

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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September 28, 2018

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The State Universities Civil Service System submits the Governance, Risk, and Compliance Audit of the Office of Human Resources at the University of Illinois at Chicago, covering the period of February 1, 2014 through July 31, 2017. The following report is intended to communicate the findings, recommendations and corresponding institutional responses formulated through a comprehensive human resource compliance and operational audit.

The University System Auditor prefers a process of collaboration when Employers are willing to engage and exchange information; and to revise or update data or commit to new systems that ensure compliance with the Act and Code. As a matter of record, it is important to recognize the efforts and considerable amount of time that the University System Auditor spent in collaboration and follow-up with the Employer in rectifying issues that may have otherwise been cited as findings during this audit process. These issues include, but are not limited to, the update of several Civil Service Position Descriptions and additional sampling of Position Control Records, the submission of several Compensation Range updates, revised reports regarding Civil Service Desk Audits, and providing Disciplinary Suspension, Dismissal, and Layoff Notices that had not been submitted to the University System at the time of occurrence.

The University System Auditor also discovered that there were significant data reports and information that needed to be reviewed, resubmitted, and verified. Rather than cite a series of audit findings regarding incomplete or inconsistent information, the University System continued to take the approach

that the audit should not simply be a vehicle that produces audit findings; but that instead fosters relationships by working in conjunction with our human resource representatives to ensure that personnel programs comply with state law and administrative regulations. Therefore, through the efforts of the University System Auditor and those of the human resources staff at UIC, there was a decision to instead resolve discrepancies through collaboration to 'get it right'. Due to the complex nature of these discussions, as well as data exchanges, subsequent analysis, and interpersonal meetings, this Final Audit Report was significantly delayed in its issuance.

Although any delay in conducting and finalizing an audit is never desirable, this collaborative effort assisted the Employer in making various corrections to achieve compliance with the governing Act and Administrative Code. Additional data reports submitted to the University System Auditor for secondary analyses during this timeframe included those related to Temporary Upgrade Assignments and Extra Help Appointments.

Further, the University System Auditor worked in conjunction with the employer regarding information submitted for the 'Sponsored Programs' Demonstration Project related to the recruitment and employment of candidates who now serve in positions funded by grants or other 'soft money' sources. The Auditor identified specific data element concerns, which were detailed in a separate correspondence rather than through this process. The Auditor met with the Employer on June 27, 2018 to review and remedy these data inconsistencies, which provided clarifications and corrections to the data on record for the project. The lessons learned in reviewing this data, and frankly the difficulties in tracking these positions, has led to a collaborative process that may assist in developing new legislative initiatives within these employment categories.

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. 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 Lucinda M. Neitzel, Assistant Director of Legal and Compliance Services at (217) 278-3150.

Sincerely,



Jeff Brownfield
Executive Director

STATE UNIVERSITIES CIVIL SERVICE SYSTEM



Governance, Risk, and Compliance Audit Report (Final)

September 28, 2018

UNIVERSITY OF ILLINOIS AT CHICAGO

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

On-Site Visit:
October 30 – November 2, 2017

Prepared by:

Lucinda M. Neitzel

Assistant Director, Legal and Compliance Services

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

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Authority and Jurisdiction

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.

The Legal and Compliance Services Division is responsible for enforcing and making determinations as to whether existing personnel programs are 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.

Prior to the on-site visit, the employer was provided with the Audit Charter, which was voted into the record and approved by the Merit Board on August 17, 2016. The employer was also provided with a detailed audit scope statement and associated risk assessment evaluation for each area or program being evaluated.

This report serves to formally communicate the final outcome of the Governance, Risk, and Compliance Audit, which included an extensive evaluation of data outcomes, questionnaires, interviews, and an on-site records evaluation conducted on October 30-November 2, 2017. A Preliminary Observation Report was provided to the Employer on November 9, 2017 with a Draft Audit Report issued on May 8, 2018. The Employer did not request a formal exit conference following the receipt of the Draft Audit Report, however, the Auditor has been actively engaged with human resources staff on the resolution of several issues since the on-site visit.

The following staff members from the University System Office were directly responsible for conducting various aspects of this audit:

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

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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. 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.

State Universities Civil Service System
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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 the University of Illinois at Chicago included a comprehensive evaluation of employment designations and/or category of status and non-status appointments, Civil Service position control management and desk audits, position description reviews, use of approved rates and ranges, examination security, register maintenance, compliance with the 900-hour limitation with respect to Extra Help appointments, timeframe requirements for temporary upgrade assignments, contract appointments, demonstration project data, and personnel record 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 FY2018 Governance, Risk, and Compliance Audit at the University of Illinois at Chicago, 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, 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 and data 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 will depend on the severity of the issue and whether it is related to a violation of the Act, Code, or Procedure.

State Universities Civil Service System
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University of Illinois at Chicago
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>
Category 1 Findings	3
Category 2 Findings	0
Category 3 Findings	0
Repeat findings from previous audit®	1®

SCHEDULE OF FINDINGS

<u>Item</u>	<u>Page</u>	<u>Description</u>
<u>Number</u>		
UIC FY18-01	6	FINDINGS (ILLINOIS ADMINISTRATIVE CODE) Non-Compliance with Extra Help Employment and Position Limitations®
UIC FY18-02	13	FINDINGS (ILLINOIS ADMINISTRATIVE CODE) Non-Compliance with Contract Appointment/Position Control Management Provisions
UIC FY18-03	18	FINDINGS (ILLINOIS ADMINISTRATIVE CODE) Non-Compliance with the Utilization of Temporary Upgrade Assignments

State Universities Civil Service System
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Risk Assessment Category 1 Finding

Recommendation, Administrative Response, and Additional Auditor Comments

UIC FY18-01	NON-COMPLIANCE WITH EXTRA HELP EMPLOYMENT AND POSITION LIMITATIONS
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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 the University of Illinois at Chicago was February 1, 2014 through July 31, 2017. 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.

The Auditor's initial observation of the Extra Help data revealed significant concerns with the utilization and compliance with the Extra Help rule, consistent with the 900-hour limitation for both employees and positions. In the FY2018 GRC Preliminary Observation Report, issued November 9, 2017, the Auditor recommended that the Extra Help limitations outlined in the Illinois Administrative Code be reemphasized to the departmental level from the Associate Vice Chancellor for Human Resources, in writing, and that any additional processes/communications to departments be submitted to the Auditor that validates this communication.

The Designated Employer Representative (DER) provided a response to the Preliminary Observation report regarding this topic as follows:

"In order to better ensure compliance with the 900 hour limitation for Extra Help, we propose to add and additional communication to college and department HR contacts which will be sent by the Associate Vice Chancellor for Human Resources on a bi-annual basis.

The existing communication was developed after the 900 hour limitation was mentioned in a previous audit. Departments are provided with updates at certain intervals (400 hours, 600 hours, 700 hours, and 800 hours) so that they are reminded of the current status of each appointment and the 900-hour limitation. The new communication will address additional resources departments should utilize to monitor hours worked. This information is currently available to units in Banner and Payroll training materials, but no reminders are provided to units regarding the availability of these reports. The following instructions will be sent in the communication:

Current Extra Help hours worked are listed on the PEALEAV form in Banner under leave code T900/T900ExH. This form can be accessed on a daily basis, although the balances are only adjusted on a bi-weekly basis after payroll calculation. Current extra help hours worked are also listed in the Leave Balances summary for each bi-weekly payroll period in the Employee Timesheet utilized by employees to enter time and supervisors to approve time reports. The balances are listed under Type of Leave listed as "Track 900 Hours Ex Hlp". The hours are listed under the "taken" column.

The communication will remind units about the existence of these two information sources and detailed instructions regarding how to access and interpret the information provided. Planned implementation is to start these communications by the start of the spring semester. A copy of the final version of the communication will be sent to the System Office."

CONDITIONS/FACTS:

During the FY2018 Governance, Risk, and Compliance Audit, the Auditor reviewed three-thousand, seven-hundred sixty-six (3,766) Extra Help employee appointments encompassing three-thousand, seven-hundred sixty-nine (3,769) Extra Help positions utilized during the audit time frame. As documented in **Appendix A, three-hundred ninety-five (395) 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.

(Note: The end date in Appendix A designated in yellow indicates the end of the audit timeframe.)

As previously reported in the FY2014 Biennial Compliance Audit, the Auditor reviewed three-thousand, nine-hundred thirty-five (3,935) Extra Help appointments utilized during the audit time frame of February 1, 2012 – January 31, 2014. It was reported that two-hundred ninety-nine **(299)** employees were found to have worked beyond the 900-hour Extra Help limitation without the required 30-day break in service. This is in sharp contrast to the FY2012 Biennial Compliance Audit, where the Auditor determined that only thirty-one **(31)** employees were found to have worked beyond the 900-hour limitation without the required 30-day break in service.

CAUSE/SOURCE OF CONDITION:

As previously mentioned, this topic was cited as a Material Finding in the Final Audit Report during the FY2014 Biennial Compliance Audit. Consistent with the monitoring provisions outlined in the Institutional Corrective Action Plan, new procedures were implemented for both Campus and Hospital based positions effective March 1, 2015. These new procedures are also mentioned as part of the Designated Employer Representative (DER) response to the Preliminary Observation Report for this current FY2018 Governance, Risk, and Compliance Audit.

Included as part of the FY2014 Biennial Compliance Audit Corrective Action Plan, additional provisions were outlined by the Employer as follows:

“Given the seriousness of violating the 900 hour threshold, all positions that remain on the payroll after 900 hours due to noncompliance will be referred to the AVP of Campus and/or Hospital Human Resources and the respective Dean, Department Head, or Chief Line Administrator to be addressed in a more formal manner.”

Based on the evidence presented during this current FY2018 Governance, Risk, and Compliance Audit, it does not appear that adequate protocols to efficiently and effectively monitor Extra Help appointment and position limitations were maintained or enforced in accordance with the Illinois Administrative Code and System Office Procedures previously referenced in this finding.

EFFECT/IMPACT:

While it may appear that adequate policies have been in place by the Human Resource Office to address the Employer's Extra Help monitoring requirements, the department's overutilization of these appointments and failure to adhere to HR policies with respect to the Illinois Administrative Code has placed the Employer at significant risk due to the excessive number of Extra Help hours allowed for each employee and consequently by default, the position they occupy.

FINDING(S) FROM PREVIOUS AUDIT:

During the FY2014 Biennial Compliance Audit, the Auditor determined that **two-hundred ninety-nine (299) employees** appeared to have worked beyond the 900-hour Extra Help limitation without the required 30-day break in service, which accounts for approximately 7.60% of those analyzed. This is in contrast with approximately 10.48% of those found in the current audit.

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 must be enforced and 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 to determine if there is a need for the creation of additional status appointments to address the long term extensive use of Extra Help appointments and positions in this respect. This operational analysis must be conducted, with a report submitted to the University System office no later than June 30, 2018.***

We strongly recommend that the Employer conduct an in-depth internal review of their procedures to identify deficiencies with respect to the Extra Help monitoring process and implement 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. While the Human Resource staff continues to work with departments that have long term grants, or in finding appropriate permanent civil service classifications that can be utilized in other areas, ***the Auditor recommends additional enforcement processes from campus administrators should be developed to properly address this topic and alleviate future findings this respect.***

EMPLOYER'S ADMINISTRATIVE RESPONSE – PROVIDED BY DR. MICHAEL GINSBURG, ASSOCIATE VICE CHANCELLOR OF HUMAN RESOURCES:

The Employer agrees with the recommendation and submits the following response to this finding:

UIC took immediate corrective action on extra help non-compliance after the FY 2014 audit and will take further steps to resolve this issue. After the 2014 audit, a communication was developed which alerts departments at various intervals (400, 600, 700 and 800 hours) to remind them of the status of the appointment and the 900-hour limitation. When the 900 hours is reached, we again contact the unit to inform them that the job will be ended.

We have analyzed the examples cited in the audit. Since several names had multiple appointment lines, we analyzed each of the 462 lines of data and have determined explanations and statistics for each line:

Examples UIC Disputes

- 18% (85 lines) were extension requests which were denied.
- 2% (11 lines) involved an issue with titles in the Hospital Excellence and Experience Office. This department issue was resolved in 2014.
- 5% (22 lines) involve incorrect information. Examples include conflicting dates in the University Banner System (effective hire date versus service date for the appointment) or a 30 day break which was not recognized in reviewing the data.
- 7% (31 lines) were seasonal employees who did not complete 900 hours in one calendar year and were not separated, but then returned in a following year and accrued additional hours which should not have been recognized as cumulative.

Examples UIC Acknowledges

- 42% (195 lines) were examples where the Extra Help employee transitioned to a Status position. All exceeded 900 hours while in the process of converting to a status position.
- 25% (114 lines) are errors which UIC acknowledges.

A plan has been developed to prevent a reoccurrence of these issues, which is outlined below. In order to ensure compliance with the 900-hour limitation, UIC will make two changes to the notifications sent to all departments:

- The distribution list for the 400, 600, 700 and 800 hours alert communication will be changed to include additional department/college representatives to the notification. Currently, the notification is sent only to the department representative who completed the hiring request forms. UIC will now include copies to be sent to the college/vice chancellor human resources officer and the dean/vice chancellor.
- A new communication will be sent to departments by the Designated Employer Representative (Associate Vice Chancellor for Human Resources). This communication will address resources which are available to units to monitor hours worked. This information is currently available in Banner and Payroll system training materials, but no reminders are provided to units regarding the availability of these reports. The following instructions will be included in the communication:
 - PEALEAV Form in Banner: Current extra help hours worked are listed in this form under leave code "T900/T900ExH." This form can be accessed on a daily basis, although the balances are only adjusted on a bi-weekly basis after payroll calculation.
 - Employee Timesheet Leave Balances Summary: Current extra help hours worked are listed in this summary for each bi-weekly payroll period and can be viewed when supervisors approve time reports. The balances are listed under "Type of Leave" listed as "Track 900 Hours Ex Hlp". The hours are listed under the taken column.
- The new communication will be sent to all departments on a quarterly basis and a reminder will be included with the hour alert communication at each interval (400, 600, 700 and 800).

Operational Analysis

A recommendation was made "that the Employer conduct an operational analysis to determine if there is a need for the creation of additional status appointments to address the long term extensive use of Extra Help appointments and positions in this respect". UIC has determined that in most cases, there is no need for a status appointment when extra help positions are utilized. However, it was noted above that 42% of the appointments which exceeded the 900-hour threshold did transition to a status appointment.

ADDITIONAL AUDITOR COMMENTS:

Due to the large number of employees/positions referenced in **Appendix A**, the Auditor remains concerned that the number of audit citations is excessive. Additionally, it should be noted that Extra Help appointments do not technically "transition" from this appointment designation to that of a status appointment. Extra Help employees are still required to compete with other applicants utilizing the appropriate register referral process in accordance with the 'Rule of Three' and consistent with merit and fitness based principles.

The Auditor does recognize the Employer's attention to this topic by providing additional information regarding the employees and/or positions referenced in this finding. (This additional information included a separate column regarding the Employer responses, however an additional data verification report query was not submitted by the Employer or reviewed.)

It does merit mentioning that as with any compliance audit, the burden of proof in demonstrating compliance lies with the Employer. The data reviewed to determine the findings was based on what was provided by the Employer upon request by the Auditor. While there may be disputes regarding individual findings, the following additional comments are being provided to address the Employer's concerns with those entries cited in **Appendix A** that remain in dispute:

- ***Employer Response: 18% (85 lines) were extension requests which were denied.***
 - ***System Office Comments:*** The Extra Help Extension requests for these violations were denied due to failing to meet the procedural criteria for approval by the University System at the time they were requested. The denial of an extra help extension request is not then grounds for either permitting an employee or position to exceed the 900-hour limitation or, by itself, trigger the competitive search process.
- ***Employer Response: 2% (11 lines) involved an issue with titles in the Hospital Excellence and Experience Office. This department issue was resolved in 2014.***
 - ***System Office Comments:*** From a compliance perspective, deciding upon or negotiating a job title does not have any bearing on the accrual of Extra Help Hours that are tied to an individual employee or position control number.
- ***Employer Response: 5% (22 lines) involve incorrect information. Examples include conflicting dates in the University Banner System (effective hire date versus service date for the appointment) or a 30 day break which was not recognized in reviewing the data.***
 - ***System Office Comments:*** The University System Office recognizes that corrections were made by the Employer within their University Banner System after the Draft Audit Report was issued. However, the employees and/or positions cited in this finding either did not reflect the 30-day break for the employee OR the 6-month break for the position in the data reviewed by the Auditor and provided by the Employer. Even if a new position was added for an employee shortly after the 30-day break time frame, resuming the same position would have violated the 6-month lapse requirement of the Code.
- ***Employer Response: 7% (31 lines) were seasonal employees who did not complete 900 hours in one calendar year and were not separated, but then returned in a following year and accrued additional hours which should not have been recognized as cumulative.***
 - ***System Office Comments:*** We do understand that employees who are truly seasonal in nature experience a break in employment exceeding 30 days and would not be cumulative, however, this is not what the initial data report demonstrated. Again, this

break in service, even though an employee is not technically separated, does need to be reflected in the data report provided to the Auditor.

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

Risk Assessment Category 1 Finding

Recommendation, Administrative Response, and Additional Auditor Comments

UIC FY18-02	NON-COMPLIANCE WITH CONTRACT APPOINTMENT/POSITION CONTROL MANAGEMENT PROVISIONS
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Criteria/Standards (i.e., what should exist):

- 1) *State Universities Civil Service Act , Section 36e(3),*
- 2) *Illinois Administrative Code, Section 250.30 The Classification Plan*
- 3) *Illinois Administrative Code, Section 250.80(b) Contract Appointments*
- 4) *Classification Procedures Manual, Section 5.1 Definition*
- 5) *Classification Procedures Manual, Section 5.2 Position Identification*
- 6) *Employment and Separation Procedures Manual, Section 3.3 Contract Appointments*

Contract Appointments are considered Status Civil Service Appointments and are positions assigned work and performed at a location away from the primary premises or immediate environs of the employer. Official class titles shall be used for Contract Appointments and all incumbents employed in these status positions shall receive notices of employment, with position control numbers assigned.

The Executive Director, with advice from the DER and the employing department, shall determine that a position is a Contract Appointment. The DER shall submit a formal request for consideration and approval of each position to be a Contract Appointment. Once a position has been approved as a Contract Appointment, the employer is allowed to employ others in duplicate positions without prior approval.

Guidelines for proper position control and management are prescribed above and referenced in The Classification Plan. Position control is a management tool concerned with the continuing record of the histories of positions. Institutions and agencies at which a position is located makes determinations what types of civil service positions are required.

Position control numbers are based on the position, and not on the incumbent holding that position or to any budget line item. They are assigned by the Employer on a continuing numerical basis as needed and remain with the individual position until cancelled. The reclassification, reallocation, or administrative title change of a position does not affect the civil service position number.

BACKGROUND/CONTEXT:

The Governance, Risk, and Compliance (GRC) Audit time frame for the University of Illinois at Chicago was February 1, 2014 through July 31, 2017. The utilization and management of standard Contract Appointments are routinely analyzed and reviewed under the purview of a Category 1 Risk Assessment to evaluate proper position control and ensure compliance with the Act and the Illinois Administrative Code.

Pursuant to the Auditor's request, the Employer submitted a list of Contract Appointments utilized during the audit time frame for review and analysis.

CONDITIONS/FACTS:

During the FY2018 Governance, Risk, and Compliance Audit, the Auditor reviewed a report consisting of **three-hundred twelve (312)** Contract Appointments utilized by the Employer during the audit time frame. As documented below, there were **fifty-seven (57)** appointments listed in the report provided by the Employer whose data elements contained inconsistencies to position numbers or classifications approved and on file at the University System Office:

Position Title	Position Number	Job Beginning Date
Community Affairs Specialist I	C86472	10/03/2005
Community Affairs Specialist II	CB2423	07/22/2012
Program Assistant	CB3867	10/01/2012
Community Affairs Specialist I	CB2424	09/11/2016
Community Affairs Specialist I	CB1917	04/29/2012
Medical Lab Technician I	C68887	06/18/2006
Phlebotomist II	CB7905	09/02/2014
Phlebotomist I	C47963	04/14/2014
Administrative Aide	CB4153	10/01/2012
Community Affairs Specialist I	CC0622	09/28/2015
Medical Social Associate	CC1067	11/09/2014
Health Education Coordinator	CC0657	11/24/2014
Community Affairs Specialist I	CA4930	11/26/2012
Medical Social Consultant	CB7210	07/20/2015
Community Affairs Specialist I	C69898	05/08/2005
Community Affairs Specialist II	CB7218	08/18/2013
Social Work Aide II	C69886	05/08/2005
Staff Clerk	C84159	12/21/2003
Medical Social Associate	CC1065	11/09/2014
Medical Social Consultant	CB7219	08/18/2013
Administrative Aide	CB8652	01/19/2014
Administrative Nurse III	CB7220	08/18/2013
Medical Lab Technician I	C68914	06/18/2006
Social Work Aide III	C69891	05/08/2005
Clerk	C91343	12/21/2003
Medical Lab Technician II	C68917	03/30/2015
Customer Service Assistant	C68917	03/30/2015
Certified Medical Assistant	C47631	05/30/2010
Community Affairs Specialist I	C69937	03/13/2005
Phlebotomist II	CA2685	05/10/2010
Health Education Coordinator	CB7493	09/29/2013
Program Coordinator	CC1539	01/18/2015
Chief Clerk	CC7400	06/05/2017
Social Work Aide II	C69895	08/14/2005
Office Support Associate	C47581	02/11/2013
Health Education Coordinator	CB7223	02/29/2016

Position Title	Position Number	Job Beginning Date
Community Affairs Specialist II	C82810	12/21/2003
Clinical Practice Data Analyst	CC2053	03/15/2015
Program Coordinator	C68954	05/07/2006
Phlebotomist I	C47885	11/29/2010
Phlebotomist II	C47834	06/19/2017
Social Work Aide III	CA6250	01/23/2011
Program Assistant	C69933	03/13/2005
Medical Lab Technician I	CA1258	09/28/2009
Office Support Specialist	C60008	10/11/2004
Community Affairs Specialist I	C82629	07/17/2016
Chief Clerk	C84472	12/21/2003
Community Affairs Specialist I	CB1915	09/09/2013
Community Affairs Specialist II	C68487	02/11/2007
Program Coordinator	CC1071	11/09/2014
Administrative Assistant II	C85469	12/21/2003
Clinical Practice Data Analyst	CC1070	11/09/2014
Health Education Coordinator	CC2153	07/13/2015
Phlebotomist II	C68916	06/18/2006
Community Affairs Specialist I	C47522	02/24/2008
Medical Lab Technician I	C93888	04/29/2013

CAUSE/SOURCE OF CONDITION:

Based on a review of the records submitted by the Employer, it appears that the report contains several data element errors. This may be due to changes in classification title as a result of reclassification or reallocation of a position; or the position control number had not been properly tracked or updated at the campus level consistent with what had been originally submitted for University System approval at the time the Contract Appointment was established and requested.

EFFECT/IMPACT:

Errors in monitoring or inadequate maintenance of position control information for Civil Service status Contract Appointments could result in the circumvention of employment obligations that include inappropriate class designation, improper certification and referral of qualified applicants, inadvertent seniority accrual discrepancies, and improper compensation for work performed with off-campus organizations. What may appear on the surface to be a recordkeeping error could actually lead to an improper layoff or incorrect accumulation of seniority.

FINDING(S) FROM PREVIOUS AUDIT(S):

No findings in this topic area were made during the last operational audit in FY2014.

RECOMMENDATION TO EMPLOYER:

The Auditor requests that the Employer submit updated notices of employment to verify any changes in classification, location, or position control number for the off-campus positions noted in this finding to verify that they are accurately designated as Contract Appointments no later than **May 15, 2018**. The Employer should also conduct a thorough Contract Appointment program review to determine whether any appointments should be deleted/archived from Employer or University System records.

The University System Office is available to assign staff on a monthly or quarterly basis to assist the employer in maintaining these records to assure that no future violations exist. At this point, this submission of data would be voluntary and could be instituted for a year or less as an effort to assist the employer in adopting new procedures.

EMPLOYER'S ADMINISTRATIVE RESPONSE – PROVIDED BY DR. MICHAEL GINSBURG, ASSOCIATE VICE CHANCELLOR OF HUMAN RESOURCES:

The Employer agrees with the Auditor's recommendation. UIC regularly monitors the use of Contract Appointments by location to ensure position numbers remain in the location for which they were approved and that employees reserve all the rights afforded to them in that contract appointment. While some positions listed in the audit fell outside of the scope for the audit period, UIC agrees that a review of the positions listed as potential discrepancies be reviewed for accuracy. Most of the positions fall within our Cure Violence initiative in the School of Public Health which employee violence interrupters throughout the City of Chicago. The remaining positions are in the medical clinics throughout Chicago, providing healthcare to underserved communities. Upon this review, UIC will submit to the System Office any updated notices of employment to verify changes in location or position control number. UIC also requests a copy of the information from the System Office that was used to determine a possible discrepancy. This review will be complete by **August 31st, 2018**.

The Employer agrees with the evidence supporting the finding and the Auditor's recommendation. UIC has performed a thorough review of the 78 positions cited in the audit and have provided comments for each on an attached spreadsheet (not included in this report). Of those cited:

- 29 were changes due to reclassifications or reallocations
- 26 were originally hired as contract under the title listed (some with start dates back to 2003)
- 10 were due to AP to Civil Service conversions (conversion for employees from the UIC Campus, (i.e., Mahomet, IL; Pontiac, IL, etc.)
- 7 were promotion from the Work Participant Program
- 5 were Extra Help employees hired into contract positions
- 1 was an organization transfer

UIC Human Resources will submit employment notices for any discrepancies to the System Office. UIC will monitor these changes in accordance with the rules and procedures of the Statute and submit employment notices in a timely manner.

Based on our review, any discrepancies cited would not have circumnavigated any employment obligations.

ADDITIONAL AUDITOR COMMENTS:

As previously mentioned in this report, the Scope of this FY2018 Audit Cycle for the University of Illinois at Chicago included a comprehensive evaluation of employment designations and/or category of status and non-status appointments, Civil Service position control management and desk audits, position description reviews, use of approved rates and ranges, examination security, register maintenance, compliance with the 900-hour limitation with respect to Extra Help appointments, timeframe requirements for temporary upgrade assignments, contract appointments, demonstration project data,

and personnel record reviews. Since Contract Appointments are designated through the Illinois Administrative Code as Civil Service Status appointments, they remain subject to review during a compliance audit even if they were employed prior to or after the designated audit time frame.

Note: The original number of position control data inconsistencies was in fact seventy-eight (78). However, following a secondary review of updated information provided by the employer, twenty-one (21) of those positions were categorized under the soft-funded Demonstration Project and reconciled during a joint meeting with human resources representatives on June 27, 2018. As a result, they have been removed from this finding and updated accordingly in the root cause analysis narrative.

The Employer is reminded that position control management is critical when establishing and maintaining Contract Appointments, primarily since these employees are located outside of the campus environs and are established based on classification and location. Any change in classification, through a reallocation, reclassification, or change in location of assignment, must be submitted as either a request for approval or notification protocol for review and/or update to the System Office. System Office staff is available to provide assistance in this respect at any time.

The Auditor requests that for the purposes of this audit finding, the Employer submit standard documentation to 'Establish a New Contract Appointment' for each position listed in this finding. This documentation should be submitted to the University System Office no later than **October 31, 2018**.

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

Risk Assessment Category 1 Finding

Recommendation, Administrative Response, and Additional Auditor Comments

UIC FY18-03 NON-COMPLIANCE WITH THE UTILIZATION OF TEMPORARY UPGRADE ASSIGNMENTS

CRITERIA/STANDARDS:

- 1) *Illinois Administrative Code (Code), Section 250.100 Reassignments and Transfers*
- 2) *Employment and Separation Procedures Manual, Section 4.2 Temporary Downgrading and Upgrading Assignments*

According to Section 250.100(b)(3) of the Illinois Administrative Code, "...temporary upgrading and downgrading assignments must not be for more than 30 consecutive work days duration."

The Employment and Separation Procedures Manual, Section 4.2 states, "...upgrading assignments shall be limited to filling vacancies due to absence of incumbents or when it is necessary because of agreements which require a supervisory employee for a special work assignment or project." Further, "Upgrading is not required when the employee performs only certain duties and/or assumes only partial responsibility for the overall duties of the position to which assigned."

CONDITIONS/FACTS:

The Auditor reviewed a report of approximately eighty-nine (89) employees that were utilized in temporary upgrade positions during the current audit time frame. As documented in Table 1.1 below, it was determined in nine (9) instances that employees exceeded the thirty (30) day temporary upgrade limitation:

Table 1.1

<i>FY2018 Governance, Risk, and Compliance (GRC) Audit</i>			
<u>Temporary Upgrade Assignments Exceeding 30-Day Limitation</u>			
<i>Employee Name</i>	<i>Upgrade Transaction</i>	<i>Time Period of Upgrade</i>	<i>Total Number of Days Upgraded</i>
██████████	<i>Grounds Worker</i>	<i>10/11/2016 – 11/25/2016</i>	<i>36</i>
██████████	<i>Grounds Worker</i>	<i>2/27/2017 – 4/13/2017</i>	<i>34</i>
██████████	<i>Elevator Mechanic Foreman</i>	<i>3/28/2017 – 6/8/2017</i>	<i>55</i>
██████████	<i>Grounds Gardener</i>	<i>9/24/2014 – 11/3/2014</i>	<i>32</i>
██████████	<i>Elevator Mechanic Foreman</i>	<i>2/25/2016 – 6/16/2016</i>	<i>84</i>
██████████	<i>Electrician Foreman</i>	<i>8/15/2016 – 10/7/2016</i>	<i>44</i>
██████████	<i>Stores Supervisor</i>	<i>7/7/2015 – 8/19/2015</i>	<i>32</i>

FY2018 Governance, Risk, and Compliance (GRC) Audit			
Temporary Upgrade Assignments Exceeding 30-Day Limitation (Continued)			
Employee Name	Upgrade Transaction	Time Period of Upgrade	Total Number of Days Upgraded
██████████	Stores Supervisor	10/10/2016 – 11/22/2016	32
██████████	Stores Supervisor	5/1/2017 – 6/15/2017	33

As further documented in Table 1.2 below, four (4) employees were utilized in temporary upgrade positions for extended periods of time, appearing to be regularly upgraded on a consistent basis:

Table 1.2

FY2018 Governance, Risk, and Compliance (GRC) Audit			
Extended Utilization of Temporary Upgrade Assignments			
Employee Name	Upgrade Transaction	Time Period of Extended Upgrades	Total Number of Days Upgraded
██████████	Grounds Worker	12/28/2015 – 7/31/2017	350
██████████	Grounds Worker	5/20/2014 – 7/31/2017	495
██████████	Grounds Worker	10/7/2015 – 7/27/2017	269
██████████	Stores Supervisor	4/29/2015 – 7/31/2017	438

CAUSE/SOURCE OF CONDITION:

The Employer allowed individual upgrade assignments to exceed the 30-day time period, which violates Section 250.100 of the Illinois Administrative Code. In addition, as noted in Table 1.2, it appears a determination was made by the Employer not to fill upgraded positions with a permanent status employee or through a reclassification action and instead, continued in the repeated overuse of the temporary upgrade provision.

EFFECT/IMPACT:

The foundation of the Merit System and the primary concept of a classification plan management system are that employees be placed in job classifications based on the prominence of actual duties and level of responsibility. The practice of creating a new job assignment through an overextended upgrade is inconsistent with the intent and purpose of the classification plan management system and a violation of the Illinois Administrative Code. If a position is upgraded on a continual basis for an extended period of time, the employee should be reclassified into the classification or a new position posted and filled in the classification.

FINDING(S) FROM PREVIOUS AUDIT(S):

No findings in this topic area were made during the last operational audit in FY2014.

RECOMMENDATION TO EMPLOYER:

The Auditor recommends the Employer confirm that monitoring standards and notification protocols have been conveyed to the campus units causing these violations, with an emphasis on compliance and proper

position monitoring. Additionally, the positions noted in this finding should be reviewed and considered for upgrade either through reclassification or position posting.

EMPLOYER'S ADMINISTRATIVE RESPONSE – PROVIDED BY DR. MICHAEL GINSBURG, ASSOCIATE VICE CHANCELLOR OF HUMAN RESOURCES:

The Employer disagrees with this finding.

UIC currently uses temporary upgrades to fill both planned and unplanned absences and vacancies for a short duration of time, mainly in our Facilities Management and Physical Plant areas. In some instances, these positions must be staffed in hours outside of a typical workweek. The need for employees in these classifications to fill in for a supervisory role could arise at the last minute. In order to properly compensate an employee for performing higher-level work, a temporary job is added to their record so they can be paid at the higher level, but only when they actually perform the higher-level work. UIC applies this job for a maximum of 30 days in accordance with Civil Service rules.

A finding in this audit illustrates [REDACTED] receiving a temporary upgrade to Elevator Mechanic Foreman for 84 days between 2/25/16 and 6/16/16. UIC disagrees. The following is a more accurate depiction of the timing. It is also important to note that [REDACTED] was promoted to Elevator Mechanic Foreman on May 22, 2016.

Temporary Upgrade Begin Date	Temporary Upgrade End Date	Days Upgraded
2/1/16	3/1/16	30
3/3/16	4/1/16	30
4/3/16	5/2/16	30
5/4/16	5/22/16	30

A separate finding indicated that the employees in the table below were utilized in temporary upgrade positions for extended periods, appearing to be regularly upgraded on a consistent basis. Since most of these classifications have only a single rate of pay without a step progression, a job needs to be added to the employee record to be paid at a higher rate when working in a higher classification. Also, since the manpower and business needs of the unit can require an employee to work in a higher class without much notification, the job needs to be on the employee's record so they can be paid appropriately for the work performed in the higher class. In the table below, the employee had the temporary upgrade job assigned to their record in multiple instances, but it is not indicative that they worked in a higher classification every day in that 30-day upgrade period.

Extended Utilization of Temporary Upgrade Assignments			
Employee Name	Upgrade Transaction	Time Period of Extended Upgrades	Total Number of Days Upgraded
[REDACTED]	Grounds Worker	12/28/2015 - 7/31/2017	350

	Grounds Worker	5/20/2014 - 7/31/2017	495
	Grounds Worker	10/7/2015 - 7/27/2017	269
	Stores Supervisor	4/29/2015 - 7/31/2017	438

Also noted in the audit is “A determination was made by the Employer not to fill upgraded positions with a permanent status employee or through a reclassification action and instead, continued in the repeated overuse of the temporary upgrade provision.” UIC fills positions based on many factors such as the need for the position, budgetary situation, collective bargaining agreements, etc. Given that an employee does not work every day of the 30 day upgrade period, it is most likely not feasible to open a higher-level position that is not needed. UIC does monitor its staffing levels and workforce needs and acts accordingly within various parameters. UIC is currently reviewing its use of Temporary Upgrades with new leadership to determine if there is a more efficient use of the program.

ADDITIONAL AUDITOR COMMENTS:

The Auditor was required to request this report from the Employer multiple times, even though the data elements needed for analysis are the same as in previous audits. Again, the burden of proof regarding compliance with the Temporary Upgrade provision lies with the Employer. If an employee does not work every day of the 30 day upgrade period, and it is not feasible to open a higher-level position, then the data in the report provided to the Auditor must demonstrate that level of detail.

For example, the employer stated that “need for employees in these classifications to fill in for a supervisory role could arise at the last minute. In order to properly compensate an employee for performing higher-level work, a temporary job is added to their record so they can be paid at the higher level, but only when they actually perform the higher-level work. UIC applies this job for a maximum of 30 days in accordance with Civil Service rules.” The Illinois Administrative Code (Rules) stipulates that a Temporary Upgrade assignment not exceed the 30 day limitation, which means an employee can work one day, thirty days, or any amount of days in between. If the timeframe provided to the Auditor is an inclusive period of time, it is then evaluated as an upgrade for each day within that period.

Regarding the Temporary Upgrades utilized on an extended basis, while the employees referenced in this finding were not upgraded for each day listed, they were intermittently upgraded on a routine basis. This is the basis of this finding. From a manpower perspective, if employees are upgraded routinely (as in the Groundswoker classification), it usually indicates there is a demonstrated need to reclassify, reallocate, or employ an employee in that position.