

# 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**

March 8, 2018

Mr. Martin Noven  
Executive Director  
State Universities Retirement System

Ms. Brenda Dunn  
Director of Human Resources  
State Universities Retirement System

Mr. Steve Hayward  
Director of Internal Audits  
State Universities Retirement System

Mr. Lyneir R. Cole  
Merit Board Chair

The State Universities Civil Service System respectfully submits the FY2018 Governance, Risk, and Compliance Audit of the Office of Human Resources at the State Universities Retirement System, covering the period of July 1, 2014 through December 31, 2017. We are pleased to inform you that the results of this compliance audit concluded that there are no findings for this reporting period. Those personnel charged with this compliance responsibility are to be commended for their business practices leading to this excellent report.

However, please note that, aside from headcount verification, the designation and exemption of §36e(3) appointments (principal administrative employees) were not reviewed as part of this audit. 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. Once those standards are in place, the Auditor will resume their standard audit practices related to this topic during the next scheduled audit period.

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, Ext. 224 or by email at [cindyn@sucss.illinois.gov](mailto:cindyn@sucss.illinois.gov).

Sincerely,

  
Jeff Brownfield  
Executive Director

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**Lyneir R. Cole**  
**Merit Board Chair**  
**Jeff Brownfield**  
**Executive Director**

March 8, 2018

Ms. Brenda Dunn  
Director of Human Resources  
State Universities Retirement System  
1901 Fox Drive  
Champaign, IL 61820-7333

Dear Brenda:

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))".

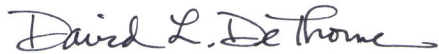
As part of this statutory authority, the Merit Board has promulgated rules that delegate to the Executive Director the authority and responsibility for conducting "ongoing audit programs of all Civil Service operations at all places of employment for the purpose of assuring compliance with the [Act (110 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 FY2018 Governance, Risk, and Compliance Audit for the State Universities Retirement System. 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 a comprehensive Governance, Risk, and Compliance Audit, which included an extensive evaluation of data outcomes, questionnaires, interviews, and an on-site evaluation conducted February 15-16, 2018.

Again, congratulations on the final outcome of this audit report. 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 cursive script that reads "David L. DeThorne".

David L. DeThorne *emv*  
Legal Services Manager and Legal Counsel



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## STATE UNIVERSITIES CIVIL SERVICE SYSTEM



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

March 8, 2018

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## STATE UNIVERSITIES RETIREMENT SYSTEM

Audit Time Frame:  
July 1, 2014 – December 31, 2017

On-Site Visit:  
February 15-16, 2018

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Prepared by:

Lucinda M. Neitzel

Assistant Director, Legal and Compliance Services

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

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## State Universities Retirement System *Final Audit Report*

### Introduction

#### PURPOSE

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 purpose of the State Universities Civil Service System is to establish a sound program of personnel administration for its constituent employers (110 ILCS 70/36b(2)). To achieve this purpose, the Merit Board has been given a broad range of statutory powers and duties, which include the power to make rules to carry out the purpose of the State Universities Civil Service System and to appoint an Executive Director to administer the Act (110 ILCS 70/36d(11) and (12)).

As part of its statutory power, 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)).

#### OVERVIEW

The following Human Resource activities consisted of a review of the following programs and categories:

- **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.

- **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.

The following staff members from the University System Office, Legal and Compliance Services Division, were directly responsible for conducting various aspects of the audit:

Lucinda Neitzel, Assistant Director  
David DeThorne, Legal Counsel  
Paula Mitchell, Human Resource Assistant

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

**Executive Summary**  
**YEAR ENDED -- FY2018**

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 Procedure Manuals, applicable University/agency policies/procedures, and auditing standards.

**SUMMARY OF MATERIAL FINDINGS**

<b><u>Number of</u></b>	<b><u>This Report</u></b>
Findings	0
Repeated findings from previous audit®	0