

# STATE UNIVERSITIES CIVIL SERVICE SYSTEM

*Sunnycrest Center  
1717 Philo Road, Suite 24  
Urbana, Illinois 61802-6099*



*Julie Annette Jones  
Merit Board Chair  
Gail Schiesser  
Executive Director*

January 5, 2023

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Nichole Hemming  
Chief Human Resources Officer  
State Universities Retirement System

Ms. Jackie Hohn  
Chief Internal Auditor  
State Universities Retirement System

Ms. Julie Annette Jones  
Merit Board Chair  
State Universities Civil Service System

Accompanying this letter is the final report of the FY2022 State Universities Civil Service System Governance, Risk, and Compliance (GRC) Audit of the Office of Human Resources at the State Universities Retirement System, covering the period of January 1, 2018, through December 31, 2021.

We are pleased to inform you that there are no substantive findings observed during this audit period. We commend the State Universities Retirement System staff charged with this compliance responsibility for the business practices leading to this excellent report. Minor corrections observed by the Auditor were communicated to the Designated Employer Representative and promptly addressed.

On behalf of the Legal and Compliance Services Division, we thank you and the human resource staff for a very productive audit experience. If there are any questions or a personal briefing on any item is desired, please contact me at (217) 278-3151 or Lucinda M. Neitzel, Assistant Director of Legal and Compliance Services, at (217) 305-6604.

Gail Schiesser  
Executive Director

---

---

# STATE UNIVERSITIES CIVIL SERVICE SYSTEM



## Governance, Risk, and Compliance Audit Report (Final)

January 5, 2023

---

### State Universities Retirement System

**Audit Time Frame:**  
January 1, 2018 – December 31, 2021

**Remote Visit:**  
January 26 – 28, 2022

---

Prepared by:

---

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 .....1**

**Audit Objective and Scope .....2**

**Risk Assessment Categories.....2**

**Executive Summary.....4**

## 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 as 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**

A review of any follow-up items from previous audits to evaluate ongoing 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 are to evaluate and verify compliance with the Act, Code, and System Procedures. The University System is also charged with building strategic partnerships, evaluating 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 FY2022 Audit for the State Universities Retirement System included a comprehensive internal control evaluation of agency human resource operations, dismissals related to Civil Service employees, document reviews, and the exemption process.

## Risk Assessment Categories

### Topics of Specific Focus by Risk Assessment Category

Before 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/or 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 FY2022 Governance, Risk, and Compliance Audit at the State Universities Retirement System, the following risk assessments and areas of focus were utilized to evaluate the history of compliance at the agency and communicated before conducting the audit examination:

**Category 1:** 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 has a responsibility to protect private and sensitive employee information from loss or misuse. As a result, private 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 disciplinary information, are not included in this report.*

**State Universities Retirement System**  
**Final Audit Report**

**Executive Summary**  
**YEAR ENDED—FY2022**

The compliance testing performed during this examination was conducted in accordance with 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**

<b><u>Number of</u></b>	<b><u>This Report</u></b>
Positive Observations	0
Category 1 Findings	0
Category 2 Findings	0
Category 3 Findings	0
Repeated findings from previous audit®	0