

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



*Julie Annette Jones
Merit Board Chair
Jeff Brownfield
Executive Director*

June 21, 2021

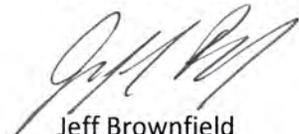
Mr. Brian Durham
Executive Director
Illinois Community College Board

Mr. Matt Berry
Chief of Staff
Illinois Community College Board

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

The State Universities Civil Service System respectfully submits its final report of the Governance, Risk, and Compliance (GRC) Audit of the Office of Human Resources at the Illinois Community College Board, covering the period of August 1, 2015 through June 30, 2020. This report is intended to communicate risk assessment category findings and provide final recommendations to rectify issues formulated through this comprehensive human resource compliance and operational audit.

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 Gail Schiesser, Legal and Compliance Services Manager and Legal Counsel or Lucinda M. Neitzel, Assistant Director of Legal and Compliance Services at (217) 305-6604.



Jeff Brownfield
Executive Director

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



*Julie Annette Jones
Merit Board Chair
Jeff Brownfield
Executive Director*

June 21, 2021

Mr. Matt Berry
Chief of Staff
Illinois Community College Board
401 East Capitol Avenue
Springfield, IL 62701-1711

Dear Matt:

As you are aware, the State Universities Civil Service System was created as a separate entity of the State of Illinois and is under the control of the University Civil Service Merit Board as set forth in Section 36b(3) of the State Universities Civil Service Act (Act) (110 ILCS 70/36b(3)). The University System Office is charged with establishing "a sound program of personnel administration for its constituent employers (110 ILCS 70/36b(2))."

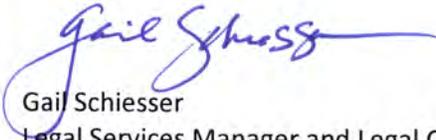
As part of this statutory authority, the Merit Board has promulgated rules that delegate to the Executive Director the authority and responsibility for conducting "ongoing audit programs of all Civil Service operations at all places of employment for the purpose of assuring compliance with the [Act (110 ILCS 70/36b et seq.)] and [Part 250 of the Illinois Administrative Code (Code) (80 Ill. Adm. Code 250)] and for improving the programs of personnel administration of its constituent employers" (80 Ill. Adm. Code §250.140(c)). The purpose and intent of the Governance, Risk, and Compliance (GRC) Audit program is to assist and ensure that Employers in complying with these governing regulations.

This communication serves to formally outline these regulatory requirements and to further demonstrate our commitment to transparency with respect to the FY2021 Governance, Risk, and Compliance Audit for Illinois Community College Board. Prior to the on-site visit, your office was provided with the Audit Charter, approved by the Merit Board on August 17, 2016, as well as a detailed audit scope statement and associated risk assessment evaluation for each area or program being evaluated.

The Legal and Compliance Services Division is the unit responsible for enforcing and making determinations as to whether an existing personnel program is consistent with governing regulations and procedural standards. However, in conjunction with that requirement, it is our goal to assist Employers in meeting the needs and expectations of administrators and civil service employees alike, identify problems and propose solutions, and provide staff assistance and guidance where needed. We believe that a collaborative approach through open communication provides the necessary avenue to which compliance is best achieved.

The following report communicates the final outcome of the Governance, Risk, and Compliance Audit, which included an extensive evaluation of data outcomes, questionnaires, and an on-site evaluation conducted August 26-27, 2020, with no formal Exit Conference requested by the Employer. The Employer stated their understanding of the draft audit report and its contents and submitted their formal administrative response, which is contained herein.

If there are any questions with respect to this report or its contents, please contact our office.



Gail Schiesser
Legal Services Manager and Legal Counsel

STATE UNIVERSITIES CIVIL SERVICE SYSTEM



Governance, Risk and Compliance Audit Report (Final)

June 21, 2021

ILLINOIS COMMUNITY COLLEGE BOARD

Audit Time Frame:
August 1, 2015 – June 30, 2020

On-Site Visit:
August 26-27, 2020

Prepared by:

Lucinda M. Neitzel
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 Review1
Audit Objective and Scope2
Risk Assessment Categories.....2
Executive Summary.....4
Risk Assessment Category 1 Findings; Recommendations,
 Administrative Response and Additional Auditor Comments5-8

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 Classes

The Auditor completes a review of selected job descriptions for timely updates, proper administration, and correct assignment of position classifications. Additional desk audits of selected positions are conducted onsite for appropriateness of position classification. There is also an evaluation of the Employer's position audit process and corresponding determinations.

Compensation Programs

The Auditor completes an analysis of the Employer's use of pay rates and pay ranges, as approved by the Merit Board. An overall evaluation is conducted of the Employer's compensation program and initiatives to meet requirements of pay equity within the Employer's market area.

Examination Program

The Auditor conducts a review of pre-employment testing operations. This includes test administration, admission procedures of applicants to examinations, license and certification verifications, scheduling, security, and register management.

Administration of Employment and Separation Procedures

The Auditor reviews the Employer's business processes and procedures related to the Civil Service employment cycle, utilization and monitoring of non-status appointments, probationary and status employment transactions, and separation programs.

Administration and Employment Protocols of Positions Exempt from Civil Service Regulations

The Auditor completes a review of the employment protocols and assigned responsibilities related to those positions categorically exempt from Civil Service regulations to ensure compliance with the Act and recognized procedures. The Employer's method of exemption, administrative procedures, and related position descriptions are reviewed; and selected incumbent interviews are conducted for validation of approved exemptions.

General Review of the Employer's Human Resource Program

The Auditor completes a general review of the Employer's human resource programs with respect to effectiveness, efficiency and levels of communication to constituencies. There is also an assessment of the recognition and interaction of human resource programs within the Employer's faculty, administrative and support staff employee groups.

Other Follow-up Items from Previous Audit

Other follow-up items from previous audits, as well as other matters deemed necessary and appropriate, may have been reviewed and submitted as additional audit topics.

Audit Objective and Scope

Objective: As stated in the Governance, Risk, and Compliance Audit Charter for the State Universities Civil Service System, and 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, 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 FY2020 Audit Cycle for Illinois Community College Board included a comprehensive evaluation of employment designations and/or category of status, non-status, and exempt appointments, register maintenance and management, civil service desk audits, personnel transaction reviews, and personnel file reviews.

Risk Assessment Categories

Topics of Specific Focus by Risk 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/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

While subject to change, audit findings are typically issued and defined 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 Illinois Community College Board, the following risk assessments and areas of focus were communicated to the Employer prior to 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, 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 in the Act, Code, and System Procedures. **While not a definitive conclusion, documented findings depend on the severity of the issue and whether it is related to a violation of the Act, Code, or Procedure.**

Illinois Community College Board
Final Audit Report

Executive Summary
YEAR ENDED—FY2021

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

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

REPORT SCHEDULE OF POSITIVE OBSERVATIONS AND AUDIT FINDINGS

<u>Item</u>	<u>Page</u>	<u>Description</u>
		<u>RISK ASSESSMENT CATEGORY 1 FINDING</u>
ICCB FY21-01	5	Deficiencies in Basic Records Management and Business Processes— Employment Examination Registers and General Record Mismanagement

Illinois Community College Board
Final Audit Report

Risk Assessment Category 1 Finding
Recommendation and Administrative Response

ICCB FY21-01 DEFICIENCIES IN BASIC RECORDS MANAGEMENT AND BUSINESS PROCESSES

CRITERIA/STANDARDS:

- 1) *State Universities Civil Service Act (Act), Section 70/36b(2); and*
- 2) *Illinois Administrative Code (Code), Section 250.140 Delegation of Authority and Responsibilities, and*
- 3) *Illinois Administrative Code (Code), Section 260.60 Eligible Registers.*

Section 70/36b(2) of the Act states, "The purpose of the University System is to establish a sound program of personnel administration for 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. All certificates, appointments, and promotions to positions in these agencies and institutions shall be made solely on the basis of merit and fitness, to be ascertained by examination, except as specified in Section 36e."

As stated in Section 250.140 of the Code, "Delegation of Authority and Responsibilities":

- a) "Delegation to the Executive Director. The Executive Director is delegated the authority and responsibility to effectively administer the State Universities Civil Service System in accordance with the Act and this Part. The Executive Director may be further delegated the authority and responsibility to act on behalf of the Merit Board by specific authorization or direction of the Merit Board."
- b) "Delegation by the Executive Director. The Executive Director is authorized to delegate to the employer, and to members of the University System staff, such duties and responsibilities as, in his/her judgment, are appropriate and effective for the efficient administration of the service of the System to its constituent institutions and agencies."
- c) "Conduct of Audits. The Executive Director shall conduct ongoing audit programs of all Civil Service operations at all places of employment for the purpose of assuring compliance with the Act and this Part and for improving the programs of personnel administration of its constituent employers and shall prepare, distribute, and follow up on audit reports in accordance with Merit Board direction."

In this respect, the Governance, Risk, and Compliance Audit of University System employers will include, but not be limited to:

- A comprehensive review of position descriptions
- Compliance with statutory and procedural criteria for exemptions
- Adequacy and thoroughness of related employment procedures
- Adequacy of internal review and approval processes
- Thoroughness and accuracy of quarterly reporting requirements
- Any other associated special interest items

BACKGROUND/CONTEXT:

As with any audit, source documents are required as evidence that specific employment transactions occurred, and maintaining this documentation is necessary to demonstrate compliance. Section 250.140 of the Illinois Administrative Code provides the authority and jurisdiction for the University System to conduct and implement specific processes for the conduct of the Governance, Risk, and Compliance Audit.

General record-keeping standards are evaluated as an overall observation in relation to other business processes that directly impact the Civil Service employment environment and are reviewed under the purview of a Category 1 Risk Assessment. These vital record-keeping standards are fundamental to any employment process and have a direct impact on the Auditor's ability to adequately perform compliance activities. As a practical matter, this category of importance indicates that the topic is audited for compliance during every cycle at each Employer location.

CONDITIONS/FACTS:

In accordance with standard compliance audit protocols, the Auditor requested a report of new Civil Service appointments made during the **August 1, 2015 – June 30, 2020** audit time frame at the Illinois Community College Board. This report contained a total of **thirty-four (34)** candidates that were selected for employment in various classifications. Of the total number of candidates appointed to new Civil Service positions during this period, there were **twenty-one (21)** employment records for individuals employed between **January 1, 2016 – December 31, 2018**, during a previous Designated Employer Representative's tenure, that could not be found.

Multiple attempts by the Employer to locate these records were unsuccessful. The current Designated Employer Representative (DER) informed the Auditor that he contacted his predecessor to inquire about the location of these employment records and/or recover any other documentation that could be useful or necessary to demonstrate compliance with Civil Service regulatory requirements. Unfortunately, it was reported to the Auditor that an "unexplained loss of backup data from 2015 -2019" resulted in the inability to locate employment documents from that time period. Several searches for paper documents in multiple file cabinets, as well as searches for electronic records on current network servers or recovered computer files were futile.

Since there were limited employment records from January 1, 2016 – December 31, 2018 to review, the Auditor made every effort to obtain interview records, discuss the agency's hiring process with the current DER, and investigate to the extent possible. The Auditor tried to ascertain whether, and to what extent, prohibited influences affected the hiring decision for the twenty-one (21) new employees noted above. Based on the information provided during the audit, there did not appear to be any fraudulent

employment activity that would otherwise warrant further investigation or referral to the Office of the Executive Inspector General or other similar body.

It should be noted that the Employer did submit some documentation pursuant to the Auditor's request; particularly for anyone employed since January 1, 2019, and after the appointment of a new Designated Employer Representative (DER). These records were complete and appeared to comply with Civil Service credential checks, examination administration, and scoring, register maintenance, and rules regarding the proper referral of applicants from registers.

CAUSE/SOURCE OF CONDITION:

As previously noted, the audit time frame for the Illinois Community College Board is August 1, 2015 – June 30, 2020. The Designated Employer Representative and Chief of Staff responsible for the twenty-one (21) Civil Service appointments made during the majority of the audit period did not retain the evidence statutorily required to determine whether the employed individuals even completed the required examination, so consequently, there was not a score to rank applicants for referral as one of the three highest scoring applicants for the position they were ultimately hired for. Civil Service employment records and documentation were either significantly inadequate or simply unavailable.

EFFECT/IMPACT:

The purpose of a documentation review during an audit is to determine whether the employment protocols utilized by the Employer meet the threshold for demonstrating compliance with several aspects of the Act, Code, and System Procedures. Further, the Auditor must be able to evaluate whether the Employer has established a sound program of personnel administration.

The failure to maintain employment records at any point during the audit period concerning the appointment of Civil Service employees has significant consequences and increased liability risk for the Employer. This resulted in the inability to demonstrate whether candidates were properly referred and/or employed within fundamental statutory requirements.

FINDING(S) FROM PREVIOUS AUDIT(S):

No findings in this topic area were made during the last operational audit in FY2016.

RECOMMENDATION(S) TO THE EMPLOYER:

It must be emphasized that since January 1, 2019, the Employer has appointed a new Designated Employer Representative (DER) and Chief of Staff to appropriately manage Civil Service employment practices and procedures that strictly adhere to the Act and Code. He has completed the University System Orientation Training necessary and has demonstrated through this audit, that there is an understanding of the basic fundamentals of classification plan management, the evaluation of credentials and completion of the examination, and the register management that properly manages the referral process of candidates from the register.

The University System recognizes that there is not a specific recommendation that changes any of the facts surrounding the absence of employment documentation for the twenty-one (21) appointments made during the audit period previously noted in this finding. Since the employees are currently in status appointments, there is not a remedy that can immediately change the outcome of those employment decisions. However, please note, should evidence be provided or revealed that would

indicate whether an illegal or unethical practice took place within the above-referenced hiring decisions, the University System Office will pursue additional action with the appropriate agency.

Consistent with audit requirements, and records retention regulations, the Employer's records must continue to be properly maintained to validate statutory compliance in every employment and examination action taken.

EMPLOYER'S ADMINISTRATIVE RESPONSE - PROVIDED BY MATT BERRY, CHIEF OF STAFF:

Agree: As noted in the audit findings, the ICCB has taken significant steps forward since appointment of a new Designated Employer Representative (DER) in February 2019. The ICCB will continue to prioritize register management and will ensure that appropriate documentation is retained to properly validate statutory compliance in employment and examination actions.

It should be emphasized that while proper registers were unable to be located for 21 employees hired under the previous DER, the agency did follow proper hiring protocols and all hires were made without undue influence or illegal practices.

ADDITIONAL AUDITOR COMMENTS:

The University System appreciates the Employer's response to this finding, as well as the work being performed by the current Designated Employer Representative (DER). The Auditor found that human resource processes related to applicant records and employment registers since 2019 have been well kept, and that verification of compliance with the Act/Rules was easily obtained.

However, it is inaccurate to assert that the twenty-one (21) employees appointed prior to 2019, and captured within this finding, were in fact done so following proper hiring protocols. As depicted in the very premise of this finding, the Employer was simply unable to demonstrate compliance through documented employment registers managed by the previous DER, and therefore as a result those appointments were conducted outside of statutory requirements.

In any event, where an Employer under the jurisdiction of the University System cannot produce basic documentation to support employment decisions, it is impossible to assert or assume that employment protocols consistent with the Act/Rules were followed, or that they were void of any outside or undue influence. The Auditor, in concert with Legal Counsel and the Executive Director, was indeed conflicted regarding a resolution with respect to a complete disregard of the Act/Rules by the previous DER in following the basic University System hiring practices. It is only the fact that the current ICCB administration and DER provided documentation that recent hiring processes **did** follow the Act/Rules, and that there was a commitment to continue those practices that the University System did not demand a much harsher and difficult resolution to the finding as noted above

Again, due to the current administration and leadership of the DER, we assume that this finding will not be repeated in the future. We are also open to any additional information or clarification that the Employer would like to provide.