

Agency Name	Human Rights Commission
Audit Name	Financial Audit Report
Audit Period	July 1, 2018 - March 31, 2019
Status Report Date	July 21, 2023

Summary of Audit Observations/Findings					
Number	Observation Title	Status [place X in status column]			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
3	Prepare And Implement Fundamental Internal Control Processes And Plans Case Information Systems Should Be Periodically Reconciled		X		
4	Establish Formal Risk Assessment Process		X		
5	Strengthen Payroll Controls				X
6	Part-Time Employee Leave Accrual Should Be Paid				X
7	Contract Documents Should Be Maintained And Utilized				X
8	Establish Effective Systems And Controls Promoting Contract Compliance		X		
9	Contract Compliance Requirements Should Be Followed				X
10	Administrative Rules For Fee Setting Should Be Developed				X
11	File Statutorily Required Report			X	
12	Address Expired Rules			X	

EXAMPLE Observation 1: No Formal Risk Assessment over XYZ program

Summary of Finding: Agency has not performed a formal risk assessment. An effective assessment is the foundation for developing and implementing effective internal controls to eliminate, mitigate or otherwise manage identified risks.

Current Status: Substantially Resolved. Agency in connections with DAS, utilized the Internal Control Toolkit and performed a formal risk assessment. The next step is to implement new processes and controls to minimize the identified risks. Completion Date estimated: August 2019

Observation 3: Case Information Systems Should Be Periodically Reconciled

Summary of Finding: The Commission has not prepared and implemented certain internal control processes and plans that are generally regarded as fundamental to efficient and effective internal controls.

Current Status: Partially Resolved

- Elements of the Observation have been remediated based on State of New Hampshire policies and procedures.
- Continuity of operations for the Commission has been established in the training manuals used by Commission staff. Manuals are updated as new policies and procedures are created.
- Information recorded relative to case closures for EEOC credit is consistently entered into the ARC (replacement for IMS) database by one person to ensure accuracy.
- There is/has been a clear separation of duties within the Commission.
 - i.e., EEOC vouchering is done routinely. The documents are prepared by the Executive Director and when the invoice is paid, the Commission's Business Manager, assigned by DAS, assures the funds are allocated properly.

Observation 4: Contract Documents Should Be Maintained And Utilized

Summary of Finding: The Commission does not have formal risk assessment policies, procedures, or processes in place for recognizing, assessing, and responding to risks with the potential to affect Commission objectives. The Commission has an employee handbook, case processing manual, and has implemented policies governing confidentiality, standards of performance, ethics, attendance, and leave to help reduce incidents of fraud and abuse.

Current Status: Partially Resolved

- Invoice payments, timecard approval and revenue receipts continue to be approved by the Executive Director.

- Commission staff do not have the ability or authority to approve invoice payments, receive funds, timecards (other than the limited authority for the Assistant Director).
 - The Commission is administratively attached to the DOJ and as such, payments are made by the business office of the DOJ.
 - The Power of Attorney for the Commission remains with the DOJ once the Commission was administratively attached in SFY2020.
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Observation 5: Strengthen Payroll Controls

Summary of Finding: The Commission's payroll processing, review and approval control for the nine months ended March 31, 2019, was not sufficient to prevent or detect and correct errors or irregularities.

Current Status: Fully Resolved

- The Commission is administratively attached to the Department of Justice relative to HR and Accounting functions.
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Observation 6: Review And Approval Function Should Be Established For Recording Employee Leave Transactions

Summary of Finding: During the nine months ended March 31, 2019, the Commission did not pay an eligible part-time employee for accrued annual leave totaling \$1,175, reportedly due to the Commission being unaware of standard State procedures.

Current Status: Fully Resolved

- The Commission is administratively attached to the Department of Justice relative to HR and Accounting functions.
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Observation 7: Cause Of Payroll Errors Should Be Determined And Resolved

Summary of Finding: Contracting documents considered essential to promoting adherence to the Commission's contract with the federal Equal Employment Opportunity Commission (EEOC) for the processing of eligible charges of discrimination were either not on file at the Commission or current copies were not available.

Current Status: Fully Resolved

- The Commission has a copy of the aforementioned EEOC manuals.
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- The Commission continues to retain fully executed copies of the annual contract between the Commission and the EEOC.

Observation 8: Procedures Should Be Established To Remind Commission Members Of Statement Of Financial Interests Filing Requirements

Summary of Finding: The quarterly reconciliation required per federal Equal Employment Opportunity Commission (EEOC) contract documents between the EEOC's Integrated Mission System (IMS), and Commission records was not performed for the first quarter of fiscal year 2019 due to a position vacancy. No policies and procedures or review and approval controls exist over the reconciliations.

Current Status: Partially Resolved

- The Commission has appropriate staff to complete the required reconciliations which takes place monthly upon submission of cases closed to the EEOC for credit.
- The Commission is in receipt of AARPA-SLFRF funds to acquire and build an internal case management/database system.
- The Commission has begun the process of capturing the procedures in writing for the EEOC's new database system established in FFY2022.

Observation 9: Contract Compliance Requirements Should Be Followed

Summary of Finding: The Commission did not consistently comply with guidelines in its contract with the federal Equal Employment Opportunity Commission (EEOC) or with the responsibilities detailed in the Contracting Principles document and the State and Local Handbook during the nine months ended March 31, 2019.

Current Status: Fully Resolved

- The Commission continues to notify the parties within 10 days of a docketed Charge of Discrimination
- The Commission has been approved to hire additional Investigators as of SFY24 which will assist in the processing of cases which will ultimately allow cases to be closed or begin adjudication within the 24-month period per statute.
- Dual-filed cases are closed annually by the end of the federal fiscal year which closes on September 30th.

Observation 10: Administrative Rules For Fee Setting Should Be Developed

Summary of Finding: The Commission has not adopted administrative rules for fees charged or performed an analysis to determine the reasonableness of the fees.

Current Status: Fully Resolved

- A determination by the Commissioners was made to annually adopt a fee schedule per RSA 354-A:5, XV. It was deemed inexpedient to make a rule for this activity as fees may change over time which would result in inefficient use of the rule making process.

Observation 11: File Statutorily Required Report

Summary of Finding: The Commission has not filed biennial reports that are required by statute.

Current Status: Substantially Resolved

- The Commission's biennial report for fiscal year 2021 – 2022 has been created and will be submitted.
- Future reports will be filed as required biennially.

Observation 12: Address Expired Administrative Rules

Summary of Finding: The Commission has not readopted administrative rules that have expired and appear necessary to carry out their duties and responsibilities.

Current Status: Substantially Resolved

- The Commission has reviewed, deliberated, and updated its administrative rules.
- The rules will be submitted to JLCAR to begin the readoption process.
- The Commission will move forward with the adoption of rules that will not expire if feasible.