

## STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



*Joanne E. Maitland  
Merit Board Chair  
Lewis T. (Tom) Morelock  
Executive Director*

December 3, 2010

Mr. William Mabe  
Executive Director  
State Universities Retirement System

Mr. Steve Hayward  
Internal Auditor V  
State Universities Retirement System

Ms. Judith Parker  
Associate Director  
State Universities Retirement System

Mrs. Joanne E. Maitland  
Merit Board Chair  
State Universities Civil Service System

Mr. Terrin Krantz  
Deputy Director  
Designated Employer Representative  
State Universities Retirement System

The State Universities Civil Service System recently conducted its scheduled Biennial Institutional Compliance Audit of the Office of Human Resources at the State Universities Retirement System. The audit period tested was May 1, 2008 through June 30, 2010. We are pleased to inform you that the results of this compliance audit concluded that there were no Material or Non-Material Findings for this report. Those personnel charged with this compliance responsibility are to be commended for their business practices leading to this excellent report.

On behalf of the audit team, 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 topic related to the audit or audit process is desired, please call Lucinda M. Neitzel at (217) 278-3150 ext. 239.

At this time, we would like to also ask for your questions, comments, or suggestions for improvement regarding the audit process by asking your Human Resource audit contact person complete and return the attached Audit Process Survey. This Survey can also be found at <http://www.sucss.state.il.us/audit.asp>.

[REDACTED]  
Lewis T. (Tom) Morelock  
Executive Director

---

---

# State Universities Retirement System Final Audit Report

---



## State Universities Civil Service System Compliance Audit

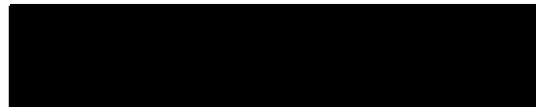
December 3, 2010

Audit Period

May 1, 2008 to June 30, 2010

---

Prepared by:



Lucinda M. Neitzel  
Audit and Advisory Services Manager

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

**Table of Contents**

**Introduction.....1**  
**Executive Summary.....3**

## 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\(c\)](#)).

This report communicates the final outcome of a comprehensive human resource operational audit, which included an on-site evaluation that was conducted November 9-10, 2010.

#### OVERVIEW

The following Human Resource activities were reviewed:

- **Assignment of Positions to Classes**  
The Auditor completes a review of selected job descriptions for timely updates, proper administration, and correct assignment of position classifications. Additional desk audits of selected positions are conducted onsite for appropriateness of position classifications. There is also an evaluation of the Employer’s position audit process and corresponding determinations.
- **Compensation Programs**  
The Auditor completes an analysis of the Employer’s use of pay rates and pay ranges, as approved by the Merit Board. An overall evaluation is then conducted of the Employer’s compensation program and initiatives to meet requirements of pay equity within the Employer’s market area.

- **Examination Program**  
The Auditor conducts a review of pre-employment testing operations. This includes test administration, admission procedures of applicants to examinations, license and certification verifications, scheduling, security, and register management.
- **Administration of Employment and Separation Procedures**  
The Auditor reviews the Employer's business processes and procedures related to the employment cycle, including pre-employment activities, probationary and status employment, and employment separation programs. There is also an assessment of the Employer's utilization and monitoring of non-status appointments.
- **Administration and Employment Protocols of Principal Administrative Appointments (PAA)**  
The Auditor completes a review of the employment protocols and assigned responsibilities for Principal Administrative Appointments. This review is conducted to assure compliance with recognized exemption authorization procedures. The Employer's exemption forms and related position descriptions are reviewed and selected incumbent interviews are conducted for validation of approved exemptions. The audit process also includes a review of the Employer's administrative procedures related to these appointments and their approved exemption status.
- **General Review of the Employer's Human Resource Program**  
The Auditor completes a general review of the Employer's human resource programs with respect to effectiveness, efficiency and levels of communication to constituencies. There is also an assessment of the recognition and interaction of human resource programs within the Employer's faculty, administrative and support staff employee groups. The impact of new technology on the recordkeeping and processing of information is also an element for review.
- **Other Follow-up Items from Previous Audit**  
Other follow-up items from previous audits, as well as other matters deemed necessary and appropriate, may have been reviewed and submitted as additional audit topics.

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

[Lucinda Neitzel, Audit and Advisory Services Manager](#)  
[Jeff Brownfield, Manager of Operations Division](#)  
[Paula Mitchell, Human Resource Assistant](#)

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

**Executive Summary**  
**YEAR ENDED -- FY2011**

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

**STATE UNIVERSITIES CIVIL SERVICE SYSTEM**  
**Audit and Advisory Services**  
**Audit Process Survey**

---

The State Universities Civil Service System is committed to a continuous quality assessment of its audit engagements and related activities. As a valuable customer, your feedback will assist in measuring the extent to which the Audit Process meets your expectations and needs. Your candid response is appreciated and will facilitate the delivery of a high quality value-added service. Thank you in advance for your willingness to provide input and comments.

Please use this form to evaluate the recent audit engagement (A=Agree, D=Disagree) and return to [TomM@sucss.state.il.us](mailto:TomM@sucss.state.il.us).

**Survey Participant Information:**

Name \_\_\_\_\_

Title \_\_\_\_\_

University/Agency \_\_\_\_\_

Audit Engagement Dates \_\_\_\_\_

---

**Survey Criteria:**

(Please respond to each item with an A=Agree or D=Disagree). Additional comments would be helpful.

- 1) The audit goals, objectives, and areas to be audited were clearly explained.

\_\_\_\_\_  
\_\_\_\_\_

- 2) The audit was conducted with consistency to audit objectives and effectiveness in covering key audit areas.

\_\_\_\_\_  
\_\_\_\_\_

- 3) Ideas and/or management concerns were solicited during the audit process.

\_\_\_\_\_  
\_\_\_\_\_

- 4) The auditors were professional and respectful when making inquiries or providing feedback.

\_\_\_\_\_  
\_\_\_\_\_

---

5) The audit was conducted timely and in such a manner as to reduce disruption to the operation of the human resource department.

---

---

6) The auditors demonstrated adequate knowledge and understanding of the human resource operations.

---

---

7) Management and/or key staff members were informed of all major issues as they developed during the audit.

---

---

8) The audit conclusions and/or recommendations were logical, constructive, practical, and cost-effective.

---

---

9) At the exit conference, all results were provided in sufficient detail; audit staff were flexible in addressing issues regarding word choice, differences of facts or interpretation; and preliminary administrative responses were discussed to ensure corrective action would be clear and concise.

---

---

10) A revised draft report reflected agreed upon changes discussed at the exit conference.

---

---

11) The final audit report was clear, concise and contained the administrative response (detailed corrective action) verbatim.

---

---

12) The audit added value to the effectiveness and efficiency of the human resource department's operation.

---

---

**Additional Comments and Suggestions for Improvement:**

---

---

---

---