

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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Merit Board Chair
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To: Merit Board Members
University Presidents and Chancellors
Affiliated Agency Directors
Administrative Advisory Committee
Designated Employer Representatives
Human Resource Directors
State Universities Civil Service Advisory Committee (EAC)

From: David DeThorne
Legal Counsel, Legal and Compliance Services Division

Date: August 4, 2017

Re: FY2018 and FY2019 Governance, Risk, and Compliance (GRC) Audit Schedule

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 each place 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 program of personnel administration of its constituent employers" (80 Ill. Adm. Code §250.140(c)).

Accordingly, this letter is to inform you that we have initiated the FY2018 GRC Audit Scheduling process. This regulatory requirement includes both information/record analysis and on-site testing that we consider necessary in completing our audit objectives. These objectives will determine whether the internal control structure and business processes surrounding the respective Human Resource activities are adequate to ensure:

- 1) Compliance with the Act, Code and corresponding System Office Procedures is attained;
- 2) Procedural concerns are identified and corrected to reduce findings;
- 3) Comprehensive local compliance is achieved by collaborating and building partnerships with the applicable human resource and internal audit departments; and
- 4) Timely and appropriate corrective action is implemented to address documented issues.

Prior to the on-site visit at each University/Agency, we will notify and inform each Employer approximately six (6) weeks in advance to establish timelines, determine the audit scope, submit a formal request of records and other documentation, and formulate the schedule for the audit visit. Since the revised audit program is an evaluation of various components based on risk assessment and prior history, the time commitment and materials request will be drastically reduced from that of past audits. In some instances, additional information may be requested both during and following the on-site visit to resolve issues and validate specific employment transactions. At the conclusion of the audit, the specific University/Agency will be required to address specific issues or audit findings and/or verify whether corrective measures have been taken prior to a Final Audit Report being issued. In this respect, a Formal Exit Conference is highly encouraged to address and/or rectify some of these concerns.

The FY2018 and FY2019 audit schedule is attached for your reference. This will hopefully assist in your resource scheduling and planning process. Additionally, our audit process and procedures, request for materials, and Final Audit Reports for each University/Agency can be found at the State Universities Civil Service System website under the Legal and Compliance Services link.

Please note that at the time of publishing this document, the Merit Board has requested that we temporarily suspend the review of Principal Administrative Appointments (PAA) categorically exempt under §36e(3) of the State Universities Civil Service Act. It is our intent to clarify, to the fullest extent possible, the categories and processes by which exemptions are defined, implemented, and reviewed. Our audit activities regarding this topic will resume based upon future recommendations and directives by the Merit Board.

As in previous years, our goal will be to engage in positive and interactive learning experiences through the audit process. We are looking forward to the on-site visits. Should there be any questions, comments or concerns throughout the audit process, please feel free to contact Cindy Neitzel at (217) 278-3150 extension 224 or via e-mail at cindyn@succs.illinois.gov.

Attachment (1):

FY2018 and FY2019 Governance, Risk, and Compliance Audit Schedule