

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



Lyneir R. Cole
Merit Board Chair
Jeff Brownfield
Executive Director

August 18, 2017

Dr. Jack Thomas
President
Western Illinois University

Mr. Mark Sartorius
Director of Internal Auditing
Western Illinois University

Mr. Matt Bierman
Vice President for Administrative Services
Western Illinois University

Mr. Lyneir Cole
Merit Board Chair
State Universities Civil Service System

Ms. Cindy Lotz
Interim Director of Human Resources
Designated Employer Representative
Western Illinois University

MG (RET) Randal E. Thomas
Merit Board Vice Chair
State Universities Civil Service System

The State Universities Civil Service System respectfully submits the Governance, Risk, and Compliance Audit of the Office of Human Resources at Western Illinois University, covering the period of October 1, 2013 through July 31, 2016. This report is intended to communicate positive human resource practices observed, as well as document the risk assessment category findings, and provide recommendations to rectify issues formulated through a comprehensive human resource compliance and operational audit.

Please note that issues regarding the designation and exemption of §36e(3) appointments (principal administrative employees) were not included in this Final Audit Report. As stated in a letter dated June 8, 2017, the University Civil Service Merit Board has directed this office to review, coordinate, and develop standards related to the exemption of positions. To this end, it is our intent to clarify the categories and processes by which exemptions are defined, implemented and reviewed, while maintaining compliance with the language of the Act. Once those standards are in place, the Auditor intends to review specific issues identified during the course of this FY2017 Audit at a later date.

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 David L. DeThorne, Legal and Compliance Services Manager and Legal Counsel or Lucinda M. Neitzel, Assistant Director of Legal and Compliance Services at (217) 278-3150.

Jeff Brownfield
Executive Director

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



Lyneir R. Cole
Merit Board Chair
Jeff Brownfield
Executive Director

August 18, 2017

Ms. Cindy Lotz
Interim Director of Human Resources
Interim Designated Employer Representative (DER)
Western Illinois University
105 Sherman Hall
1 University Circle
Macomb, IL 61455

Dear Cindy:

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 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 FY2017 Governance, Risk, and Compliance Audit for Western Illinois University. 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 November 2-3, 2016. Follow up conversations occurred on March 21 and May 25, 2017 with a formal Exit Conference on April 26, 2017. 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 at (217) 278-3150.

A handwritten signature in black ink, reading "David L. DeThorne" with a stylized flourish at the end.

David L. DeThorne

Legal Services Manager and Legal Counsel

STATE UNIVERSITIES CIVIL SERVICE SYSTEM



Governance, Risk and Compliance Audit Report (Final)

August 18, 2017

WESTERN ILLINOIS UNIVERSITY

Audit Time Frame:
October 1, 2013 – July 31, 2016

On-Site Visit:
November 2 – 3, 2016

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 Review.	1
Audit Objective and Scope	2
Risk Assessment Categories.....	2
Executive Summary.....	4
Positive Observations and Auditor Comments.	5
Risk Assessment Category 1 Findings; Recommendations, Administrative Response and Additional Auditor Comments	7-10

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

Overview of Specific Areas Subject to Review

Prior to selecting the audit criteria for any Employer, the following Human Resource topic areas were 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 classifications. 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 then 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 employment cycle, including pre-employment activities, probationary and status employment, and employment separation programs. There is also an assessment of the Employer's utilization and monitoring of non-status appointments.

Administration and Employment Protocols of Positions Exempt from Civil Service Guidelines

The Auditor completes a review of the employment protocols and assigned responsibilities for Principal Administrative Appointments. This review is conducted to assure compliance with recognized exemption authorization procedures. The Employer's exemption forms and related position descriptions are reviewed and selected incumbent interviews are conducted for validation of approved exemptions. The audit process also includes a review of the Employer's administrative procedures related to these appointments and their approved exemption status.

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. The impact of new technology on the recordkeeping and processing of information is also an element for review.

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 FY2017 Audit Cycle for Western Illinois University included a comprehensive evaluation of employment designations and/or category of status, non-status, and exempt appointments, register maintenance, compliance with the 900-hour limitation with respect to Extra Help Appointments, time frame requirements for Temporary Upgrade Assignments, an update regarding previously cited audit findings, 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 FY2017 Governance, Risk, and Compliance Audit at Western Illinois University, the following risk assessments and areas of focus were communicated to the Employer prior to 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, 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.

Western Illinois University
Final Audit Report

Executive Summary
YEAR ENDED—FY2017

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	1
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>POSITIVE OBSERVATIONS</u>
WIU FY17-01	8	Maintenance of Civil Service Position Control and Records Management
		<u>RISK ASSESSMENT CATEGORY 1 FINDING</u>
WIU FY17-02	17	Non-Compliance with Extra Help Employment and Position Limitations®

Western Illinois University
Final Audit Report

Positive Observation and Auditor Comments

WIU FY17-01	MAINTENANCE OF HISTORICAL CIVIL SERVICE POSITION CONTROL RECORDS
--------------------	---

CRITERIA/STANDARDS:

- 1) *State Universities Civil Service Act (Act), 70/36d., Powers and Duties of the Merit Board*
- 2) *Illinois Administrative Code (Code), Section 250.30 Class Specifications*
- 3) *Classification Plan Management Procedures Manual, Section 2.1 Employer Responsibilities*
- 4) *Classification Plan Management Procedures Manual, Section 5.1 Position Control, Definition*
- 5) *Classification Plan Management Procedures Manual, Section 5.2 Position Control, Position Identification*

According to the State Universities Civil Service Act, “the Merit Board shall have power to delegate to its Director the duty of assigning each position in the classified service to the appropriate class in the classification plan approved by the Merit Board.” The Illinois Administrative Code (Code), Section 250.30(b)(1) Class Specifications, provides that “The System shall maintain written specifications, as approved by the Merit Board, for each class in the classification plan. Such specifications shall include the class title, function of position, characteristic duties and responsibilities, minimum acceptable qualifications, including any special licenses or certificates required by state or federal laws, and additional desirable qualifications.”

The Classification Plan Management Procedures Manual, Section 5.1 states that “Civil Service position control is a management tool concerned with the continuing record of the histories of positions. The focal point with respect to position control and what drives the class plan is the historically detailed actions regarding positions.” In addition, Section 5.2 states that “position control numbers are based on the position, and not on the incumbent holding that position or to any budget line item. Position numbers, assigned by the Employer on a continuing numerical basis as needed, remain with the individual position until canceled. The reclassification, reallocation, or administrative title change of a position does not affect the civil service position number.”

CONDITIONS/FACTS:

During the on-site portion of the audit, the Auditor selected a random sampling of ten (10) Civil Service position control records to determine whether appropriate position information and specialty factor documentation was properly tracked and maintained. It was observed that very detailed position history information was contained in both paper and in an electronic position control database format that was easily retrieved upon request by the Auditor.

Most position control records are maintained in locked cabinets and maintained separately than employee personnel records. The following records were inspected pursuant to the criteria/standards previously noted:

Assistant Comptroller (UCS #892)
Accounting Associate (UCS #475)
Business/Administrative Associate (UCS #932)
Human Resource Associate (UCS #816)
Information Technology Manager (UCS #486)
Grants and Contracts Associate (UCS#1764)
Bookstore Manager (UCS #602)
Office Manager (UCS #635)
Business/Administrative Associate (UCS #1012)
Admissions and Records Supervisor (UCS #1052)

AUDITOR COMMENTS:

The Auditor commends the Human Resource Office staff for their excellent maintenance of records with respect to their position control process. Documents contained in the records sampling were quickly and easily retrievable, exceptionally well maintained, and included all pertinent information related to job content/descriptions, desk audit notes/determinations, reclassification and reallocation transactions, and specialty factor designations. These recordkeeping efficiencies provided the Auditor and Employer with significant time savings while performing the on-site audit visit.

Western Illinois University
Final Audit Report

Risk Assessment Category 1 Finding

Recommendation, Administrative Response, and Additional Auditor Comments

WIU FY17-02	NON-COMPLIANCE WITH EXTRA HELP EMPLOYMENT AND POSITION LIMITATIONS
--------------------	---

CRITERIA/STANDARDS:

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

Guidelines for Extra Help positions and Extra Help employees are contained in the Illinois Administrative Code. "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 reestablished until six (6) months have elapsed from the date of the termination of the position."

For Extra Help employees, the Code requires that "Upon 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."

The employer's responsibility as noted in the Code is that they "... 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." Understanding the need for continued temporary assistance, Extra Help extensions are allowed in specific instances in accordance with procedural guidelines.

BACKGROUND/CONTEXT:

The Governance, Risk, and Compliance (GRC) Audit time frame for Western Illinois University was October 1, 2013 through July 31, 2016. Due to the suspension and overhaul of the previous audit program in the Fall of 2015, the Employer's originally designated audit time frame was extended ten months beyond the original end date of September 30, 2015. As a result of the audit program overhaul,

the Auditor evaluated each component being reviewed based on a pre-determined audit risk assessment. The utilization of Extra Help appointments and positions are routinely analyzed and reviewed under the purview of a Category 1 Risk Assessment to determine whether the 900-hour limitation with respect to appointments and position utilization was adhered to in accordance with the Illinois Administrative Code. In this respect, the Auditor selected the entire sample of Extra Help appointments utilized during the audit time frame.

CONDITIONS/FACTS:

During the FY2017 Governance, Risk, and Compliance Audit, the Auditor reviewed four-hundred forty-nine (449) Extra Help Appointments, encompassing one-hundred forty-three (143) employees and one-hundred thirty-nine (139) positions utilized during the audit time frame. As documented in *Table 1.1* below, and based on a position and budget department number analysis, **seventeen (17) positions** appear to have been utilized for more than 900 hours of actual work within a 12 month period without a six month lapse:

Table 1.1

<i>FY2017 Governance, Risk, and Compliance (GRC) Audit</i>		
<i>Extra Help Positions Exceeding the 900-Hour Limitation</i>		
<i>Budget Department - Position Number</i>	<i>Employee(s)</i>	<i>Total Number of Hours Worked</i>
127600 – C001L		1,958.20
145600 – C002L		1722.50
320200 – C003		2,386.00
340600 – C903		1,778.50
340600 – C907		931.00
340600 – C909		1,581.00
340600 – C917		969.40
117000 – T000		950.50
121400 – T000		1,259.00
141000 – T000		2,028.00
180600 – T000		2,065.00
320200 – T000		2,039.50
328830 – T000		2,158.00
328840 – T000		1,711.00
426000 – T000		11,112.50
470400 – T000		5,637.60
538740 – T000		1,030.00

CAUSE/SOURCE OF CONDITION:

Based on the evidence presented during the FY2017 Governance, Risk, and Compliance Audit, it does not appear that adequate protocols to efficiently and effectively monitor Extra Help limitations for positions were properly developed or maintained. Since this has been observed, the Employer has committed to pursuing a different process of assigning position numbers in order to better monitor this activity, similar to position control methods for permanent positions.

EFFECT/IMPACT:

Employer position management practices related to Extra Help appointments and executed during the audit time frame make it difficult to determine whether or not an Extra Help position has exceeded employment limitations and should be terminated. Extra Help positions/employees appear to be utilized longer than allowed, impacting the overall employment environment, which is inconsistent with the Illinois Administrative Code and Employment/Separation Procedures Manual.

Based on the data submitted by the Employer, positions were pooled within budgetary department numbers. This method of monitoring Extra Help hours is insufficient, since position numbers or other distinguishing characteristics were not included in the original data submitted. Based on this limited information, several Extra Help positions appeared to have been utilized for more than 900 hours of actual work within a 12 month period without a six month lapse, with many of the positions frequently having several incumbents employed through them at the same time.

FINDING(S) FROM PREVIOUS AUDIT(S):

During the FY2014 Biennial Compliance Audit, the Employer communicated their utilization of budgetary department numbers to the Auditor as their primary method of monitoring the Extra Help employment category. While this topic was not cited as a material finding during the previous audit, it should be noted that based on the Auditor's additional request, the Employer provided documentation regarding a small sampling of position concerns where it appeared that there were positions utilized beyond the 900-hour limitation without a six month lapse. The Auditor was provided assurances that better monitoring practices would be implemented prior to the next audit period.

During the FY2012 Biennial Compliance Audit, this topic was referenced separately in the Supplemental Audit Report as a Non-Material Finding. At that time, ten (10) positions were cited as exceeding the 900 hour limitation and it was determined that Extra Help appointments were continuing to be tracked by budget line item instead of through individual position numbers, which were not used in their payroll system to identify specific jobs within a department. This was highlighted during the previous FY2010 audit as a potential cause for concern with respect to position utilization violations.

RECOMMENDATION TO EMPLOYER:

The Employer is again reminded that Extra Help appointments are intended to address a need that is 'emergent and casual in nature', and are to be utilized to assist during position vacancies, leaves of absence, and during peak work periods in accordance with established regulatory guidelines and procedures. Compliance with Extra Help appointment and position guidelines must be validated by adequately demonstrating the proper management of this employment activity, and by adhering to time frame limitations. ***The Auditor recommends that the Employer conduct an operational analysis in these instances to determine if there is a need for the creation of additional status appointments to address the long term extensive use of Extra Help positions in this respect.***

We strongly recommend that the Employer conduct an in-depth internal review of their procedures as well, to identify deficiencies or improvements to implement with respect to the Extra Help monitoring process and enforce stricter protocols that will adequately monitor and regulate Extra Help positions, and employees assigned to those positions, in accordance with Section 250.70(f) of the Code. Assigning unique position control numbers for Extra Help positions should provide this remedy. The Auditor must be able to validate the proper utilization of positions in this employment category based on the data submitted by the Employer for audit purposes.

ADMINISTRATIVE RESPONSE - PROVIDED BY PAMELA BOWMAN, FORMER DIRECTOR OF HUMAN RESOURCES:

Typically the University uses Extra Help to assist a department when a status employee is on medical leave, military leave and/or to assist the department in meeting its operational needs particularly during these difficult financial times. The University continues to review internal procedures for managing Extra Help appointments, taking operational needs into consideration.

Monitoring the 900-hour rule takes place each time a payroll has run. Reports are generated based on the number of hours an employee has worked. In addition, we have developed a system to assign a unique identifying number for each extra help vacancy. Our UCS number would be the equivalent to SUCSS requested position numbers used to track extra help employees. The position number that has been identified in the audit corresponds to a Western Illinois University department which is used for budget purposes.

ADDITIONAL AUDITOR COMMENTS:

To demonstrate the Employer's need for utilizing Extra Help during difficult budgetary and financial times, the Employer submitted additional information with respect to many positions that appeared to exceed the 900-hour position limitation without a six-month lapse. This impacted the data referenced in this finding and fewer positions are being cited as a result.