STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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October 10, 2022

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Accompanying this letter is the outcome of the FY2022 State Universities Civil Service System Governance, Risk, and Compliance (GRC) Audit of the Office of Human Resources at Northeastern Illinois University, covering the period of December 1, 2016, through March 31, 2021.

This report communicates the overall outcome and assessment of human resource practices during that period, documents risk assessment category findings and provides recommendations to rectify compliance issues discovered through this comprehensive human resource operational audit.

On behalf of the Legal and Compliance Services Division, please convey our appreciation to the human resources staff for engaging in the audit process and demonstrating their commitment to addressing the findings. If you have questions or want a personal briefing on any item, please get in touch with Lucinda M. Neitzel, Assistant Director of Legal and Compliance Services, at cindyn@sucss.illinois.gov or by phone at (217) 305-6604.

Sincerely,

Gail M Schiesser Digitally signed by Gail M Schiesser
Date: 2022.10.10 15:32:21 -05'00'

Gail Schiesser
Executive Director

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

Governance, Risk, and Compliance Audit Report (Final)

October 10, 2022

Northeastern Illinois University

Audit Time Frame:
December 1, 2016 – March 21, 2021

Remote Visit:
May 7 – 20, 2021

Prepared by:

Lucinda M. Neitzel

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Assistant Director, Legal and Compliance Services

State Universities Civil Service System
Legal and Compliance Services
Final Audit Report

Table of Contents

Overview of Specific Areas Subject to Review 2

Audit Objective and Scope 3

Risk Assessment Categories 3

Executive Summary 5

Risk Assessment Category 1 Findings, Recommendations,

Administrative Responses and Additional Auditor Comments 6-19

State Universities Civil Service System
Legal and Compliance Services
Final Audit Report

Overview of Specific Areas Subject to Review

The following Human Resource topic areas are considered and reviewed when identifying the Audit Objective and Scope, Risk Assessment Categories, and Findings identified in this report:

Assignment of Positions to Class
A sample of Civil Service position descriptions is selected to ensure proper and timely updates between employees and supervisors, conduct individual desk audit interviews, and complete a review of the Employer desk audit process to ensure accurate classification determinations were assigned.

Compensation Programs
An analysis of the Employer's use of pay rates and pay ranges is completed to determine compliance with ranges approved by the Merit Board. The Employer's compensation program is evaluated to ensure merit and pay equity requirements are adequately compared to the regional market area.

Examination Program
A review of pre-employment testing procedures is conducted, including a review of admission of applicants to examinations, license and certification verifications, exam security and administration, and register maintenance.

Administration of Employment and Separation Procedures
A review of the Employer's business processes related to the Civil Service employment cycle, including the utilization of status and non-status appointments, probationary period requirements, and other employment and separation transactions, such as disciplinary suspensions, dismissals, voluntary demotions, temporary upgrades, reassignments, transfers, and dismissal from probation.

Administration and Employment Protocols of Positions Exempt from Civil Service Regulations
A review of employment protocols related to positions designated exempt from Civil Service regulations is completed to ensure accurate designation under Merit Board procedures. The Employer's exemption method, administrative procedures, and related position descriptions are sampled, with incumbent interviews conducted to validate the assigned position exemption.

General Review of the Employer's Human Resource Program
A general review of the Employer's human resource programs is completed to determine effectiveness, efficiency, and levels of communication to internal constituency groups, including faculty, principal administrative employees, and support staff. This review may also include investigating concerns from external constituents, including the public, employee committees, and union groups.

Other Follow-up Items from the Previous Audit
The Auditor reviews any follow-up items from previous audits and evaluates compliance matters deemed necessary and appropriate to meet audit objectives.

Audit Objective and Scope

Objective

As stated in the Governance, Risk, and Compliance Audit Charter for the State Universities Civil Service System, as approved by the Merit Board on August 17, 2016, the primary objective and purpose of the audit program is to evaluate and verify compliance with the Act, Code, and System Procedures. The University System is also charged with building strategic partnerships, assessing processes and performance, providing direct guidance and support services, and implementing flexibilities that meet the needs of each Employer, consistent with the Act.

Audit Scope

The Scope of this FY2021 Audit for Northeastern Illinois University included a comprehensive evaluation of employment designations and category of status, non-status, and exempt appointments; register maintenance and management; position description reviews for Civil Service and Exempt appointments; time frame requirements for Temporary Upgrade Assignments; extra help appointments and compliance with the 900-hour limitation; civil service desk audits; personnel transaction and records reviews; and previously cited audit findings.

Risk Assessment Categories

Topics of Specific Focus by Rick Assessment Category

Prior to performing audit functions, specific risk assessments were assigned and categorized for each topic area reviewed during the compliance audit process. The Auditor considers the following factors when determining the appropriate level of compliance violation and course of action:

- Repeat Breaches of the Act, Code, Procedure, or Audit Charter
- Multiple Instances of Non-Compliance
- Employer's Ability and Willingness to Operate in Compliance with the Law
- Employer's Historical Compliance Record
- Employee Concerns

Audit findings are defined and issued based on these designated and predetermined risk assessments as follows:

- Category 1: Serious Impact/Immediate Action Required
- Category 2: Medium Impact/Needs Improvement
- Category 3: Minimal Impact/Observation Only

For the current FY2021 Governance, Risk, and Compliance Audit at Northeastern Illinois University, the following risk assessments and areas of focus were communicated to the Employer before conducting the audit examination:

> ***Category I:*** Identification of Civil Service Classifications Used, Use of Approved Rates and Ranges, Admission of Applicants to Examination, Examination Security Protocols, Register Referral of Candidates and Register Maintenance, Layoff Transactions, Specialty Factor Designations, Extra Help Appointments, and Temporary Upgrade Assignments.

***Category II**:* Position Control Management, Removal of Names from Registers, Maintenance of Personnel Files, Temporary PAA Assignments, and Transaction Documents (Intern Requests, Disciplinary Suspensions, Dismissals, and Layoff Notices) on file at the University System Office.

***Category III**:* Civil Service Desk Audits, Position Description Reviews, Timeliness of Classification Requests (Desk Audits), and Scheduling/Inventory of Examinations.

The Legal and Compliance Division recognizes and identifies these three categories of findings based on the facts presented by the Employer during the audit process, which are then evaluated against requirements consistent with regulatory guidelines. The Category assigned to a documented finding depends on the severity of the issue and its impact related to a violation of the Act, Code, or Procedure.

NOTE: The university system is responsible for protecting private and sensitive employee information from loss or misuse. As a result, personal information, as defined in the Illinois Freedom of Information Act (FOIA), 5 ILCS 140/2(c-5), and other sensitive employee and position data including, but not limited to pre-employment application information, examination scores, register referrals, salary, and specific disciplinary details, are not included in this report.

Northeastern Illinois University
Final Audit Report

Executive Summary
YEAR ENDED—FY2021

The compliance testing performed during this examination was conducted consistent with the State Universities Civil Service Act (110 ILCS 70/36b et seq.), Part 250 of the Illinois Administrative Code (Code) (80 Ill. Adm. Code 250), State Universities Civil Service Procedures Manuals, applicable University/Agency policies/procedures, and auditing standards.

SUMMARY

Number of	**This Report**
Category 1 Findings	3
Category 2 Findings	0
Category 3 Findings	0
Repeated findings from previous audit*	2

REPORT SCHEDULE OF AUDIT FINDINGS

Item Number	**Page**	**Description**
		RISK ASSESSMENT CATEGORY 1 FINDINGS
NEIU FY21-01	6	Exemption Authorization Applied to Positions that Correspond to Civil Service Classification Specifications*
NEIU FY21-02	13	Non-Compliance with Extra Help Employment and Position Limitations*
NEIU FY21-03	17	Employees Paid Outside of Approved Salary Ranges

Northeastern Illinois University
Final Audit Report

Risk Assessment Category 1 Finding

Auditor Recommendation, Employer's Administrative Response, and Additional Auditor Comments

NEIU FY21-01 EXEMPTION AUTHORIZATION APPLIED TO POSITIONS THAT CORRESPOND TO CIVIL SERVICE CLASSIFICATION SPECIFICATIONS

CRITERIA/STANDARDS:

1) *State Universities Civil Service Act (Act), Section 70/36e Coverage;*
2) *Illinois Administrative Code (Code), Section 250.30(a) Coverage; and*
3) *Exemption Procedures Manual, Section 1.2, Overview.*

> **(110 ILCS 70/36e) (from Ch. 24 ½, par 38b4)**
> Sec. 36e. Coverage.
> All employees of the Illinois Community College Board, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, University of Illinois, State Universities Civil Service System, State Universities Retirement System, the Illinois Student Assistance Commission, and the Board of Higher Education shall be covered by the University System described in Sections 36b to 36q, inclusive, of this Act, except the following persons:
>
> (1) The members and officers of the Merit Board and the board of trustees, and the commissioners of the institutions and agencies covered hereunder;
>
> (2) The presidents and vice presidents of each educational institution;
>
> (3) Other principal administrative employees of each institution and agency as determined by the Merit Board;
>
> (4) The teaching, research, and extension faculties of each institution and agency;
>
> (5) Students employed under rules prescribed by the Merit Board without examination or certification.

The current Exemption Procedures Manual was approved by the Merit Board and became effective on October 1, 2018. These procedures contain the guidelines and criteria to adequately designate and validate exempt positions and employees in those positions as exempt from the Act, as categorically defined above.

The Exemption Procedures Manual, Section 1.2 Overview states, in part, "The Merit Board permits the Designated Employer Representative (DER) at each of the universities and agencies to make an initial determination as to whether a position qualifies as an exemption under section 36e of the Act. This authority is granted and may be revoked, in whole or in part, at the sole discretion of the Merit Board."

Exemptions are permitted under current procedures, requiring verification of exemption authorization through the comprehensive development and ongoing review of accurate position descriptions. Accordingly, employers must maintain an updated, accurate, and complete position description for all positions. A routine and regular position review program is necessary to assign classification designations correctly and accurately validate exemption status.

BACKGROUND/CONTEXT:

As mentioned in the cover letter of this report, the FY2021 Governance, Risk, and Compliance Audit timeframe at Northeastern Illinois University was December 1, 2016 – March 31, 2021. Typically, positions categorically exempt from Civil Service regulations are sampled and reviewed under the purview of a Category 1 Risk Assessment to determine proper designation and exemption from the Act. In addition, the Auditor evaluates this topic based on how an Employer's history relative to this issue impacts the current sampling method and depth of review.

Under the direction of the Merit Board and the University System Office, the Exemption Procedures Manual was under review and revision during the first half of the audit period referenced above in a manner that may have impacted the outcome of individual position reviews during this audit. During the first year of the audit time frame, followed by the 20 months when audits were formally suspended from June 1, 2017, to September 30, 2018, the Exemption Procedures Manual that the Merit Board approved in June 2009 remained in effect.

Even though the System Office suspended many audit activities during the procedural revision process, the Employer was allowed to continue exempting positions from Civil Service regulatory requirements under previous procedures. ***With this in mind, the Auditor selected a position sample for this Employer that not only reflected prior procedural requirements in effect at the time of appointment but also accounted for substantive changes and transitional time relative to the revision of the current Exemption Procedures Manual that became effective October 1, 2018.***

As part of the FY2021 Governance, Risk, and Compliance (GRC) Audit Process, the Auditor provided the Employer's Designated Employer Representative (DER) with a Pre-Audit Questionnaire and an additional request for materials from which to review reports and select audit samples. In response to this questionnaire, the Employer provided its internal policy for exempting positions from the State Universities Civil Service Act, consistent with University System Merit Board-approved exemption procedures.

The Employer's internal policy concerning exemptions was provided to the Auditor and is outlined in the following response:

Northeastern Illinois University

NEIU PROCEDURES

Volume E1: Employment/ Hiring	E1.1 Principal Administrative Appointment Exemption	Responsible Office: Office of Human Resources
	Effective Date: 01/01/2011	Responsible Officer: Director

PURPOSE

These procedures are intended to ensure that all rules are followed as authorized by SUCSS and mandated by Illinois statute, when exempting an appointment from Civil Service.

WHO IS AFFECTED BY THESE PROCEDURES

Northeastern Illinois University Employees

PARENT POLICY

Illinois Statute – HIGHER EDUCATION (110 ILCS 70/) State Universities Civil Service Act Section 36e(3) and Section 36e(4)

DEFINITIONS

PAR – Faculty and A&P Position Authorization Request

SUCSS – State Universities Civil Service System

PROCEDURES

These procedures apply to Administrative and Professional appointments whose duties and responsibilities as dictated by the job description meet one of or more of the criteria under the State Universities Civil Service System Statutes: Section 36e(3) or 36e(4).

Determination of whether or not to exempt administrative appointments will be approved by the Designated Employer Representative (DER) after a careful review of essential job duties, scope, and level of responsibilities as dictated in the job description. This applies to all administrative appointments regardless of source of funding and is not subject to the statutes and rules of SUCSS.

The following steps should be completed:

(1) A PAR (Faculty and A&P Position Authorization Request) must be completed and approved by all parties as designated on the form.
(2) A job description must be affixed to the PAR utilizing the template as attached. Please contact the Office of Human Resources for the working document.
(3) A rationale that addresses the justification for exemption under the applicable statutes and rules and should address the level of managerial responsibilities, complexity of decision-making and organizational structure.
(4) After review, parties will be notified of action taken. Unapproved requests will be returned to the hiring agent for further revision or designation to civil service position.

Principal Administrative Appointment Exemption
Procedure E1.1
Effective Date: 01/01/2011

Responsible Officer: Director
Responsible Office: Office of Human Resources

APPENDIX

Appendix A – Faculty and A&P Position Authorization Request (PAR)
Appendix B – Administrative Appointment Job Description Template

RELATED POLICIES, DOCUMENTS, AND LINKS

State Universities Civil System - http://www.sucss.state.il.us
Section 36e(3) http://www.sucss.state.il.us/pm_manuals_results.asp?ID=194&kw=exemption
Section 36e(4) http://www.sucss.state.il.us/pm_manuals_results.asp?ID=196&kw=exemption

CONTACT INFORMATION

Please direct questions or concerns about these procedures to:

Contact	Phone	E-Mail
Office of Human Resources	773-442-5200	

DISCLAIMER

The University reserves the right to modify or amend sections of these procedures at any time at its sole discretion. These procedures remain in effect until such time as the Responsible Officer or University Officers call for a review. Requests for exception to any portion of these procedures must be presented in writing to the Responsible Officer.

CONDITIONS/FACTS:

• ***Mis-designated Exemptions***. Consistent with the targeted audit sampling method previously described, the Auditor requested position description documents for a sample of 60 positions the Employer identified as categorically exempt under 36e(3) or 36e(4) of the Act. Through this review, which also included personal interviews with various employees, it was determined that 15 positions listed in **Appendix A** appeared to perform duties and responsibilities consistent with those found in Civil Service classification specifications.

• ***Incorrectly Categorized Exemptions***. The Auditor then conducted a secondary review of the position designation category of each position in the sample to assess whether each position had been exempted properly as either 36e(3) or 36e(4) consistent with the Act. Following this review, the Auditor determined that of the 60 exempt positions sampled, 26 of them were miscategorized. This list of positions was submitted to the Employer separately, indicating that an inaccurate exemption authorization had been applied to them and required correction by the Employer. As of the date of this report, the Auditor is still awaiting confirmation that exemption categories have been correctly assigned to each position.

CAUSE/SOURCE OF CONDITION:

Concerning the 15 cited positions listed in **Appendix A**, it is essential to note that nine incumbents appear to have been appointed to those positions within the current audit timeframe of December 1, 2016, to March 31, 2021. Six other incumbents listed in Appendix A appear to have been appointed under exemption procedures and standards previously approved by the Merit Board.

Historically, and applicable in each of the position findings in **Appendix A**, Merit Board procedures required, and still require, routine and regular position review programs to correctly assign classification designations and accurately validate exemption status. A thorough and comprehensive review of exempt position descriptions is a primary component of accountability as it relates to the delegation of authority authorized by the Merit Board to the Designated Employer Representative (DER). Procedures require a cyclic review program, wherein all exempt position descriptions are reviewed by the Employer for the currency of job content and title no less often than once every three years.

Based on the NEIU procedure included previously in this finding, there is no mention of a cyclic review component related to the exemption, or continued exemption, of positions. Supposing this is the actual case in practice, campus policy regarding the exemption of positions does not adequately address the secondary piece of accountability related to the ongoing validation of exempt positions over time.

EFFECT/IMPACT:

The overarching concern related to the impact of employees who occupy positions incorrectly designated as exempt from the State Universities Civil Service Act is that the employees are being improperly denied specific employment rights and protections provided under the Act.

Since positions exist in the current audit sample that are improperly designated as exempt from civil service regulatory standards over an extended period, it appears the Employer did not apply an internal business review process of accountability and cyclic position reviews that have been historically contained in the Exemption Procedures Manual.

In terms of making corrections to exempt position categories as either Principal Administrative Appointments (36e(3)) or Teaching, Research, and Extension Faculty Appointments (36e(4)), these corrections are relatively simple to make within the central HRIS system; however, these errors over time have impacted the accuracy of quarterly headcount data reporting to the University System. Position headcount information reported from all University Employers is published in both the public and governmental domain; therefore, reporting inaccurate exemption designation categories can result in credibility and transparency concerns.

FINDING(S) FROM PREVIOUS AUDIT(S):

During the FY2017 Governance, Risk, and Compliance Audit, exempt position reviews were not conducted due to the revision of the Exemption Procedures Manual and its impact on position designation.

RECOMMENDATION(S) TO THE EMPLOYER:

The Code, Section 250.30(a) provides that the Merit Board has the authority to approve Principal Administrative Appointments (PAA) at each institution or agency. Specifically, it states, "[t]he Executive Director shall publish guidelines for such exemptions, as approved by the Merit Board."

The Designated Employer Representative (DER) of each university and affiliated agency is responsible for developing and maintaining protocols consistent with statutory requirements and procedural guidelines related to this delegated authority. Just as the University System modifies the Civil Service classification plan, individual positions at each employment location evolve over time. Therefore, a regular position review program that evaluates its designation and category must be implemented to correctly assign civil service classifications or accurately validate exemption status.

As part of the current audit, the Employer reported that 30 exempt positions were transitioned to appropriate civil service classifications during the audit time frame. The Employer's work in the direction of compliance with the current exemption policy is acknowledged. However, more needs to be done to achieve compliance, mainly when there are still cases of long-term employees working in inappropriately exempted positions that are not being provided civil service employment rights and protections under the Act. At this stage of the audit process, the University System finds the following must occur:

Concerning the 15 exempt position titles referenced in **Appendix A** of this report, the Employer shall review each listed position, determine the appropriate Civil Service classification of assignment, and immediately re-designate the position. Civil Service classification options have been provided. However, if the Employer determines that a different classification is a better fit, the Employer is permitted to transition each position consistent with those standards.

- Following that process, if the Employer maintains that any identified positions should remain exempt, the Exemption Procedures Manual, Section 3.3, Accountability for Exemption Authorization outlines specific interactive steps, outcomes, and the timeframe for individual position appeals if necessary.

- Concerning the 26 miscategorized positions previously referenced in this finding, the Employer shall confirm the review and correction of the position designation category, if necessary, as part of the administrative response to this audit finding.

In addition to addressing the positions referenced in this finding, the Auditor requests that the Employer develop and implement internal processes that are consistent with the current Exemption Procedures Manual, Sections 3.1 and Section 3.2, respectively; and establish an Internal Review and Accountability Program for determining and validating exemptions at Northeastern Illinois University.

EMPLOYER'S ADMINISTRATIVE RESPONSE:

SUBMITTED BY MS. ABBY MURRAY, EXECUTIVE DIRECTOR OF HUMAN RESOURCES, NORTHEASTERN ILLINOIS UNIVERSITY:

NEIU agrees with the recommendation of the Auditor. However, as for the finding of 26 miscategorized positions, while NEIU may agree with the recommendation, the 26 miscategorized positions were not attached to the report. Please provide a list of the 26 employees.

ADDITIONAL AUDITOR COMMENTS:

Please find below the list of 26 positions (labeled by position control number) referenced previously in this finding and miscategorized as exempt under §36e(3) of the Act, consistent with information communicated via email to your office on July 8, 2022:

996556	996559	998016	998005	998000	998014	997989
999884	998021	996556	998016	997180	996766	996601
996650	999803	999636	996240	997266	999751	999802
997244	996925	996743	996531			

The Auditor respectfully requests confirmation by the Employer that the exempt category for these positions has been changed to reflect the above recommendation within the HRIS record and as part of each position description.

Northeastern Illinois University
Final Audit Report

Risk Assessment Category 1 Finding

Auditor Recommendation and Employer's Administrative Response

NEIU FY21-02 NON-COMPLIANCE WITH EXTRA HELP EMPLOYMENT AND POSITION LIMITATIONS

CRITERIA/STANDARDS:

1) *Illinois Administrative Code (Code), Section 250.70(f) Extra Help Appointments; and*
2) *Employment and Separation Procedures Manual, Section 2.5 Extra Help Appointments.*

Guidelines for Extra Help employees and positions are contained in the Illinois Administrative Code as follows:

> "An Extra Help appointment may be made by an employer to any position for work which the Employer attests to be casual or emergent in nature and which meets the following conditions:
>
> A) the amount of time for which the services are needed is not usually predictable;
> B) payment for work performed is usually made on an hourly basis; and
> C) the work cannot readily be assigned, either on a straight-time or on an overtime basis, to a status employee."
>
> "An Extra Help position may be utilized for a maximum of 900 hours of actual work in any consecutive 12 calendar months. The Employer shall review the status of the position at least every three calendar months. If at any time it is found that the position has become an appointment that is other than Extra Help, the Employer shall terminate the Extra Help appointment. If an Extra Help position has accrued 900 consecutive hours, the position shall not be re-established until six (6) months have elapsed from the date of the termination of the position." (Illinois Admin. Code tit. 80, Ch. VI, Part 250, Section 250.70(f))

For Extra Help employees, the Code requires that "[u]pon working 900 hours, an Extra Help employee cannot resume employment in any Extra Help appointment at a place of employment until thirty (30) calendar days have elapsed." (Illinois Admin. Code tit. 80, Ch. VI, Part 250, Section 250.70(f))

As noted in the Code, Section 250.70(f), the Employer's responsibility is that they "… shall review the status of the position at least every three calendar months. If it is found that the position has become an appointment other than Extra Help, the Employer shall terminate the Extra Help appointment." (Illinois Admin. Code tit. 80, Ch. VI, Part 250, Section 250.70(f))

Understanding the need for continued temporary assistance, Extra Help extensions are allowed in specific instances under procedural guidelines.

BACKGROUND/CONTEXT:

The utilization of Extra Help appointments and positions are typically reviewed and analyzed as a Category 1 Risk Assessment to determine whether both components of the 900-hour limitation were adhered to and consistent with the Code. As a practical matter, this category of importance indicates that the topic is audited during every cycle at each employment location that routinely utilizes these appointments.

CONDITIONS/FACTS:

The Auditor reviewed a data report of Extra Help appointments employed during the audit period, accounting for approximately 430 employee and 178 position instances. (Some employees and several positions were utilized multiple times.)

As documented in **Appendix B**, ten employee instances appear to have exceeded the 900-hour limitation without the required 30-day break in service. In addition, the Auditor could not verify or determine the total number of hours worked before a 48-day break reportedly given to [redacted] from February 3, 2018 – March 22, 2018.

Additionally, as listed in **Appendix C**, 30 position instances appear to have been utilized for more than 900 hours of actual work within a 12-month period without a six-month lapse. In several of these instances, multiple employees were assigned to the same "pooled" position control number on a revolving and overlapping basis. In addition, even though employee [redacted] was granted an Extra Help extension during the dates reported, the position number requested and approved did not match the position number submitted. Due to this error, position number 996641, assigned to [redacted] in the Extra Help report, is listed in **Appendix C** as a finding.

CAUSE/SOURCE OF CONDITION:

Based on the information provided to the Auditor, it appears that the Employer does not have sufficient processes to efficiently and effectively monitor Extra Help appointment limitations for both the employee and the position. Of significant concern regarding this topic is the absence of a position control process or mechanism to ensure compliance with Section 250.70(f), which requires a six-month lapse before an Extra Help position can be re-established.

Further complicating this issue is the pooling of Extra Help positions or allowing one extra help position to be shared by several employees concurrently. This creates an additional layer of complexity that does not allow for the proper position monitoring and regulating of employee work hours.

EFFECT/IMPACT:

The University System has historically emphasized to Employers that Extra Help appointments are allowed only on a casual or emergent basis, the enforcement of which is regulated by Section 250.70(f) of the Code. The lack of adequate employee and position monitoring of this employment activity permits the over-use of Extra Help. This results in a loss of opportunity for qualified applicants to be considered for status appointments. It also demonstrates an over-reliance on these appointments, eroding the argument that the need is critical.

FINDING(S) FROM PREVIOUS AUDIT(S):

During the FY2017 Governance, Risk, and Compliance (GRC) Audit, the Auditor determined that 17 employees appeared to have worked beyond the 900-hour limitation without the required 30-day break; and that 45 positions appeared to have been utilized for more than 900 hours of actual work in a 12-month period without a six-month lapse. It was noted during this audit that this topic was a repeated finding in FY2012 and FY2014. Some progress was made following the FY2012 Biennial Compliance Audit related to the management and monitoring of Extra Help appointments in general; however, the pooling of Extra Help positions remained a significant issue, and the thousands of Extra Help hours revolving in and through those positions were excessive. *[Finding Code NEIU 17-02, pages 7-12]*

RECOMMENDATION TO EMPLOYER:

The (current) FY2021 Governance, Risk, and Compliance Audit outcomes related to this topic indicate that monitoring processes still require further development, communication, and reinforcement at every level on campus to adequately monitor and regulate Extra Help positions and the employees assigned to those positions, consistent with Section 250.70(f) of the Code.

During the previous FY2017 audit, the Employer indicated in their administrative response that the "University uses a 'pooled' system of position numbers for extra help positions" and that "from an internal perspective, the pooled position methodology has provided ease of administration and reporting." Additionally, the Employer indicated that, understandably, this position pooling "system creates difficulty for SUCSS in determining whether NEIU is compliant with the 900-hour limitation." Further, the Employer disagreed with the Auditor's conclusion that "thousands of extra help hours revolving in and through the positions" was excessive.

Despite this disagreement, the Employer committed to "conducting an operational analysis to determine the need for the creation of additional status appointments." However, it was also stated in their administrative response that "given the reduction in state appropriation and resulting budget cuts, creating status appointments would be difficult." It was also communicated to the University System that positions were hired for programs that employ dozens of students. A pooled position number management method may "still remain the most practical."

The Employer's Institutional Corrective Action Plan during the FY2017 Governance, Risk, and Compliance Audit prompted a campus visit by the University System on March 13, 2018, to provide training concerning the monitoring and validation of Extra Help hours. During this training, it was reiterated that demonstrating compliance with Extra Help Rule provisions is the employer's responsibility. Following that visit, it was understood by campus human resource representatives that a different process was required in which to demonstrate future compliance.

Based on the current FY2021 Governance, Risk, and Compliance Audit outcome concerning position control and management, any process that may have been implemented following the FY2017 Audit was either not enforced, ineffective, or highly inadequate. The pooling of Extra Help positions remains a significant problem since the Employer cannot demonstrate compliance with the Code.

The Designated Employer Representative (DER) is ultimately responsible for determining whether an existing personnel program is consistent with governing regulations and procedural standards. These standards require a comprehensive review of all Extra Help Appointments for compliance with the 900-hour limitation, any corresponding extension, and any other applicable and emergent criteria justifying

such appointments every three months. Regular, quarterly reviews of this employment activity would have been instrumental in preventing or significantly reducing the number of appointments and positions that exceeded the 900-hour limitation.

As previously recommended during the FY2017 Audit, the Employer is again reminded that Extra Help appointments are intended to address emergent and casual needs that assist during position vacancies, leaves of absence, and peak work periods. Compliance with Extra Help appointment and position requirements must be validated by adequately demonstrating the proper management of this employment activity and adhering to strict time frame limitations. This is not an optional requirement of convenience or practicality to the Employer. It is mandatory.

At this stage of the audit process, the University System finds the following must occur:

- The Employer HR Department shall immediately conduct an internal review at Northeastern Illinois University that identifies and rectifies process deficiencies to the Extra Help monitoring process by implementing stricter accountability standards.

- Submit a written plan to the University System Office to adopt and implement before the end of the calendar year 2022, outlining policy modifications and additional compliance reinforcement to ensure compliance with Extra Help Rules.

EMPLOYER'S ADMINISTRATIVE RESPONSE:
SUBMITTED BY MS. ABBY MURRAY, EXECUTIVE DIRECTOR OF HUMAN RESOURCES, NORTHEASTERN ILLINOIS UNIVERSITY:

To respond to your request to adopt and implement a plan by the end of the calendar year 2022 outlining policy modifications and additional compliance reinforcement to ensure compliance with Extra Help Rules, the University's newly implemented policy is:

> Human Resources reviews the 900-hour report on a monthly basis to ensure compliance. The University's HRIS system has been modified to include suffixes on position numbers to ameliorate our issues with position pooling. Otherwise, NEIU agrees with the auditor's recommendation.

Northeastern Illinois University
Final Audit Report

Risk Assessment Category 1 Finding

Auditor's Recommendation and Employer's Administrative Response

NEIU FY21-03 EMPLOYEES PAID OUTSIDE OF APPROVED SALARY RANGES

CRITERIA/STANDARDS:

1) *State Universities Civil Service Act (Act), Section 70/36d(3) Powers and Duties of the Merit Board; and*
2) *State Universities Civil Service Act (Act), Section 70/36k(1) Regional Compensation & Registers; and,*
3) *Pay Administration Procedures Manual, Sections 1 – 3 Procedures.*

> **(110 ILCS 70/36d(3)) (from Ch. 24 ½, par 38b4)**
> Sec. 36d. Powers and Duties of the Merit Board. The Merit Board shall have the power and duty:
>
> (3) To prescribe the range of compensation for each class or to fix a single rate of compensation for employees in a particular class and to establish other conditions of employment which an employer and employee representatives have agreed upon as fair and equitable.

As a matter of operating policy, the Merit Board has historically interpreted Section 36d(3) of the State Universities Civil Service Act (Act) to require the payment of wages to all employees which are generally comparable to the salaries paid in the locality, or recruiting area, to employees engaged in work of a similar character. It is also important to note that classifications are not authorized for use by the Employer until a salary rate or range is established in the Salary Data System, managed and maintained by the University System Office.

All Employers of the University System submit salary rates and ranges for each Civil Service classification utilized, consistent with the Open Range, Negotiated, Established, or Prevailing Rate requirements outlined in the Act, prescribed by the Merit Board, and outlined in the Pay Administration Procedures Manual. Any rate or range corrections made due to the audit process or internal salary reviews at the campus level must be retroactively applied to the date the new rate or range became effective.

BACKGROUND/CONTEXT:

Compliance with established salary ranges is typically reviewed and analyzed under a Risk Assessment Category 3. Ordinarily, upon notification that employees are paid outside of established ranges, the Employer will make necessary corrections promptly and efficiently to address and prevent the significant underpayment of employees or incorrect reporting of current ranges. However, it is essential to note that when salary corrections are required through the audit process that results in a large number of employees having been underpaid for a considerable amount of time; or when the under-payment results in a significant amount in lost wages, this issue can be elevated to a Risk Assessment Category 1 Finding.

CONDITIONS/FACTS:

The Auditor reviewed the Civil Service payroll document submitted by the Employer to determine whether individual employees were paid within the salary range established by the university for each classification utilized on campus. The payroll document was checked against data housed within the Salary Data System to determine if employees were paid below the range minimum, above the range maximum, or if a range was properly assigned to a specific classification and reported in the Salary Data System by the Employer before utilizing that class.

As part of routine audit follow-up activities, the Auditor provided a salary exception report to the Employer that listed several employees assigned to various classifications whose pay rates exceeded the range maximum; as well as three employees paid below the range minimum for the Program Coordinator and Applications Analyst classifications since November 15, 2018, and September 8, 2020, respectively. The Auditor requested the update and correction of these ranges in the Salary Data System and documentation that back pay was calculated and provided to under-compensated employees.

Given that compensation corrections are retroactive to each classification range effective date, the amounts due to the two employees in the Applications Analyst classification included payments of ***$29,050*** and ***$20,052,*** respectively. The third employee, assigned to the Program Coordinator classification, terminated employment on August 6, 2021, and is also owed retroactive pay, which is still pending as of the date of this report. The Auditor has informed the Employer that evidence to support the retroactive payment of lost wages must be submitted to this office to validate that the impacted former employee's pay has been remedied.

CAUSE/SOURCE OF CONDITION:

The Employer is responsible for ensuring that salary range effective dates are current and that employee pay is not significantly impacted to the maximum extent possible. Routine payroll checks were not performed during the audit timeframe to ensure that employees were paid within the range established and that fundamental salary rate/range updates were not completed or reconciled promptly through the Salary Data System consistent with System procedures.

EFFECT/IMPACT:

The Employer risks significant financial liability in the overpayment or underpayment of employees, as well as non-compliance with the Act and its corresponding procedures. Inaccurate salary information within the Salary Data System negatively impacts the credibility and integrity of published ranges utilized by the entire system in their compensation management programs.

FINDING FROM PREVIOUS AUDIT:

No findings in this topic area were made during the last operational audit in FY2017.

RECOMMENDATION TO EMPLOYER:

As the employer of record, the university determines the setting and modification of civil service salary ranges for each classification based on the campus pay plan, local area market rates, and internal equity. Minor errors in pay are expected for a wide variety of reasons, such as payroll system glitches or outages, time and attendance errors, and even simple human error; therefore, a methodical process that routinely audits payrolls is critical to ensure that corrections to those errors are made promptly to prevent a significant long-term impact on employee wages.

However, it does not appear, given the evidence documented in this finding, that routine payroll checks or audits of employee rates related to the established range for their classification of assignment are completed or verified. At least two employees were owed tens of thousands of dollars in back pay due to the significant underpayment of wages. These significant underpayments indicate that payroll processes that monitor employee wage rates related to the salary range are not checked or audited internally at the campus level on a regular or recurring basis.

The Auditor requests that proper business protocols regarding routine salary reconciliation activities be implemented and followed by reviewing salary reports and making salary rate adjustments accordingly as they occur, but no less frequently than every quarter. Additionally, as part of the administrative response, the Employer shall provide evidence to support the retroactive payment of lost wages to this office and verify that the former employee assigned to the Program Coordinator classification and terminated employment on August 6, 2021, has been appropriately remedied.

EMPLOYER'S ADMINISTRATIVE RESPONSE:
SUBMITTED BY MS. ABBY MURRAY, EXECUTIVE DIRECTOR OF HUMAN RESOURCES, NORTHEASTERN ILLINOIS UNIVERSITY:

NEIU agrees with the recommendation. NEIU shall provide evidence of the retroactive payment to the Program Coordinator by October 15, 2022.