

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

**COMPLIANCE EXAMINATION**

**For the Two Years Ended June 30, 2017**

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**TABLE OF CONTENTS**

|  |   | <b><u>Page</u></b> |
|--|---|--------------------|
| Agency Officials   |   | 1                  |
| Management Assertion Letter  |   | 2                  |
| Compliance Report:   |   |                    |
| Summary  |   | 4                  |
| Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes |   | 5                  |
| Supplementary Information for State Compliance Purposes:   |   |                    |
| Summary  |   | <b><u>8</u></b>    |
| Fiscal Schedules and Analysis  |   |                    |
| Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017   | 1 | 9                  |
| Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2016   | 2 | 11                 |
| Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances  | 3 | 12                 |
| Schedule of Changes in State Property  | 4 | 14                 |
| Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller                                  | 5 | 15                 |
| Analysis of Operations (Not Examined)  |   |                    |
| Agency Functions and Planning Program (Not Examined)   |   | 16                 |
| Analysis of Significant Variations in Expenditures (Not Examined)  |   | 18                 |
| Analysis of Significant Variations in Receipts (Not Examined)  |   | 19                 |
| Analysis of Significant Lapse Period Spending (Not Examined)   |   | 20                 |
| Budget Impasse Disclosures (Not Examined)  |   | 21                 |
| Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)                                      |   | 22                 |
| Interest Costs on Fiscal Year 2017 and Fiscal Year 2016 Invoices (Not Examined)  |   | 24                 |
| Average Number of Employees (Not Examined)   |   | 25                 |
| Service Efforts and Accomplishments (Not Examined)   |   | 26                 |

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**AGENCY OFFICIALS**

|                             |   |
|-----------------------------|---|
| Executive Director          | Mr. Jeff Brownfield (09/18/15 – Present)  |
| Interim Executive Director  | Mr. Bruce Finne (07/07/15 – 09/17/15)     |
| Interim Executive Director  | Ms. Mari Martinelli (07/01/15 – 07/06/15) |
| Legal Counsel               | Mr. David DeThorne                        |
| Administrative Assistant II | Ms. Teresa Rademacher                     |

The System's office is located at:

1717 Philo Road, Suite 24  
Urbana, Illinois 61802-6099

# STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



**Lyneir R. Cole**  
*Merit Board Chair*  
**Jeff Brownfield**  
*Executive Director*

April 26, 2018

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
Iles Park Plaza  
740 East Ash Street  
Springfield, Illinois 62703

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements 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, 2017. Based on this evaluation, we assert that during the years ended June 30, 2016, and June 30, 2017, the State Universities Civil Service 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.
- D. State revenues and receipts collected by the State Universities Civil Service System are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Yours truly,

State Universities Civil Service System

**SIGNED ORIGINAL ON FILE**

---

Jeff Brownfield, Executive Director

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**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.

**ACCOUNTANT'S REPORT**

The Independent Accountant's 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>Current<br/>Report</u> | <u>Prior<br/>Report</u> |
|--|---------------------------|-------------------------|
| Findings   | 0                         | 0                       |
| Repeated findings                                    | 0                         | 0                       |
| Prior recommendations implemented<br>or not repeated | 0                         | 0                       |

**EXIT CONFERENCE**

The State Universities Civil Service System declined an exit conference in correspondence dated April 26, 2018.

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MICHAEL A. BILANDIC BLDG. • SUITE S-900  
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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of 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, 2017. The management of the State of Illinois, State Universities Civil Service System is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, State Universities Civil Service System's compliance based on our examination.

- A. The State of 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 State of 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 State of 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.
- D. State revenues and receipts collected by the State of Illinois, State Universities Civil Service System are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Our examination was conducted 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, State Universities Civil Service System complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, State Universities Civil Service System complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, State Universities Civil Service System's compliance with specified requirements.

In our opinion, the State of 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, 2017.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of 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 State of Illinois, State Universities Civil Service System's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances 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 the State of Illinois, State Universities Civil Service System's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, State Universities Civil Service System's internal control over compliance.

*A deficiency in 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

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 for the years ended June 30, 2017, and June 30, 2016, in Schedules 1 through 5 and the Analysis of Operations Section 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 June 30, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2015, accompanying supplementary information in Schedules 3 and 5 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
April 26, 2018

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2017

**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 – Fiscal Year 2017

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2016

- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)

- Analysis of Significant Variations in Expenditures (Not Examined)

- Analysis of Significant Variations in Receipts (Not Examined)

- Analysis of Significant Lapse Period Spending (Not Examined)

- Budget Impasse Disclosures (Not Examined)

- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)

- Interest Costs on Fiscal Year 2017 and Fiscal Year 2016 Invoices (Not Examined)

- Average Number of Employees (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's 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 to the June 30, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section and, accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2017

Fifteen Months Ended September 30, 2017

| Public Act 99-0524, Public Act 100-0021,<br>and Court-Ordered Expenditures | Expenditure<br>Authority<br>(Net of<br>Transfers) | Lapse Period                    |   | Total<br>Expenditures<br>15 Months Ended<br>September 30 | Balances<br>Lapsed<br>September 30 |
|--|---|---------------------------------|---|--|------------------------------------|
|  |   | Expenditures<br>Through June 30 | Expenditures<br>July 1 to<br>September 30 |  |                                    |
| FISCAL YEAR 2017   |   |                                 |   |  |                                    |
| <b><u>General Revenue Fund - 001</u></b>                                   |   |                                 |   |  |                                    |
| Personal Services  | \$ 770,923  | \$ 136                          | \$ 771,059                                |  |                                    |
| Ordinary and Contingent Expenses   | -   | 204,936                         | 204,936                                   | \$ 741,264   |                                    |
| Total - Fund 001   | \$ 770,923  | \$ 205,072                      | \$ 975,995                                | \$ 741,264   |                                    |
| <b><u>Education Assistance Fund - 007</u></b>                              |   |                                 |   |  |                                    |
| Ordinary and Contingent Expenses   | \$ 154,663  | \$ 172                          | \$ 154,835                                | \$ 165   |                                    |
| Total - Fund 007   | \$ 154,663  | \$ 172                          | \$ 154,835                                | \$ 165   |                                    |
| <b><u>Budget Stabilization Fund - 686</u></b>                              |   |                                 |   |  |                                    |
| Ordinary and Contingent Expenses   | \$ 74,690   | \$ 303                          | \$ 74,993                                 | \$ 7   |                                    |
| Total - Fund 686   | \$ 74,690   | \$ 303                          | \$ 74,993                                 | \$ 7   |                                    |
| <b>GRAND TOTAL - ALL FUNDS</b>   | <b>\$ 1,176,200</b>                               | <b>\$ 205,547</b>               | <b>\$ 1,205,823</b>                       | <b>\$ 741,436</b>  |                                    |

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to System records.

Note 2: Expenditure amounts are vouchers approved for payment by the System and submitted to the State Comptroller for payment to the vendor.

- Note 3: The Circuit Court of St. Claire County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the System was able to submit vouchers to pay its employees in full without a maximum expenditure limit during Fiscal Year 2017. Further, the System incurred non-payroll obligations within Fund 001, which the System was unable to pay until the passage of Public Act 100-0021.
- Note 4: Public Act 99-0524 authorized the System to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 21 includes information from System management about the number of invoices and the total dollar amount of invoices held by the System submitted against its Fiscal Year 2017 appropriation.
- Note 5: During Fiscal Year 2017, the System operated without enacted appropriations until Public Act 100-0021 was approved on July 6, 2017. During the impasse, the System incurred non-payroll obligations within Fund 001, which the System was unable to pay until the passage of Public Act 100-0021.
- Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the System to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 21 includes information from System management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the System to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2016

Fourteen Months Ended August 31, 2016

| Court-Ordered Expenditures<br>FISCAL YEAR 2016 | Expenditure<br>Authority<br>(Net of<br>Transfers) | Lapse Period                    |  | Total<br>Expenditures<br>14 Months Ended<br>August 31 | Balances<br>Lapsed<br>August 31 |
|--|---|---------------------------------|--|---|---------------------------------|
|  |   | Expenditures<br>Through June 30 | Expenditures<br>July 1 to<br>August 31 |   |                                 |
|  |   | \$ 709,534                      | \$ 2,101                               | \$ 711,635  |                                 |
| <b>General Revenue Fund - 001</b>              |   | <u>\$ 709,534</u>               | <u>\$ 2,101</u>                        | <u>\$ 711,635</u>                                     |                                 |
| Personal Services                              |   |                                 |  |   |                                 |
| <b>GRAND TOTAL - ALL FUNDS</b>                 |   |                                 |  |   |                                 |

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to System records.
- Note 2: Expenditure amounts are vouchers approved for payment by the System and submitted to the State Comptroller for payment to the vendor.
- Note 3: During Fiscal Year 2016, the System operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the System never received enacted personal service appropriations for Fund 001, the System was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal services costs during Fiscal Year 2016.
- Note 4: Public Act 99-0524 authorized the System to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 21 includes information from System management about the number of invoices and the total dollar amount of invoices held by the System to be submitted against its Fiscal Year 2017 appropriations.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**

For the Fiscal Year Ended June 30,

|  | Fiscal Year  |                               |              |
|--|--|-------------------------------|--------------|
|  | 2017   | 2016                          | 2015         |
|  | P.A. 99-0524,<br>P.A. 100-0021, and<br>Court-Ordered<br>Expenditures | Court-Ordered<br>Expenditures | P.A. 98-0678 |
| <b>General Revenue Fund - 001</b>      |  |                               |              |
| Appropriations (Net of Transfers)      | \$ 946,200   |                               | \$ 1,176,200 |
| Expenditures                           |  |                               |              |
| Personal Services                      | \$ 771,059   | \$ 711,635                    | \$ -         |
| Ordinary and Contingent Expenses       | 204,936  | -                             | 1,158,019    |
| Total Expenditures                     | \$ 975,995   | \$ 711,635                    | \$ 1,158,019 |
| Lapsed Balances                        | \$ 741,264   |                               | \$ 18,181    |
| <b>Education Assistance Fund - 007</b> |  |                               |              |
| Appropriations (Net of Transfers)      | \$ 155,000   | \$ -                          | \$ -         |
| Expenditures                           |  |                               |              |
| Ordinary and Contingent Expenses       | \$ 154,835   | \$ -                          | \$ -         |
| Total Expenditures                     | \$ 154,835   | \$ -                          | \$ -         |
| Lapsed Balances                        | \$ 165   | \$ -                          | \$ -         |
| <b>Budget Stabilization Fund - 686</b> |  |                               |              |
| Appropriations (Net of Transfers)      | \$ 75,000  | \$ -                          | \$ -         |
| Expenditures                           |  |                               |              |
| Ordinary and Contingent Expenses       | \$ 74,993  | \$ -                          | \$ -         |
| Total Expenditures                     | \$ 74,993  | \$ -                          | \$ -         |
| Lapsed Balances                        | \$ 7   | \$ -                          | \$ -         |
| <b>GRAND TOTAL - ALL FUNDS</b>         |  |                               |              |
| Appropriations (Net of Transfers)      | \$ 1,176,200   | \$ -                          | \$ 1,176,200 |
| Total Expenditures                     | \$ 1,205,823   | \$ 711,635                    | \$ 1,158,019 |
| Lapsed Balances                        | \$ 741,436   | \$ -                          | \$ 18,181    |

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and September 30, 2016, and have been reconciled to System records.
- Note 2: Expenditure amounts are vouchers approved for payment by the System and submitted to the State Comptroller for payment to the vendor.
- Note 3: During Fiscal Year 2016, the System operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the System never received enacted personal service appropriations for Fund 001, the System was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal services costs during Fiscal Year 2016.
- Note 4: During Fiscal Year 2017, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the System was able to submit vouchers to pay its employees in full without a maximum expenditure limit during Fiscal Year 2017. Further, the System incurred non-payroll obligations within Fund 001, which the System was unable to pay until the passage of Public Act 100-0021.
- Note 5: Public Act 99-0524 authorizes the System to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 21 includes information from System management about the number of invoices and the total dollar amount of invoices held by the System to be submitted against its Fiscal Year 2017 appropriations.
- Note 6: During Fiscal Year 2017, the System operated without enacted appropriations until Public Act 100-0021 was approved on July 6, 2017. During the impasse, the System incurred non-payroll obligations within Fund 001, which the System was unable to pay until the passage of Public Act 100-0021.
- Note 7: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the System to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 21 includes information from System management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the System to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2017

|                          | <u>Equipment</u>         |
|--------------------------|--------------------------|
| Balance at July 1, 2015  | \$ 244,249               |
| Additions                | 5,063                    |
| Deletions                | -                        |
| Net Transfers            | <u>-</u>                 |
| Balance at June 30, 2016 | <u><u>\$ 249,312</u></u> |
| Balance at July 1, 2016  | \$ 249,312               |
| Additions                | 384                      |
| Deletions                | (2,259)                  |
| Net Transfers            | <u>(28,045)</u>          |
| Balance at June 30, 2017 | <u><u>\$ 219,392</u></u> |

Note: The above schedule has been derived from the System's records and reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE COMPTROLLER**

For the Fiscal Year Ended June 30,

|   | <u>2017</u> | <u>2016</u>   | <u>2015</u>     |
|---|-------------|---------------|-----------------|
| <b><u>GENERAL REVENUE FUND - 001</u></b>    |             |               |                 |
| Restitution                                 | \$ -        | \$ 475        | \$ 1,650        |
| Prior Year Refunds                          | -           | 16            | -               |
| Total Receipts per System Records           | <u>\$ -</u> | <u>\$ 491</u> | <u>\$ 1,650</u> |
| Add: Deposits in Transit, Beginning of Year | -           | -             | -               |
| Less: Deposits in Transit, End of Year      | -           | -             | -               |
| Deposits Recorded by the Comptroller        | <u>\$ -</u> | <u>\$ 491</u> | <u>\$ 1,650</u> |

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

**Agency Functions**

The State Universities Civil Service System (System) was created by the State Universities Civil Service Act (110 ILCS 70/0.01 *et seq.*) and became operative on January 1, 1952. The System works 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 System 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 public higher education institution and affiliated agency.

Among its many responsibilities, the System provides direct guidance and support services 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 System's audit team conducts a human resource operational audit at each State 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 System 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.

Members of the University Civil Service Merit Board as of June 30, 2017, were:

Mr. Lyneir R. Cole, Chairman, Western Illinois University  
MG (Ret) Randal E. Thomas, Vice Chairman, Southern Illinois University  
Mr. Carney A. Barr, Board Member, Governors State University  
Mr. Kambium Buckner, Board Member, Chicago State University  
Dr. John R. Butler, Board Member, Northern Illinois University  
Mr. Daniel P. Caulkins, Board Member, Eastern Illinois University  
Mr. Rocky Donahue, Board Member, Illinois State University  
Mr. Marvin Garcia, Board Member, Northeastern Illinois University  
Mr. James D. Montgomery, Board Member, University of Illinois  
Ms. Jill B. Smart, Board Member, University of Illinois  
Vacant, Board Member, University of Illinois

The University of Illinois vacancy was filled after the examination period ended.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

The System 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                     |

**Planning Program**

The System develops an action plan each year that is a compilation of its goals, objectives, and/or initiatives. The action plans are presented each year in the System's 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 System 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. Continue the electronic web-based applicant testing system to add a significant number of examinations, which is available for use at all university/agency locations, streamlining testing operations, and creating a customer friendly testing interface;
3. Continue to review and suggest changes to the Administrative Rules and procedures, potentially developing a legislative strategy for improvement and upgrade;
4. Utilize a document scanning system to create electronic files of many standard forms and historical business documents; and,
5. 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  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016**

**Education Assistance Fund – 007**

Ordinary and Contingent Expenditures

The increase in ordinary and contingent expenditures in Fiscal Year 2017 was due to the System receiving an appropriation during Fiscal Year 2017 from the Education Assistance Fund. The System was able to process expenditures during Fiscal Year 2017, while no expenditures were processed during Fiscal Year 2016 due to the budget impasse.

**Budget Stabilization Fund – 686**

Ordinary and Contingent Expenditures

The increase in ordinary and contingent expenditures in Fiscal Year 2017 was due to the System receiving an appropriation during Fiscal Year 2017 from the Budget Stabilization Fund. The System was able to process expenditures during Fiscal Year 2017, while no expenditures were processed during Fiscal Year 2016 due to the budget impasse.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015**

**General Revenue Fund – 001**

Ordinary and Contingent Expenditures

The decrease in ordinary and contingent expenditures was due to the System receiving no appropriations during Fiscal Year 2016 due to the budget impasse. Therefore, there was no expenditure activity during Fiscal Year 2016.

Personal Services

The increase in personal service expenditures reflected a court order to pay the System's employees during the State's budget impasse.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

**General Revenue Fund – 001**

The System receives minimal receipts. During Fiscal Year 2015 and Fiscal Year 2016, the System received receipts for a Fiscal Year 2013 settlement of a restitution case. The final payment of the settlement was received in Fiscal Year 2016. In addition, the System received a refund during Fiscal Year 2016 for an overpayment during the prior fiscal year. The System received no receipts or refunds during Fiscal Year 2017.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

**FISCAL YEAR 2017**

**General Revenue Fund – 001**

Operational Expenditures

The significant expenditures during the Fiscal Year 2017 Lapse Period were due to the budget impasse, which caused the System to process invoices received during Fiscal Year 2017 after the passage of Public Act 100-0021. As a result, significant expenditures were paid during the Lapse Period.

**FISCAL YEAR 2016**

There were no significant expenditures made during the Fiscal Year 2016 Lapse Period.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the System to pay Fiscal Year 2016 costs using the System’s Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the System to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the System’s Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. Fiscal Year 2017 appropriations were sufficient to cover all Fiscal Year 2016 and Fiscal Year 2017 expenditures. The following chart shows the System’s Fiscal Year 2016 expenditures paid using Fiscal Year 2017 appropriations:

| Fund # | Fund Name                 | Paid from Fiscal Year 2017 Appropriations |              |
|--------|---------------------------|---|--------------|
|        |                           | Number                                    | Dollar Value |
| 007    | Education Assistance Fund | 50  | \$ 130,997   |
| 686    | Budget Stabilization Fund | 179                                       | 74,993       |
|        |                           | 229                                       | \$ 205,990   |

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The System and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016 and Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

*Vendor Payment Program (VPP)*

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

During Fiscal Year 2016 and Fiscal Year 2017, none of the System's vendors participated in the VPP.

*Vendor Support Initiative Program (VSI)*

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the System lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the System was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State

STATE OF ILLINOIS  
 STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
 PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
 For the Two Years Ended June 30, 2017  
 (NOT EXAMINED)

Comptroller ultimately paid the invoice after the System received appropriations or other legal expenditure authority to pay the invoice, the participating vendor received the remaining 10% due (less any offsets).

During Fiscal Year 2016, none of the System’s vendors participated in the Vendor Support Initiative Program (VSI).

During Fiscal Year 2017, the System had one vendor participate in VSI for 11 invoices, totaling \$2,248. A summary of the amount of transactions by qualified purchaser follows:

| <b>TRANSACTIONS BY<br/>QUALIFIED PURCHASER</b> |          |
|--|----------|
| Qualified<br>Purchaser                         | Total    |
| A  | \$ 2,248 |

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**INTEREST COSTS ON FISCAL YEAR 2017  
AND FISCAL YEAR 2016 INVOICES**  
For the Two Years Ended June 30, 2017  
(NOT EXAMINED)

Prompt Payment Interest Costs

The System plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016 and Fiscal Year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90<sup>th</sup> day after a vendor submits an eligible proper bill to the System. The following chart shows the System's prompt payment interest incurred related to Fiscal Year 2016 and Fiscal Year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2016, and June 30, 2017, by fund:

**PROMPT PAYMENT INTEREST INCURRED**  
Year Ended June 30, 2016

| <u>Fund #</u> | <u>Fund Name</u>          | <u>Invoices</u> | <u>Vendors</u> | <u>Dollar Value</u> |
|---------------|---------------------------|-----------------|----------------|---------------------|
| 007           | Education Assistance Fund | 10              | 3              | \$2,962             |
| 686           | Budget Stabilization Fund | 54              | 20             | 4,299               |
|               | Total                     | <u>64</u>       | <u>22</u>      | <u>\$7,261</u>      |

\*Total vendors represent count of unique vendors regardless of fund.

**PROMPT PAYMENT INTEREST INCURRED**  
Year Ended June 30, 2017

| <u>Fund #</u> | <u>Fund Name</u>          | <u>Invoices</u> | <u>Vendors</u> | <u>Dollar Value</u> |
|---------------|---------------------------|-----------------|----------------|---------------------|
| 007           | Education Assistance Fund | 19              | 7              | \$6,579             |
| 686           | Budget Stabilization Fund | 65              | 23             | 5,751               |
|               | Total                     | <u>84</u>       | <u>27</u>      | <u>\$12,330</u>     |

\*Total vendors represent count of unique vendors regardless of fund.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Year Ended June 30,  
(NOT EXAMINED)

The following table, prepared from System records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

|  | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|
| Administrative Division                                    | 3           | 3           | 5           |
| Operations and Audit Division                              | -           | 6           | 5           |
| Classification, Examination, and<br>Compensation Division* | 4           | -           | -           |
| Legal Services Division                                    | -           | 1           | 1           |
| Legal and Compliance Division*                             | 3           | -           | -           |
| Information Technology Division                            | 2           | 2           | 2           |
| Total Average Full-Time Employees                          | <u>12</u>   | <u>12</u>   | <u>13</u>   |

\*During Fiscal Year 2017, the System revised its organization of divisions. Although the number of employees did not change, some employees were reclassified under a different division. The Classification, Examination, and Compensation Division and the Legal and Compliance Division replaced the Operations and Audit Division and the Legal Services Division.

STATE OF ILLINOIS  
STATE UNIVERSITIES CIVIL SERVICE SYSTEM  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Fiscal Year Ended June 30,  
(NOT EXAMINED)

|  | Fiscal Year |        |        |
|--|-------------|--------|--------|
|  | 2017        | 2016   | 2015   |
| <b><u>Examinations</u></b>   |             |        |        |
| New/revised/pending examinations   | 75          | 100    | 144    |
| Examinations given at the institutions   | 22,194      | 21,800 | 27,678 |
| Examinations reviewed for applicants per request                                 | 51          | 39     | 50     |
| <b><u>Classifications</u></b>  |             |        |        |
| Total class specifications   | 1,023       | 1,046  | 1,043  |
| New/revised/pending class specifications developed                               | 75          | 100    | 107    |
| Reinstated class specification   | -           | -      | -      |
| Deleted class specifications   | 11          | 4      | 44     |
| Training programs approved   | 28          | 32     | 40     |
| Pay ranges/rates approved  | 1,925       | 356    | 3,270  |
| <b><u>Discharge Cases</u></b>  |             |        |        |
| Written charges for discharge served on employees                                | 45          | 53     | 51     |
| Employees who requested a hearing  | 9           | 11     | 14     |
| Cases withdrawn by employer before hearing                                       | -           | 1      | -      |
| Cases withdrawn by employer during/after hearing                                 | -           | 1      | 1      |
| Cases withdrawn by employees before hearing                                      | 3           | 1      | 3      |
| Cases withdrawn by employees during/after hearing                                | -           | -      | -      |
| Employees who resigned before hearing was held                                   | 3           | 2      | -      |
| Employees who resigned during/after hearing held and before Merit Board decision | 1           | -      | 1      |
| Settlement before/during/after hearing   | 2           | 1      | 7      |
| Employees discharged by Merit Board  | -           | 3      | 1      |
| Employees reinstated by Merit Board  | -           | -      | -      |
| Employees reinstated by Merit Board with 60-day suspension                       | -           | 2      | 1      |
| Charges Dismissed by Merit Board   | -           | -      | -      |
| <b><u>Demotion Cases</u></b>   |             |        |        |
| Notice of demotions served on employees  | 1           | -      | -      |
| Employees who requested a hearing  | 1           | -      | -      |
| Settlement before/during/after hearing   | 1           | -      | -      |
| <b><u>Audits</u></b>   |             |        |        |
| On-site audits   | 4           | 5      | 10     |
| Position descriptions reviewed   | 295         | 284    | 943    |
| On-site desk audits conducted  | 21          | 23     | 116    |
| Verification of pay of employees performed                                       | 3,020       | 1,478  | 10,686 |
| Pay ranges/rates reviewed  | 748         | 396    | 1,730  |
| Applicant credentials reviewed   | 87          | 93     | 360    |
| Registers reconstructed  | 77          | 69     | 281    |
| Nonstatus appointments reviewed  | 16,817      | 7,393  | 40,034 |
| Active principal administrative appointments reviewed                            | 2,069       | 1,227  | 12,894 |
| Principal administrative appointment interviews conducted                        | 39          | 21     | 87     |
| Temporary upgrade/downgrade assignments in days                                  | 24,060      | 574    | 27,241 |