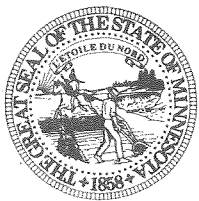


**DEPARTMENT OF HUMAN RIGHTS
MANAGEMENT LETTER
FISCAL YEAR 1988**

MARCH 1989



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Mr. Stephen Cooper, Commissioner
Department of Human Rights
5th Floor Bremer Tower
Seventh and Minnesota Streets
St. Paul, Minnesota 55101

Dear Commissioner Cooper:

We have reviewed certain accounting procedures and controls for your department as part of our statewide audit of the State of Minnesota's fiscal year 1988 financial statements and federal programs. The scope of our work has been limited to your centralized function responsibilities for monitoring state agency compliance with federal civil rights requirements.

We emphasize that this has not been a complete financial and compliance audit of all programs within your department. The work conducted in your department is a part of our annual statewide financial and federal compliance audit (single audit). The single audit coverage satisfies the federal government's financial and compliance audit requirements for the federal programs administered by your department in fiscal year 1988.

The recommendation included in this letter is presented to assist you in resolving the audit finding and in improving compliance procedures and controls. Progress on implementing this recommendation will be reviewed during our audit next year.

1. The Department of Human Rights needs to improve the accuracy of the list of certified contractors.

The Department of Human Rights has furnished inaccurate lists to state agencies identifying vendors with approved affirmative action plans. Minn. Stat. Section 393.07 requires, "that no department or agency of the state shall accept any bid or proposal for a contract or execute any contract for goods or services in excess of \$50,000 with any business having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the firm or business has an affirmative action plan that has been approved by the Commissioner of Human Rights." Minnesota Rule 5000.36, Supb. 6 requires the Department of Human Rights to furnish state agencies with a list of certified contractors and contractors whose certificates of compliance have been suspended or revoked.

State agencies are required to review the list of certified contractors distributed by Human Rights to determine if the business has an affirmative action plan approved by the Commissioner of Human Rights. Contracts are not to be issued to uncertified, revoked, or suspended contractors. Human Rights is responsible for updating and distributing the list of certified vendors every 60 days.

Mr. Stephen Cooper, Commissioner
Department of Human Rights
Page 2

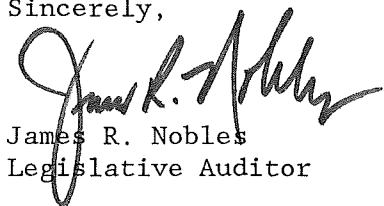
Human Rights erroneously listed three contractors as certified vendors. One contractor had never been certified, but was on the list from August 1987 through January 1989. Two contractors had their certificates of compliance revoked by Human Rights in April 1988 and November 1988, respectively, but were on the list for June 1988 and January 1989. During 1988, state agencies contracted with one of the uncertified vendors. State agencies did not individually exceed payments of \$50,000 to these vendors, therefore, the agencies did not violate Minn. Stat. Section 393.07. However, the potential existed for state agencies to pay the uncertified vendors.

RECOMMENDATION

- Human Rights should ensure that the list of certified contractors is updated correctly and timely.

Thank you for the cooperation extended our staff during this audit.

Sincerely,

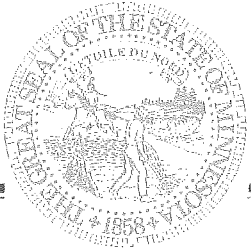


James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

March 8, 1989



Minnesota Department of Human Rights

March 8, 1989

James R. Nobles
Legislative Auditor
Office of the Legislative Auditor
Veterans Service Building
St. Paul, MN 55155

Dear Mr. Nobles:

This letter constitutes the Department of Human Rights' response to your recommendation resulting from your audit work for the year ended June 30, 1988.

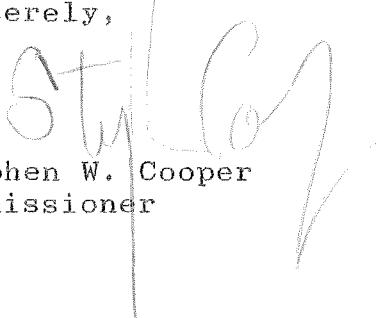
The recommendation is that the Department of Human Rights should ensure that the list of certified contractors is updated correctly and timely.

The Department analyzed the procedures for compiling the list of certified contractors and found problems with both data entry functions and the data base.

Therefore, the responsibility for entering and maintaining information on the certification status of contractors is being transferred from the Contract Compliance Unit to the Management Information Systems Unit. This transferring of responsibility will consolidate and centralize all data entry functions and will also provide staff who is more qualified in the area of data processing.

Responsibility for implementing this recommendation is Gary Belisle and Wendy Adler Robinson and the date projected for completion is April 3, 1989.

Sincerely,


Stephen W. Cooper
Commissioner

SWC/dkl

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