission shall: (1) ensure that the commemoration of the birthday of Dr. Martin Luther King, Jr. in the state is meaningful and reflective of the spirit with which he lived and the struggles for which he died, (2) maintain a clearinghouse of programs and activities relating to the observance and promotion of such birthday in the state, (3) cooperate with the Martin Luther King, Jr. Federal Holiday Commission, community organizations and municipalities in the state, (4) develop and implement programs and activities for the state as it deems appropriate, and (5) not later than September first, annually, submit to the Governor a report on its findings, conclusions, proposals and recommendations for the observance of such birthday in the following January.

Condition: The Martin Luther King, Jr. Holiday Commission did not meet during the audited period. According to the CHRO website (as of April 22, 2020), there were 7 commission vacancies. The commission only had appointment letters available for 6 members whose terms expired during the audited period.

The commission did not meet its annual reporting requirement to the Governor.

In December 2016, the Martin Luther King, Jr. Holiday Commission legally changed its status to a charitable corporation. The commission paid the legal and filing fees associated with its incorporation and the application for tax-exempt status with state funds through CHRO. This occurred without legislative authorization.

Effect: The absence of meetings during the audited period inhibited the commission’s effectiveness and contributed to the lack of annual reporting to the Governor.

Changing the commission's status to a charitable corporation does not appear permissible under the existing statute.

Cause: Inactive membership was provided, in part, as a reason for the condition.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Martin Luther King, Jr. Holiday Commission, with guidance from the Commission on Human Rights and Opportunities, should ensure compliance with Section 10-29b of the General Statutes. The commission should seek clarification from the General Assembly whether it was authorized to change its status to a charitable corporation. (See Recommendation 2.)

Agency Response – MLK Jr. Holiday Commission:

“The State of CT Dr. Martin Luther King Jr. Holiday Commission was chaired by a former chairperson for the years of 2017 and 2018. The current chairperson, who was a Commissioner during that time, does not have access to the information being requested. The former chair was seriously ill for several years and subsequently died, therefore, the MLK Commission is unable to provide pertinent documents for the auditor's report. However, aside from the former chairperson, the current chairperson was the only appointed Commissioner appointed during that time. All of the other Commissioners either resigned or their terms expired. There were three individuals who were waiting to be appointed during this period, but they were not appointed until 2019. In 2019, the current chairperson was appointed Chair of the Dr. Martin Luther King Jr Holiday, Commission and has committed, moving forward, to provide all of the information that may be needed.”

Office of Public Hearings – Noncompliance with Statutory Composition and Operating Issues

Background: The Commission on Human Rights and Opportunities Office of Public Hearings (OPH) is responsible for scheduling and conducting all phases of the public hearing process in contested discrimination cases under the commission's jurisdiction and in certain types of whistleblower retaliation cases. Within OPH, the chief human rights referee administers the operations of the unit and assigns cases to two human rights referees. All of the referees are gubernatorial appointees, subject to legislative approval, who function independently from the rest of the commission. Human rights referees serve full time and conduct settlement negotiations and hearings as authorized by statute.

Criteria: Section 46a-57 (a)(2)(E) of the General Statutes requires that on and after July 1, 2011, there shall be three human rights referees who shall (i) be appointed by the Governor with the advice and consent of both houses of the General Assembly, and (ii) serve for a term of 3 years.

Good business practices suggest that the Office of Public Hearings should conduct the administrative hearing process within a reasonable time.

Good business practices also suggest that OPH should establish a case management system to provide an effective and efficient means to schedule and administer cases.

Condition: During most of the audited period (and through the date of our audit), OPH operated with only 2 of the 3 statutorily-required human rights referees. It takes 3 human rights referees (one of whom serves as the chief referee) to operate the office.

In addition to the human rights referees, OPH operates with just one full-time employee who performs all of the office's administrative duties. In that employee's absence, the human rights referees perform those duties. This can be problematic, as OPH must avoid the potential of ex-parte communications.

A review of the OPH website shows that as of April 22, 2020, OPH had 269 hearing events scheduled through August 2021.

OPH lacks an adequate case tracking system. It currently performs case tracking manually through case file notations and a basic Excel spreadsheet.

Context: Funding for the OPH operation resides within CHRO's budget.

Effect: Human rights referee vacancies result in longer delays in public hearing scheduling. In some instances, human rights referees who did not preside at the public hearing must conduct settlement conferences. This vacancy complicates the scheduling of these settlement conferences.

The absence of an adequate case tracking system yields inefficient management of OPH cases.

Cause: The commission informed us that the Office of the Governor has been unable to attract candidates for the vacancies due to the limited salary range.

The lack of an adequate case management system appears to be due to the lack of financial resources.

Prior Audit Finding: This finding has been previously reported in the last audit report covering the fiscal years ended 2013, 2014, 2015 and 2016.

Recommendation: The Commission on Human Rights and Opportunities should continue to request the appointment of the vacant human rights referee position. In addition, the commission should consider whether the Office of Public Hearings needs additional support, including the acquisition of a case management system. (See Recommendation 3.)

Agency Response – CHRO:

“The Commission agrees that it is under-resourced and is fully aware of the need for additional resources and has made numerous attempts to secure funding. The Commission needs to be fully funded. The Office of Public Hearings does need a separate case management system and the CHRO needs to be provided with the funds in order to address the needs of the Office of Public Hearings. The Commission has included the Office of Public Hearings in all IT considerations.

The Commission agrees that a separate case management system for the Office of Public Hearings would be beneficial to the Agency and to the stakeholders of the Agency.”

Agency Response – OPH:

“We do not control or have any input into our budgetary line. We would like the opportunity to request, in addition to the third referee, a separate case management system and a law clerk or paralegal. Further, we would like confirmation that a salary for a third referee, a case management system and support staff is put into the CHRO budget request.”

Inadequate Case Tracking System

Background:

The Commission on Human Rights and Opportunities utilizes its Case Tracking System (CTS) to monitor cases reviewed through its complaint resolution process. CTS supports a staff of 74 investigators, attorneys, administrative assistants, and executive staff in annually processing an average of 2,500 cases. While most cases are resolved within a year, more complex cases could remain outstanding for up to 5 years. However, we noted 24 cases were outstanding for more than 10 years.

Criteria: Good business practices dictate that an organization should have an information system capable of supporting management's direction and monitoring of operations to provide timely and reliable information for decision-making and corrective action.

Condition: CTS does not effectively, efficiently and reliably support the CHRO management in its mission. This is due to design limitations, inadequate maintenance, and unreliable information. We observed the following:

- The CTS design does not have adequate data structure and edit controls to assure the accurate input of critical data. This includes data such as complainant name, respondent, federal case identification number, and to capture critical information for case monitoring and trend assessment.
- CHRO cannot rely on CTS to produce accurate internal management and statutorily-required reports. Instead, regional offices must compile and augment the data before submitting it to the central office for the development of an agency level summary.
- At the time of a major system modification in 2015, the Department of Administrative Services – Bureau of Enterprise Systems and Technology (DAS-BEST) deactivated 9,536 (out of a total of 35,888) older closed case records from CTS without consulting CHRO management on the effect of this decision or the manner of its implementation.
- Our review of initial case information input into CTS determined that a delay of more than 1 week to input such data has increased over the past 8 years from a low of 12% of cases to 60%. This significant increase in delay occurred coincident with significant staff reductions in 2016.

Context: From 2003 through the date of our audit, CHRO recorded 35,888 cases on its case tracking system.

Effect: The system's inadequate design impairs management's ability to maintain reliable information to manage internal operations. It also makes it more difficult to monitor caseloads for trends that can be more efficiently addressed with regulation, surveillance, and training.

The Department of Administrative Services – Bureau of Enterprise Systems and Technology decision to deactivate 25% of CHRO's case history records without consulting CHRO senior management raises a question regarding clarity of system management responsibility between the two organizations. However, CHRO is ultimately responsible for the operational integrity of the system and the integrity of its data in fulfilling its statutory mandates.

Cause: CHRO lacks a staff member trained in information technology who is capable of supporting the commission’s contemporary information needs related to CTS, CTS-supporting desktop applications, and other operations.

In absence of this staffing resource, CHRO appears to have accepted the system’s limitations as well as possible work around for them. This resulted in evolving inefficiencies that are likely significant to the senior management’s productivity.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Commission on Human Rights and Opportunities should continue to prioritize the replacement of its Case Tracking System and increase its information technology capabilities to enhance operational effectiveness and efficient use of its resources. (See Recommendation 4.)

Agency Response: “The Commission has made replacement of the Case Tracking System a priority and has prepared a draft application for funding for the purchase of a new complaint tracking system. In the early 2000s, when the business office within the CHRO was dismantled, the CHRO was supposed to be fully supported by the Department of Administrative Services, Bureau of Enterprise Systems and Technology (DAS/BEST). The CHRO does not have any trained technical professionals within its employ and has been forced to rely on the limited technical knowledge of a few staff persons who are not employed by the Agency to provide technical support. The CHRO has not been funded to hire a staff person with expertise in technical support.

The Case Tracking System that is being used by the Agency was developed and designed by DAS/BEST. DAS/BEST provides the Commission on Human Rights and Opportunities with technical support due to layoffs in early 2000 that resulted in the dismantling of the business office within the Agency. CHRO has never had those positions returned through appropriations, although the agency has made numerous appeals to the legislature and governor’s office regarding the need.

Again, the Commission has most certainly given priority to the development of a complaint tracking system. CHRO has prepared a draft of an application for state funds to purchase a complaint tracking system and has been actively working with DAS to develop and submit that application. It is a timely process that is not under the agency’s control.”

Affirmative Action Plans – Incapacity to Support Electronic Submission

- Background:* All state agencies, boards and commissions employing 25 or more full-time employees are required to file an affirmative action plan with the Commission on Human Rights and Opportunities to achieve equal employment opportunity within their agencies. These plans must be submitted on a semi-annual, annual or biennial cycle, depending on the reporting cycle of the particular agency.
- Criteria:* Section 46a-68(c) of the General Statutes states that all affirmative action plans shall be filed electronically, if practicable.
- Condition:* CHRO does not permit electronic filing of affirmative action plans, as allowed by statute.
- Context:* An affirmative action plan for a major state agency can exceed 100 pages of significant tabular data. There are approximately 79 state agencies, as well as other boards and commissions, which may be subject to the reporting requirements.
- Effect:* The inability to file electronically results in inefficient manual preparation, submission, and review of paper documents. This creates a burden on CHRO and the various reporting agencies’ limited administrative resources. This could be mitigated with electronic filing capabilities that standardize input and centralize the data compilation to facilitate preparation.
- Cause:* CHRO indicates that it does not have the resources to support the infrastructure necessary to electronically receive and process affirmative action plans. CHRO management applied for a pilot federal program to implement electronic plan preparation using a shared federal system platform, but was not selected.
- Prior Audit Finding:* This finding has not been previously reported.
- Recommendation:* The Commission on Human Rights and Opportunities should implement a platform for the electronic preparation and submission of state agency affirmative action plans. (See Recommendation 5.)
- Agency Response:* “The CHRO would need to be fully funded to implement such a plan. The CHRO is underfunded and under resourced. The CHRO has explored entities that can provide this service, however additional, consistent funding would be required to implement and maintain this feature successfully.”

Statutory Reporting Requirement Deficiencies

<i>Criteria:</i>	<p>The Commission on Human Rights and Opportunities must comply with a number of statutory reporting requirements including the following:</p> <p>Section 4-9b(b) of the General Statutes requires the executive officer or chairperson of each state appointive board, commission, committee and council having members appointed by the Governor or the General Assembly to biennially report in writing to the Secretary of the State on or after September first, but no later than October 1 (1) the number of members of such body and (2) the composition of the body according to the term “race/sex”, as defined in the regulations of CHRO.</p> <p>Section 4a-60g (m) of the General Statutes requires CHRO to monitor the achievement of annual set-aside program goals established by each awarding agency and to prepare a quarterly report concerning such goal achievement. The report is to be submitted to each awarding agency that submitted a report, the Department of Economic and Community Development, the Department of Administrative Services and the General Assembly.</p> <p>Section 4d-7 of the General Statutes requires each agency to submit annually on or before August 1st, all plans, documents and other information requested by the Commissioner of Administrative Services for the development of the Information and Telecommunication Systems Strategic Plan.</p>
<i>Condition:</i>	<p>CHRO did not comply with certain statutory reporting requirements during the audited period.</p>
<i>Effect:</i>	<p>The intended recipients of the reports are not cognizant of certain data to make informed decisions.</p>
<i>Cause:</i>	<p>The commission acknowledged that there was a gap in reporting and that it was going through a transition to ensure that it meets its reporting requirements.</p>
<i>Prior Audit Finding:</i>	<p>This finding has not been previously reported</p>
<i>Recommendation:</i>	<p>The Commission on Human Rights and Opportunities should comply with its statutory reporting requirements. (See Recommendation 6.)</p>
<i>Agency Response:</i>	<p>“While the agency attempted to address issues from previous audits which cited a need to comply with reporting requirements and did so valiantly we have and will continue to address the need to be perfect.</p>

As of June of 2018, the CHRO had 83 authorized positions and only 63 permanent full-time filled paid positions, despite repeated requests to refill critical positions within the agency. The decrease in the number of filled paid positions does not reflect the numerous, repeated efforts and multiple requests to refill critical positions within the agency. All requests were denied and affected our ability to perform optimally.”

Asset Management Issues

Background:

Under a memorandum of understanding between the Commission on Human Rights and Opportunities (CHRO) and the Department of Labor (DOL), DOL is responsible for entering assets into the Core-CT state accounting system; coordinating items for surplus; and preparing the Asset Management Report (CO-59). CHRO is responsible for approving the CO-59; managing the physical inventory; reconciling inventory records; identifying and recording missing items; completing and submitting signed CO-853 loss reports; and maintaining the software inventory.

Criteria:

Section 4-36 of the General Statutes requires state agencies to establish and maintain inventory records as prescribed by the Office of the State Comptroller. The agency must transmit a CO-59 to the State Comptroller and maintain its inventory in Core-CT. Only capitalized equipment should be reported on the CO-59, which should reconcile to the Core-CT inventory listing.

The State Property Control Manual requires each agency to maintain complete and accurate property records and establishes specific standards including:

- Agency software inventory listings should contain certain specified fields.
- Agencies should not report controllable property, which has a value of less than the \$5,000 capitalization threshold, on the CO-59.
- Agencies must conduct a complete physical inventory of all property by each fiscal year end.

Condition:

We noted the following asset management issues:

- CHRO did not adequately support CO-59 balances and activity by Core-CT for fiscal years 2016-2017 and 2017-2018.
- CHRO overstated CO-59 balances for 2016-2017 due to the inappropriate addition of \$139,428 in controllable property purchases.

- The Core-CT Asset Management module did not include \$121,194 in controllable property that CHRO purchased during the audited period and through December 2018.
- CHRO did not complete physical inventories during fiscal years 2016-2017 and 2017-2018 and did not perform a reconciliation of the CO-59 to inventory records.
- The agency’s software inventory listing did not contain the required fields identified in the State Property Control Manual. Also, CHRO reported software inventory as a single item in Core-CT rather than as individual software items.

Context: CHRO reported a \$331,913 ending balance on the CO-59 for the fiscal year ended June 30, 2018.

Effect: When agencies inaccurately report assets and do not completely conduct and maintain complete inventory records, there is an increased risk of loss of state property.

Cause: In part, it appears that there was confusion whether CHRO or DOL was responsible to conduct the physical inventory.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Commission on Human Rights and Opportunities should work with the Department of Labor to ensure compliance with asset management requirements in Section 4-36 of the General Statutes and the State Property Control Manual. (See Recommendation 7.)

Agency Response – CHRO:

“The Agency will work with the Department of Labor to resolve any Asset Management and Inventory issues. However, as stated previously, the Agency only employs attorneys, investigators, Managers and support staff. We do not have any business office, accounting or similar personnel. The functions discussed in this section were performed by the Department of Administrative Services when the Agency was APOed to them.”

Agency Response – DOL:

“We agree with the findings. The lack of accuracy is the result of the process being compromised due to staff reductions, human resource issues and inventory processing modifications. The Commissioner and appropriate staff have met with the State Auditors, as related to the DOL’s overall approach to asset management, and reviewed conditions and solutions. As a result a corrective plan has been developed which will result in an accurate inventory being available by the close of FY 18/19. This corrective plan includes:

- upgrade of inventory scanning equipment
- (re)training of appropriate staff in inventory roles and responsibilities
- updated agency inventory manual and standard operating procedure manuals
- cleanout and disposal of surplus equipment throughout DOL's offices and warehousing facilities
- comprehensive statewide physical inventory scan
- establish controls to ensuring compliance with mandated inventory practices and reporting guidelines

The DOL understand the importance of an accurate inventory and is committed to doing what is required to correct this situation.”

Deficiencies in Revenue Recognition and Account Reconciliation

Background:

The Commission on Human Rights and Opportunities recorded revenue of \$1,803,100 and \$1,904,430 for fiscal years 2016-2017 and 2017-2018, respectively, from complaint settlement contracts with the federal Equal Employment Opportunity Commission (EEOC) and Department of Housing and Urban Development (HUD). These revenues constitute 99.5% of all CHRO's federal revenues and support 28.3% and 32.11% of the commission's expenditures for fiscal years 2016-2017 and 2017-2018 respectively.

CHRO receives fiscal management support from the Department of Labor (DOL) for administrative purposes only. While DOL is responsible for CHRO's accounting, the department needs and depends on CHRO operational information. Therefore, there must be mutual understanding and coordination between the agencies.

Criteria:

Proper accounting requires that management recognize revenues in the period they are earned to achieve a proper matching with related expenditures and provide an accurate measure of financial performance.

Effective accounting control requires that revenues earned be reconciled periodically with revenues received to detect billing errors or remittance by either party to the transaction.

Condition:

A review of federal grant revenue patterns during the audited period identified deficiencies in accounting practices for revenue recognition and reconciliation.

In most instances, revenue recognition occurred following the close of the federal fiscal year ending September 30, resulting in CHRO not

recording approximately 75% of the current year's revenue until the subsequent state fiscal year. Therefore, they did not match to current year expenditures.

We observed two instances in which the absence of an effective reconciliation process resulted in Equal Employment Opportunity Commission revisions, including a \$40,300 adjustment in state fiscal year 2016-2017 pertaining to federal fiscal year 2012, and a \$7,000 adjustment in state fiscal year 2017-2018 pertaining to federal fiscal year 2015.

The DOL Business Management Unit does not receive sufficient information from CHRO to effectively reconcile revenue earned with revenue recorded from contract payments. CHRO's internal process of monitoring EEOC payments does not constitute a complete reconciliation of annual contract activity and revenue received.

Context: The condition appears to be a systemic problem.

Effect: Untimely revenue recognition misrepresents relationships between each fiscal period's revenues and related expenditures. This is due to improper matching of revenues with the fiscal period in which they were earned.

Ineffective reconciliation processes impair the capacity to detect errors and seek timely correction. Although noted errors were not material, and the result of unique circumstances, they illustrate that errors can occur on a larger scale.

Cause: DOL does not possess the necessary information from CHRO to fulfill its financial management role.

Neither agency appears to have sufficient staffing to perform the additional accounting and reconciliation processes to ensure timely and accurate financial reporting and management.

Prior Audit Finding: There was no prior audit finding.

Recommendation: The Commission on Human Rights and Opportunities and the Department of Labor should jointly devise enhanced controls to improve the accuracy of revenue recognition and effectiveness of reconciliation processes. (See Recommendation 8.)

Agency Response – CHRO:

“The CHRO has established regular, quarterly meetings and will continue to work with the Department of Labor to address the issues

noted herein. However, the CHRO does not employ and has not received funding to employ any accountants. This is beyond the purview of our authority and would require multiple levels of approval. The CHRO is staffed with attorneys, investigators and support staff. The CHRO lost its independent business office on or about the early 2000s. The Agency has remained underfunded and under-resourced since that time, despite efforts to enhance and increase funding.”

Agency Response – DOL:

“DOL has created and maintains a spreadsheet to track CHRO’s payment requests to include balances available and coding information. DOL relies solely on contract information from CHRO.

DOL created a payment request form for CHRO to submit when requesting drawdowns in order to maintain consistency in drawdown efforts and account tracking. No drawdowns are completed without the completed signed contract in hand.

All drawdown request require back up information to support the request for funds.”

Accountability of Donations

Criteria:

Section 46a-54 of the General Statutes authorizes the Commission on Human Rights and Opportunities to receive donations.

Section 46a-89 defines the authority for CHRO to seek civil penalties for discriminatory practices in employment, housing and public accommodations through injunctive relief in Superior Court.

Proper accounting requires the classification of transactions according to the substance of the transaction and not its form.

A donation is defined as “the act by which the owner of a thing voluntarily transfers the title and possession of the same from himself to another person without consideration; a gift.”

Condition:

CHRO appears to have inappropriately designated funds from complaint case settlements as donations.

We tested 4 remittances totaling \$10,090 to complaint case settlement documentation and determined that all 4 payments were part of settlements negotiated with the respondents. The court of jurisdiction directed respondents to make payments to the Human Rights Education and Donation Account or CHRO Education and Outreach Fund.

CHRO directed the Department of Labor Business Management Unit, which administratively supports CHRO, to record the transactions in Core-CT without supporting documentation. DOL did not have the basis to question the accuracy of the accounting designation, nor the standards by which to assess the appropriateness of disbursements from a restricted fund.

Context: CHRO classified \$13,240 of collections as donations for fiscal years 2016-2017 and 2017-2018, of which \$5,091 was expended. These funds are classified as restricted funds.

Effect: The classification of the funds as donations is inappropriate.

CHRO's accounting of these settlements as donations directs them to a restricted fund without established policies for their authorized use. The creation of a restricted fund without collateral policies to define restricted use leaves it susceptible to misuse.

Cause: CHRO's executive management asserts that it consulted with the Office of State Ethics and received a verbal opinion that it is acceptable for the commission to recommend donations to its education fund in case settlements.

CHRO has been granted statutory authority to accept donations. However, it has chosen to misapply that authority to settlements awarded under civil judicial processes. Civil penalties and settlements administered through civil judicial processes have the same level of legal enforcement. Therefore, they are not donations in the generally recognized meaning of that term.

It appears that DOL has not received sufficient documentation to assess the substance of the transactions and determine their proper accounting treatment.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Commission on Human Rights and Opportunities should discontinue its practice of pursuing donations through the settlement process under Section 46a-89 of the General Statutes. In addition, the commission should establish criteria for the use of the restricted Human Rights Education and Donation Account. (See Recommendation 9.)

Agency Response: "The Commission requested that the Department of Administrative Services (DAS) establish and maintain an account for the receipt of donation funds as authorized by statute. Thereafter, the Commission was APOed to the Department of Labor. The Commission has not been

funded to and currently has no independent accounting or business management unit or personnel. Instead, the Commission has an agreement with the Department of Labor to perform these functions on the CHRO's behalf. In that role, it is the Department of Labor, not the CHRO that has established the donations account, monitors account activity, and ensures the account's compliance with any and all relevant rules, regulations, and statutes.

To the extent the Commission is being faulted for including donations to this fund as part of a mutually agreed upon settlement agreement, the criticism is not supported by the law. These donations are explicitly authorized by statute. Conn. Gen. Stat. Section 46a-54(18) authorizes the Commission to enter into contracts for and accept grants of private or federal funds and to accept gifts, donations or bequests, including donations of service by attorneys. A settlement agreement is a form of contract to resolve pending litigation. Since the establishment of the donation fund years ago, the Commission has infrequently included a donation clause in settlement agreements pursuant to this statutory authority. The CHRO has appropriately designated funds to be deposited into its charitable contributions account. Contrary to the language in the draft, the CHRO has not inappropriately designated settlement funds as donations. The four examples of settlements referred to in the draft explicitly make clear that a donation is being made to the agency. A civil penalty can only be awarded by a judge after an adjudication. A settled case, even if settled in court cannot be designated as a civil penalty. The judge as an operation of Court procedure accepts the settlement of the case by the parties and closes the case pursuant to settlement. The Court does not award a civil penalty when a case is closed pursuant to settlement. The statutory provisions are very specific as it relates to a civil penalty.

As an agency we have received advice and guidance from the Ethics Office and the Office of the Attorney General regarding accepting donations. We have followed that guidance. The Agency interprets its own statute to provide for acceptance of donations. The Connecticut courts have ruled that the Agency's interpretation of its own statutes should be given deference and priority.

Further, the Agency is only a party to voluntary settlements. The Agency is not generally a party to binding arbitration when using its three party system. As such, any and all settlements in which the Agency is a party or the settlement is a matter of public record would be a voluntary settlement.

Contrary to the information contained in the draft report, there has been no inappropriate conduct. The settlement agreements that are referred

to clearly state that a donation is being made to the education or charitable donation account of the Agency.

The Commission agrees that it should establish guidelines for the use of the funds and will endeavor to do so.”

Auditors’ Concluding Comment:

The donations cited in this finding were the result of court-approved settlements which terminated civil actions by the parties. As such, the donations were not truly voluntary, but were negotiated under the duress of a possible less favorable outcome in a civil trial.

Investigations Issue

Background:

The Department of Labor (DOL) provides human resource and payroll support services to the Commission on Human Rights and Opportunities in accordance with a memorandum of understanding. DOL’s responsibilities include conducting investigations of employee misconduct on behalf of CHRO management, which retains the responsibility for the disposition of matters brought to its attention.

Criteria:

An investigative process should assure a consistent methodology governed by applicable laws, regulations, and labor contract provisions. It should document the complaint’s process, conclusions and final disposition in order to provide evidence of a fair and consistent investigation.

The Administrative and Residual (P5) Unit Employee Service Rating form provides 5 employee evaluation rating levels: Excellent, Superior, Satisfactory, Fair and Unsatisfactory (Fair and Unsatisfactory are considered to be “less than good” ratings). The 5 factors subject to evaluation include: Quality of Work, Quantity of Work, Dependability, Ability to Deal with People, and Supervisory Ability.

Administrative and Residual (P-5) Bargaining Unit Contract, Article 10 - Service Ratings, Section 1 indicates that ratings of Fair in 2 categories and/or Unsatisfactory in one or more categories shall constitute an overall rating of “less than good”. An employee who has received a “less than good” rating should be counseled.

Condition:

Our review of investigations conducted during the audited period generally found the documentation to be thorough in justifying the DOL conclusions. However, in one instance, the investigation file did not include documentation of the final management action. CHRO prepared a counseling letter and sent it to the employee for signature. However,

the employee did not return it and CHRO did not submit a copy to DOL for the employee's personnel file.

Furthermore, the CHRO management's service ratings of "Excellent, Superior, and Satisfactory" for this employee for the investigation period and the following year, appear to show that CHRO management's action was inconsistent and insufficient with the evidence in the DOL investigation and CHRO counseling letter.

Context: DOL conducted 12 investigations during fiscal years 2016-2017 and 2017-2018. The department combined the investigations into 7 files as some pertained to the same subject employee.

Effect: A failure to document the final disposition of an investigation results in an incomplete record.

Insufficient management response to the complaints that initiated the investigation may negatively impact the performance of other employees.

Cause: There appears to be a lack of communication between CHRO and DOL with regard to the final disposition of investigations. CHRO management exercised poor judgement in conducting the employee's service ratings without adequate consideration of the investigation or counseling letter.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Labor should ensure that all investigations are adequately documented with complete records of evidence and final disposition. The Commission on Human Rights and Opportunities should ensure that final dispositions are consistent with investigatory evidence. (See Recommendation 10.)

Agency Response – CHRO:

"The record of the counseling was provided to the employee and signed by the employee. The request for a copy of the signed counseling was made during a period when the vast majority of agency staff was working remotely due to COVID-19 restrictions. As a result, the signed counseling memo was not provided to the Auditors as it is maintained in a supervisory file. The agency maintains that the counseling was adequate, sufficiently addressed the outlined concerns and discussed with Human Resources prior to being given to the employee. The incident in question did not negate the overall performance of that employee throughout the rest of the reporting year."

Agency Response – DOL:

“CT DOL concurs with the CHRO response.”

Auditors’ Concluding

Comment:

Management’s action does not appear to reflect the investigation and counseling matters. The investigation report identifies the employee’s pattern of behavior rather than one particular incident, and was not adequately reflected in the employee’s service rating. In addition, we did not find the resulting counseling letter in the employee’s personnel file.

RECOMMENDATIONS

Status of Prior Audit Recommendations:

Our prior audit report on the Commission on Human Rights and Opportunities contained 6 recommendations. Five have been implemented or otherwise resolved and 1 has been restated with modifications during the current audit.

- The Commission on Human Rights and Opportunities should prepare and submit all reports not previously submitted to the Judiciary Committee and the Governor in accordance with Section 46a-82e (b) of the General Statutes. The commission should also submit all future reports in a timely manner. **This recommendation has been resolved.**
- The Commission on Human Rights and Opportunities should comply with the reporting requirements of Section 46a-56 (a) (6) and Section 46a-68 (f) of the General Statutes, and submit the required Contract Compliance and Affirmative Action reports. **This recommendation has been resolved.**
- The Chairperson of the Commission on Human Rights and Opportunities should request that the Office of the Governor fill the vacant Human Rights Referee position. CHRO should consider whether the Office of Public Hearings needs additional support and review the feasibility of incorporating OPH cases into its case tracking system. **This recommendation is being modified and repeated. (See Recommendation 3.)**
- The Commission on Human Rights and Opportunities should promptly notify Core-CT security when employees separate from the agency so their accounts can be formally locked. **This recommendation has been resolved.**
- The Department of Labor should prepare the annual internal control self-assessment questionnaire required by the Office of the State Comptroller. The Commission on Human Rights and Opportunities should keep its questionnaires on file. **This recommendation has been resolved.**
- The Commission on Human Rights and Opportunities should comply with state personnel regulations and contracts when placing employees on paid administrative leave and should strengthen internal controls over voluntary leave. CHRO should seek guidance and approval from the State Retirement Commission when provisions of a proposed stipulated agreement have the potential to grant retirement benefits, (which are outside CHRO's authority) and should seek guidance and approval from the Office of Labor Relations (OLR) pertaining to stipulated agreements involving collective bargaining agreements, which OLR negotiates and administers. **This recommendation has been resolved.**

Current Audit Recommendations:

- 1. The Commission on Human Rights and Opportunities should comply with Sections 46a-52 and 1-225 of the General Statutes and Section 46a-54-3a (b) of the Regulations of State Agencies regarding commission membership, meeting schedules, and meeting minutes.**

Comment:

The commission had one long-standing vacancy, and did not have up-to-date appointment letters on file for two members. The commission did not submit its annual schedule of commission meetings to the Office of the Secretary of the State. The commission's designated representative did not sign meeting minutes as approved and final.

- 2. The Martin Luther King, Jr. Holiday Commission, with guidance from the Commission on Human Rights and Opportunities, should ensure compliance with Section 10-29b of the General Statutes. The commission should seek clarification from the General Assembly whether it was authorized to change its status to a charitable corporation.**

Comment:

The Martin Luther King, Jr. Holiday Commission did not meet during the audited period. There are 4 vacancies on the commission and appointment letters were only available for 6 members, all of which had terms expiring within the audited period.

The MLK Jr. Holiday Commission did not meet its annual reporting requirement to the Governor.

In December 2016, the MLK Jr. Holiday Commission had legally changed its status to a charitable corporation without legislative authorization.

- 3. The Commission on Human Rights and Opportunities should continue to request the appointment of the vacant human rights referee position. In addition, the commission should consider whether the Office of Public Hearings needs additional support, including the acquisition of a case management system.**

Comment:

The Office of Public Hearings (OPH) operated with only 2 of the 3 statutorily- required human rights referees since December 2015. Furthermore, one full-time employee performs all of the office's administrative duties. As of April 22, 2020, OPH has 269 hearings scheduled through August 2021. The office also lacks an adequate case tracking system.

- 4. The Commission on Human Rights and Opportunities should continue to prioritize the replacement of its Case Tracking System and increase its information technology capabilities to enhance operational effectiveness and efficient use of its resources.**

Comment:

The CHRO case tracking system does not effectively, efficiently, and reliably support CHRO in its mission. This is due to design limitations, inadequate maintenance, and unreliable information.

- 5. The Commission on Human Rights and Opportunities should implement a platform for the electronic preparation and submission of state agency affirmative action plans.**

Comment:

CHRO does not permit electronic filing of affirmative action plans, as allowed by statute.

- 6. The Commission on Human Rights and Opportunities should comply with its statutory reporting requirements.**

Comment:

CHRO did not comply with certain statutory reporting requirements during the audited period.

- 7. The Commission on Human Rights and Opportunities should work with the Department of Labor to ensure compliance with asset management requirements in Section 4-36 of the General Statutes and the State Property Control Manual.**

Comment:

Our reviews of asset management for the audited period noted that CHRO did not adequately support CO-59 balances and activity by Core-CT records, did not conduct physical inventories, and did not perform reconciliations between the CO-59 and inventory records. Also, CHRO's software inventory did not contain the required fields identified in the State Property Control Manual.

- 8. The Commission on Human Rights and Opportunities and the Department of Labor should jointly devise enhanced controls to improve the accuracy of revenue recognition and effectiveness of reconciliation processes.**

Comment:

We noted deficiencies in the accounting practices for revenue recognition and the effectiveness of revenue reconciliation.

- 9. The Commission on Human Rights and Opportunities should discontinue its practice of pursuing donations through the settlement process under Section 46a-89 of the General Statutes. In addition, the commission should establish criteria for the use of the restricted Human Rights Education and Donation Account.**

Comment:

CHRO inappropriately accounted for certain funds derived from complaint case settlements as donations. There is no established criteria for the use of the restricted Human Rights Education and Donation Account.

- 10. The Department of Labor should ensure that all investigations are adequately documented with complete records of evidence and final disposition. The Commission on Human Rights and Opportunities should ensure that final dispositions are consistent with investigatory evidence.**

Comment:

Documentation showing the final disposition of an investigation was lacking. In addition, the employee's service ratings did not appear to properly reflect the DOL investigation results or the subsequent CHRO counseling letter.

ACKNOWLEDGMENTS

The Auditors of Public Accounts would like to recognize the auditors who contributed to this report:

Dennis Collins
Sidney Gale

CONCLUSION

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



Dennis Collins Jr.
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Robert J. Kane
State Auditor