

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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August 30, 2018

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The State Universities Civil Service System respectfully submits the Governance, Risk, and Compliance Audit of the Office of Human Resources at Illinois State University, covering the period of June 1, 2014 through November 30, 2017. 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.

However, please note that 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 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 standard audit practices related to this topic during the next scheduled audit period. **These new standards will go into effect October 1, 2018.**

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



Governance, Risk and Compliance Audit Report (Final)

August 30, 2018

ILLINOIS STATE UNIVERSITY

Audit Time Frame:
June 1, 2014 – November 30, 2017

On-Site Visit:
March 26-29, 2018

Prepared by:

Lucinda M. Neitzel (pm)

Lucinda M. Neitzel

Assistant Director, Legal and Compliance Services

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Overview of Specific Areas Evaluated

Prior to selecting the audit criteria for any Employer, the following Human Resource topic areas were reviewed as part of the overall Audit Objective, Scope, and Risk Assessment Category:

Assignment of Positions to Class

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.

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 were directly responsible for conducting various aspects of the audit:

**Lucinda M. Neitzel, Assistant Director – Legal and Compliance Services Division
Paula Mitchell, Human Resource Assistant**

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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 FY2018 Audit Cycle for Illinois State University included a comprehensive evaluation of employment designation and/or category of status, non-status, and exempt appointments, on-site desk audits/classification actions, and logs; compensation program/pay procedures; personnel file reviews, register maintenance and management; compliance with the 900-hour limitation with respect to Extra Help Appointments, time frame requirements for Temporary Upgrade Assignments, and an update regarding previously cited audit findings.

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 FY2018 Governance, Risk, and Compliance Audit at Illinois State 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. As part of a holistic review of each category, the overall risk of compliance or continued non-compliance is based on the history of the issue for a specific employer and/or the magnitude of the issue with respect to a particular topic.

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.

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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 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	0
Category 2 Findings	1 [®]
Category 3 Findings	0
Repeated findings from previous audit [®]	1

REPORT SCHEDULE OF POSITIVE OBSERVATIONS AND AUDIT FINDINGS

<u>Item Number</u>	<u>Page</u>	<u>Description</u>
<u>POSITIVE OBSERVATIONS</u>		
ISU FY18-01	5	New Business Practices Implemented Since Previous Audit
<u>RISK ASSESSMENT CATEGORY 2 FINDING</u>		
ISU FY18-02	8	Non-Compliance with Extra Help Employment and Position Limitations [®]

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Positive Observation and Auditor Comments

ISU FY18-01 NEW BUSINESS PRACTICES IMPLEMENTED SINCE PREVIOUS AUDIT

CRITERIA/STANDARDS:

1) State Universities Civil Service Act (Act), 70/36b(2), Creation and Purpose

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.

CONDITIONS/FACTS:

Consistent with ensuring a sound program of personnel administration for each Employer, the Auditor requested the completion of a Designated Employer Representative (DER) questionnaire to assist in evaluating new human resource programs at Illinois State University. As noted below, these accomplishments are many and the human resources staff and leadership responsible for implementing these initiatives should be commended.

New Business Practices Implemented Since Previous Audit:

- a) **All About ISU Employee Engagement Session** – *this is a second-half orientation used to increase employee engagement and understanding of the University Mission, Vision, History, Values, and additional Benefits of working at ISU. We also use this to connect employees with others from different units on campus.*

- b) **Implementing a search by keyword function in PeopleAdmin** – *allows us to view applicants with skills who have applied to prior postings at ISU. From here we have also implemented an application question that allows the applicant to indicate interest in hearing of future opportunities*

- c) **Implementing a more targeted referral source question** – *allows for us to better evaluate where we are advertising positions and how return on these investments is improving. Also allows us to gauge personal referrals as a measure of total referral source.*

- d) **LinkedIn and Twitter postings** – posting positions on Social Media through centralized Campus Identities (@ISUJobs, linkedin.com/school/illinois-state-university/)
- e) **Rehired retirees** – implemented a process to streamline the rehiring of retirees to ensure we meet the hiring needs of the institution while meeting the compliance standards established by SURS
- f) **PPACA coverage** – entered into an agreement with Mercer Health Benefits to offer health insurance coverage to our employees eligible for coverage under the Patient Protection and Affordable Care Act (PPACA) but ineligible for coverage under the State Employees Group Insurance Act.
- g) **CMS Online Enrollment Implementation** – transitioned our benefits enrollment and payroll process to the online enrollment system procured by the Department of Central Management Services (CMS). Communicate changes to our employees and provide assistance, direction and advocacy as needed/requested.
- h) **Retirement training** – implemented multiple training programs, seminars and individual meetings to help our employees make informed decisions about their retirement planning.
- i) **Recruitment** – We have entered into service agreements with several recruitment vendors over the last two years. Through our recruitment system, People Admin, we are tracking where our applicants found out about the job posting and are analyzing this data to see which of the venues our applicants are finding out about our jobs and where the final hire was sourced. We are using this information to determine which service agreements to retain and those we wish to discontinue to ensure good stewardship of the university's recruitment dollars.

Vetted and compiled a variety of diversity-related advertising venues. We have continued to educate and encourage hiring departments to devote their recruitment advertising dollars to diversity advertising venues to increase the number of applicants from underrepresented groups in our hiring pools.

We have begun providing in-house search services for top administrator and faculty searches in an effort to expand the services we provide with respect to recruiting and managing searches and to engage in more proactive recruitment to target and source passive candidates.

Updated and delivered Search Committee Training for Administrative Professional and Faculty searches and created a Selection Process Hiring Guide for Civil Service. The Selection Process Hiring Guide is sent to each supervisor prior to beginning a search.

- j) **Diversity/Inclusion/Cultural Competence**
Continue to build competence of the entire HR team through intentional exposure to training/development opportunities, books, articles, meeting attendance, and all efforts that are responsive to the University Climate Assessment.

Compiled, vetted, and organized a list of campus and community cultural and diversity-related resources. A printed copy of these resources is included in our recruitment packets as well as available on our HR website from the Current Employees and Prospective Employees tabs.

AUDITOR COMMENTS:

The Auditor commends the Human Resource Office staff for the many new human resource business practices implemented since the previous FY2015 Audit. The Auditor believes this topic should be highlighted during this audit period as a major accomplishment. In addition, many of the Employer's departmental strengths include a firm knowledge base among human resources staff, accuracy and accountability, as well as cross-training for proficiency and depth. This provided a level of efficiency in several other areas of the audit that allowed for significant time savings while performing the on-site visit.

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Risk Assessment Category 2 Finding
Recommendation, Administrative Response, and Additional Auditor Comments

ISU FY18-02 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 Illinois State University was June 1, 2014 through November 30, 2017. The utilization of Extra Help appointments and positions are typically 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.

CONDITIONS/FACTS:

During the FY2018 Governance, Risk, and Compliance Audit, the Auditor reviewed one-thousand, six-hundred eighty (1,680) Extra Help employee appointments encompassing one-thousand fifty-six (1,056) Extra Help exclusive positions utilized during the audit time frame.

As documented below, **fourteen (14) employees and their assigned positions** appear to have worked beyond the 900-hour limitation without the required 30-day break in service and/or have been utilized for more than 900 hours of actual work within a 12 month period without a six month lapse.

The Employer provided the Extra Help report to the Auditor with employees and/or positions exceeding the 900-hour limitation already identified. It has been noted that there are fewer appointments listed in this finding than during the previous FY2015 Biennial Compliance Audit, signifying improvements in the monitoring process.

Table 1.1

<i>FY2018 Governance, Risk, and Compliance (GRC) Audit</i>		
<i>Extra Help Employees Exceeding the 900-Hour Limitation</i>		
<i>Employee Name</i>	<i>Position Number</i>	<i>Total Number of Hours Worked</i>
██████████	20008171 & 20008292	979.50
██████████	20006366 & 20007453	1,130.25
██████████	20008170 & 20008291	982.00
██████████	20006233	907.50
██████████	20006209	914.70
██████████	20006206	937.50
██████████	20006123	950.50
██████████	20006121	930.50
██████████	20006174	945.70
██████████	20006525 & 20007457	908.25
██████████	20006642	931.50
██████████	20001457 & 20003543	1,570.75
██████████	20006210	952.50
██████████	20007744	905.00

CAUSE/SOURCE OF CONDITION:

As an overall evaluation of the use and monitoring of Extra Help appointments, there is a decrease in the number of appointments cited during this audit period, therefore the Employer’s monitoring practices appear to be adequate. The total number of violations accounts for a mere .01% of the total number of appointments utilized during the audit time frame. Unfortunately, the Administrative Code does not currently allow for a threshold of appointments that would be permitted to exceed the 900-hour limitation.

EFFECT/IMPACT:

The Employer was informed in the Preliminary Observation Report that this self-identification of violations does not necessarily insulate them from findings in this regard, however, the proactive

approach to the topic taken by the Employer, along with fewer appointments exceeding the 900-hour limitation has resulted in a finding downgrade to that of a **Category 2**. This currently indicates medium risk and that improvements to monitoring this employment activity remain a necessity going forward.

FINDING(S) FROM PREVIOUS AUDIT:

During the FY2015 Biennial Compliance Audit, the Auditor reviewed one-thousand seven-hundred eighty-nine (1,789) Extra Help appointments utilized during the audit time frame. During that period, it was determined that **thirty-eight (38) employee appointments** were found to have worked beyond the 900-hour Extra Help limitation without the required 30-day break in service. It was further determined that **three (3) Extra Help positions** were utilized for more than 900 hours of actual work within a 12 month period without a six month lapse.

RECOMMENDATION TO EMPLOYER:

Extra Help appointments are limited by administrative rule 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 are enforced and validated by adequately demonstrating that the departments responsible for this employment activity adhere to time frame limitations.

Departments that have utilized Extra Help appointments beyond the 900-hour limitation during this audit period have placed the Employer at risk of future violations if they continue to exceed the standards in the Illinois Administrative Code. Any outcomes to process improvements made in this respect will be further determined during the next audit period.

EMPLOYER'S ADMINISTRATIVE RESPONSE – PROVIDED BY MS. JANICE BONNEVILLE, INTERIM ASSISTANT VICE PRESIDENT OF HUMAN RESOURCES:

Illinois State University appreciates the Auditor specifically mentioning in the draft audit report that during the current audit period there was a decrease in the number of extra help appointments cited as being over the 900 hour limit; and the Employer's monitoring practices appear to be adequate. Per the Auditor, the total number of violations cited was a mere .01% of the total number of appointments utilized during the audit time frame.

Human Resources will reach out to the Department Head of each department that had a violation of the extra help rule to inform them not only of the violation ISU was cited for, but also the need for them to fully understand the impact to the University of the finding and violation of the rule.

Illinois State University continues to monitor the 900 hour limit and to utilize the request for extra help extensions per the auditors' suggestion from previous audits.

Employment Consultants when working with a supervisor to fill an extra help position, notifies them of the 900 hour rule. The 900 hour limit is listed on every extra help posting so applicants are fully aware they may only work up to 900 hours (no more than 28 per week). Our current payroll system (iPeople) shows supervisors the number of hours the extra help employee has worked to date (excluding the current pay period in which they are completing a timesheet).

The Civil Service Employment team has a dedicated staff member who runs a query after each pay period and will send a report to supervisors informing them of the number of hours their extra help employees have accumulated. The email informs the supervisors of the 900 hour limitation and informs them if the employee is nearing that limit to work the Employment Consultant on either determining a termination date or if the position would warrant, request an extension.

In addition to the above, the same staff member will let each Employment Consultant know of extra help employees who are near or at the 600 hour mark. The Employment Consultant will then contact the supervisor directly to either determine a termination date or if the position warrants, draft a request for an extension.

During the last audit period, ISU did utilize the extra help extension process for a few positions.