

**STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2011

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
Agency Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	3
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes.....	4
 Supplementary Information for State Compliance Purposes	
Summary	7
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	8
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances.....	10
Schedule of Changes in State Property	11
Analysis of Significant Variations in Expenditures.....	12
Analysis of Significant Lapse Period Spending	13
Analysis of Operations	
Agency Functions and Planning Program.....	14
Average Number of Employees.....	16
Service Efforts and Accomplishments (Not Examined).....	17

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

AGENCY OFFICIALS

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

Executive Director

Mr. Lewis T. "Tom" Morelock

Administrative Assistant II

Ms. Teresa Rademacher

Agency office is located at:
1717 Philo Road, Suite 24
Urbana, IL 61802-6099

Members of the University Civil Service Merit Board as of June 30, 2011:

Ms. Joanne E. Maitland, Chair
Mr. James D. Montgomery, Vice Chair
Mr. Bruce Friefeld
Mr. William L. Epperly
Ms. Karen Hasara
Ms. Betsy Hill
Judge Patricia Brown Holmes
Dr. Donna Manering
Mr. Robert T. Marshall, Jr.
Dr. Robert D. Webb
Vacant, Northeastern Illinois University

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

September 27, 2011

Honorable William G. Holland
Auditor General
State of Illinois

Sir:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the State Universities Civil Service System. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the State Universities Civil Service System's compliance with the following assertions during the two-year period ended June 30, 2011. Based on this evaluation, we assert that during the years ended June 30, 2010 and June 30, 2011, the System has materially complied with the assertions below.

- A. The State Universities Civil Service System has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State Universities Civil Service System has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State Universities Civil Service System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Yours very truly,

State Universities Civil Service System

(Lewis T. Morelock, Executive Director)

(Teresa Rademacher, Administrative Assistant II)

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

SCHEDULE OF FINDINGS

The State Universities Civil Service System did not have any current or prior year findings.

EXIT CONFERENCE

The State Universities Civil Service System waived having an exit conference.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the Illinois State Universities Civil Service System's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2011. The management of the Illinois State Universities Civil Service System is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois State Universities Civil Service System's compliance based on our examination.

- A. The Illinois State Universities Civil Service System has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois State Universities Civil Service System has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois State Universities Civil Service System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois State Universities Civil Service System's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois State Universities Civil Service System's compliance with specified requirements.

In our opinion, the Illinois State Universities Civil Service System complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2011.

Internal Control

Management of the Illinois State Universities Civil Service System is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Illinois State Universities Civil Service System's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois State Universities Civil Service System's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

There were no immaterial findings that have been excluded from this report.

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2011 and the 2010 Supplementary Information for State Compliance Purposes, except for the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2009 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, and the University Civil Service Merit Board and is not intended to be and should not be used by anyone other than these specified parties.



BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

September 27, 2011

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending

Analysis of Operations:

- Agency Functions and Planning Program
- Average Number of Employees
- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the *Audit Guide* as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments, on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2011

P.A. 96-0956	Appropriations	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
General Revenue Fund - 001					
Operational Expenses	\$ 1,273,200	\$ 1,125,205	\$ 9,369	\$ 1,134,574	\$ 138,626
Operational Expenses, Awards, Grants and Permanent Improvements	3,000	-	-	-	3,000
Total Fiscal Year 2011	\$ 1,276,200	\$ 1,125,205	\$ 9,369	\$ 1,134,574	\$ 141,626

Note: Appropriations, expenditures, and lapsed balances were obtained from the System's records and have been reconciled to records of the State Comptroller. Expenditure amounts are vouchers approved for payment by the System and submitted to the State Comptroller for payment to the vendor. Approximate lapse period expenditures do not include interest payments approved for payment by the System and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2010

P.A. 96-0042	Appropriations	Expenditures Through June 30	Lapse Period Expenditures July 1 to December 31	Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
General Revenue Fund - 001					
Personal Services	\$ 932,400	\$ 831,595	\$ -	\$ 831,595	\$ 100,805
Contributions to Social Security	13,500	11,056	-	11,056	2,444
Operational Expenses	327,300	285,351	15,863	301,214	26,086
Operational Expenses, Awards, Grants and Permanent Improvements	3,000	-	-	-	3,000
Total Fiscal Year 2010	\$ 1,276,200	\$ 1,128,002	\$ 15,863	\$ 1,143,865	\$ 132,335

Note: Appropriations, expenditures, and lapsed balances were obtained from the System's records and have been reconciled to records of the State Comptroller.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES**
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2011	2010	2009
General Revenue Fund - 001	P.A. 96-0956	P.A. 96-0042	P.A. 95-0733
Appropriations	\$ 1,276,200	\$ 1,276,200	\$ 1,273,220
<u>Expenditures</u>			
Personal Services	-	831,595	880,503
Contributions to Social Security	-	11,056	11,666
Contractal Services	-	-	225,465
Travel	-	-	5,793
Commodities	-	-	7,307
Printing	-	-	3,789
Equipment	-	-	13,547
Telecommunications Services	-	-	23,564
Operation of Automotive Equipment	-	-	2,490
Operational Expenses	1,134,574	301,214	-
Operational Expenses, Awards, Grants and Permanent Improvements	-	-	-
Total Expenditures	<u>1,134,574</u>	<u>1,143,865</u>	<u>1,174,124</u>
Lapsed Balances	<u>\$ 141,626</u>	<u>\$ 132,335</u>	<u>\$ 99,096</u>

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30,

	Fiscal Year	
	2011	2010
Beginning Balance, July 1,	\$ 226,333	\$ 228,018
Additions	13,587	13,944
Deletions	(35)	-
Net Transfers	-	(15,629)
Ending Balance, June 30,	\$ 239,885	\$ 226,333

Note: This schedule was prepared from the Agency Report of State Property Quarterly Reports and reconciled to the System's records.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009

General Revenue Fund - 001

Operational Expenses

For Fiscal Year 2010, the General Assembly changed the appropriation process for operating expenses that were paid from the General Revenue Fund. The State Universities Civil Service System received a lump sum appropriation for operational expenses, not including personal service expenditures, rather than individual appropriations designated for specific purposes.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2010

General Revenue Fund - 001

Operational Expenses

For Fiscal Year 2011, the General Assembly changed the appropriation process for operating expenses that were paid from the General Revenue Fund. The State Universities Civil Service System received a lump sum appropriation for operational expenses, including personal service expenditures, rather than individual appropriations designated for specific purposes.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2011

There were no significant expenditures made during the Fiscal Year 2010 or Fiscal Year 2011 lapse period.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2011

Agency Functions

The State Universities Civil Service System (SUCSS) was created by the State Universities Civil Service Act (110 ILCS 70/36b et seq.) and became operative on January 1, 1952. The SUCSS has a statutory obligation to establish a sound program of personnel administration at State supported institutions of higher education and at certain allied agencies. To fulfill this obligation, the SUCSS provides the essential function of administering, developing and maintaining the basic rules and procedures related to the employment of professional (non-academic), technical and support staff at each major Illinois public higher education university and affiliated agency.

Among its many responsibilities, the SUCSS provides direct guidance and support services to universities/agencies in such areas as employment, examinations, classification plan management, salary administration, compliance audit reviews, disciplinary procedures and other business operations related to the management of support staff personnel.

The SUCSS audit team conducts a human resource operational audit at each university and higher education agency once every two years. This involves a comprehensive review of internal practices, including both document review and discussions with staff regarding a broad range of human resource-related practices.

The governing body of the SUCSS is the University Civil Service Merit Board (Board). The Board is composed of 11 members representing the public universities of the State of Illinois. Members of the Board are elected by their respective university governing boards.

The SUCSS office is located at 1717 Philo Road, Suite 24, Urbana, Illinois and serves the following public universities and agencies with respect to the employment relationship with their professional (non-academic), technical and support staff:

Chicago State University	Eastern Illinois University
Governors State University	Illinois Board of Higher Education
Illinois Community College Board	Illinois State University
Illinois Student Assistance Commission	Northeastern Illinois University
Northern Illinois University	Southern Illinois University at Carbondale
Southern Illinois University at Edwardsville	Southern Illinois University School of Medicine
State Universities Civil Service System	State Universities Retirement System
University of Illinois at Chicago	University of Illinois at Springfield
University of Illinois at Urbana-Champaign	Western Illinois University

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2011

Planning Program

The SUCSS develops an action plan each year that is a compilation of agency goals, objectives and/or initiatives. The action plans are presented each year in the SUCSS Annual Report. The action plans developed during the period concentrate on several new initiatives focusing on customer service, communications, business process upgrade, and overall modernization of the SUCSS in general.

Other goals listed in the action plans are as follows:

1. Revise classification plans to eliminate redundancy and duplication in classification designations, upgrade associated employment protocols, and develop new testing/resume review processes;
2. The electronic web-based applicant testing system will continue to add a significant number of examinations. The testing system is available for use at all university/agency locations, streamlining testing operations and creating a customer friendly testing interface;
3. Develop a project plan to coordinate the routine submission of raw data from an interface with each university/agency human resource information system to be utilized in creating standardized system wide reports;
4. Update the SUCSS web site to include electronic forms and other electronic communication options;
5. Continue to review and suggest changes to the Administrative Rules and procedures, potentially developing a legislative strategy for improvement and upgrade;
6. Continue to evaluate staffing and facility requirements;
7. Utilize a document scanning system to create electronic files of many standard forms and historical business documents; and
8. Expand the membership of the advisory committees to obtain an even larger cross section of the overall employee constituency.

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2011

The following table, prepared from System records, presents the average number of employees by Division for the fiscal years ended June 30,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Administrative Division	4	4	4
Operations Division	4	4	4
Legal Services Division	1	1	1
Audit Division	2	2	3
Information Technology Division	<u>2</u>	<u>2</u>	<u>2</u>
Total average full-time employees	<u><u>13</u></u>	<u><u>13</u></u>	<u><u>14</u></u>

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Fiscal Years Ended June 30,
(Not Examined)

	2011	Fiscal Year 2010	2009
<u>Examinations</u>			
New/revised/pending examinations	-	1	4
Examinations given at the institutions	25,545	20,084	24,720
Examinations reviewed for applicants per request	119	141	176
<u>Classifications</u>			
Total class specifications	1,136	1,156	1,189
New/revised/pending class specifications developed	94	75	85
Reinstated class specification	-	-	-
Deleted class specifications	3	12	9
Training programs approved	48	15	18
Pay ranges/rates approved	1,773	3,560	2,682
<u>Discharge Cases</u>			
Written charges for discharge served on employees	69	70	42
Employees who requested a hearing	18	16	8
Cases withdrawn by employer before hearing	2	3	-
Cases withdrawn by employer during/after hearing	-	1	-
Cases withdrawn by employees before hearing	1	1	1
Cases withdrawn by employees during/after hearing	1	-	-
Employees who resigned before hearing was held	1	3	2
Employees who resigned during/after hearing held and before Merit Board decision	1	1	2
Settlement before/during/after hearing	2	6	1
Employees discharged by Merit Board	7	1	2
Employees reinstated by Merit Board	1	-	-
Employees reinstated by Merit Board with 60-day suspension	2	-	-
<u>Demotion Cases</u>			
Notice of demotions served on employees	1	-	-

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Fiscal Years Ended June 30,
(Not Examined)

	2011	Fiscal Year 2010	2009
<u>Audits</u>			
On-site audits	12	9	10
Position descriptions reviewed	1,232	591	1,106
On-site desk audits conducted	178	64	141
Verification of pay of employees performed	16,305	5,029	11,004
Pay ranges/rates reviewed	2,300	1,145	2,187
Applicant credentials reviewed	449	241	388
Registers reconstructed	340	165	314
Student appointments evaluated	*	7,174	25,900
Nonstatus appointments reviewed *	49,862	11,504	15,716
Active principal administrative appointments reviewed	15,303	3,772	6,646
Principal administrative appointment interviews conducted	172	74	119
Temporary upgrade assignments	**	**	1,471
Temporary upgrade assignments in days	27,773	19,255	N/A

* For Fiscal Year 2011 student appointments evaluated were included in with nonstatus appointments reviewed.

** State Universities Civil Service System changed the way the item was tracked.