

Audit Report

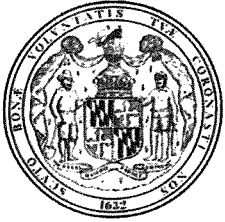
Maryland Commission on Civil Rights

July 2012



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

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Executive Director

July 27, 2012

Bruce A. Myers, CPA
Legislative Auditor

Senator James C. Rosapepe, Co-Chair, Joint Audit Committee
Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Maryland Commission on Civil Rights for the period beginning March 31, 2009 and ending March 13, 2012. The Commission is responsible for investigating and resolving cases of discrimination in the areas of employment, housing, and public accommodations.

Our audit did not disclose any findings.

We wish to acknowledge the cooperation extended to us by the Commission during the course of this audit.

Respectfully submitted,

A handwritten signature in black ink that reads "Thomas J. Barnickel III".

Thomas J. Barnickel III, CPA
Acting Legislative Auditor

Background Information

Agency Responsibilities and Name Change

In accordance with the State Government Article of the Annotated Code of Maryland, the Maryland Commission on Civil Rights was established to further equal opportunities and to promote better civil rights by eliminating discrimination throughout the State. In that regard, the Commission is responsible for investigating and resolving cases of discrimination in the areas of employment, housing, and public accommodations. According to the State's records, during fiscal year 2011, the Commission's operating expenditures totaled approximately \$3.2 million, of which the vast majority represented payroll costs for its 38 employees.

Chapter 580, Laws of Maryland 2011, effective October 1, 2011, changed the Commission's name from the Maryland Commission on Human Relations to the Maryland Commission on Civil Rights.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of the Commission's internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations.

A draft copy of this report was provided to the Commission. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have audited the Maryland Commission on Civil Rights for the period beginning March 31, 2009 and ending March 13, 2012. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the 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 a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Commission's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included procurements and disbursements, payroll, and federal fund reimbursements. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Commission's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include an evaluation of internal controls for federal financial assistance programs and an assessment of the Commission's compliance with federal laws and regulations pertaining to those programs because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including the Commission.

The Commission's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

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