

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

For the Two Years Ended June 30, 2023

**STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

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**STATE OF ILLINOIS
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STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

SYSTEM OFFICIALS

Executive Director (12/16/2021 – Present)	Gail Schiesser
Executive Director (Interim) (07/01/2021 – 12/15/2021)	Gail Schiesser
Legal Counsel (Acting) (02/01/2025 – Present)	Gail Schiesser
Legal Counsel (07/01/2024 – 01/31/2025)	Nicholas Nedean
Legal Counsel (Acting) (08/16/2023 – 06/30/2024)	Gail Schiesser
Legal Counsel (01/26/2023 – 08/15/2023)	Don Harsh
Legal Counsel (Acting) (12/16/2021 – 01/25/2023)	Gail Schiesser
Legal Counsel (07/01/2021 – 12/15/2021)	Gail Schiesser
Administrative Assistant II	Teresa Rademacher

UNIVERSITY CIVIL SERVICE MERIT BOARD

Chair

John Butler	10/15/2024 – Present
John Butler (Acting)	08/02/2024 – 10/14/2024
Julie Jones	07/01/2021 – 08/01/2024

Chicago State University

Jason Quiara	01/30/2023 – Present
Andrea Zopp	07/01/2021 – 01/29/2023

Eastern Illinois University

Barb Baurer	02/02/2023 – Present
Vacant	01/14/2023 – 02/01/2023
Joseph Dively	07/01/2021 – 01/13/2023

Governors State University

Jim Kvedaras	08/25/2023 – Present
Vacant	04/14/2023 – 08/24/2023
Pedro Cevallos-Candau	07/01/2021 – 04/13/2023

Illinois State University

Scott Jenkins	08/02/2024 - Present
Julie Jones	07/01/2021 – 8/01/2024

Northern Illinois University

John Butler	07/01/2021 – Present
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**STATE OF ILLINOIS
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Northeastern Illinois University

J. Todd Phillips	06/11/2024 – Present
Vacant	01/17/2023 – 06/10/2024
Sherry Eagle	07/01/2021 – 01/16/2023

Southern Illinois University

John Simmons	07/01/2021 – Present
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University of Illinois

Tami Craig Schilling	05/03/2023 – Present
Vacant	01/17/2023 – 05/02/2023
Naomi Jakobsson	07/01/2021 – 01/16/2023

Ramon Cepeda	05/03/2023 – Present
Vacant	01/17/2023 – 05/02/2023
Stuart King	07/01/2021 – 01/16/2023

J. Carolyn Blackwell	01/16/2024 – Present
Vacant	11/20/2021 – 01/15/2024
Kareem Dale	07/01/2021 – 11/19/2021

Western Illinois University

Kisha M.J. Lang	07/03/2024 – Present
Derek Wise	06/08/2023 – 07/02/2024
Polly Radosh	06/09/2022 – 06/07/2023
Kisha M.J. Lang	07/01/2021 – 06/08/2022

SYSTEM OFFICE

The State Universities Civil Service System's administrative office is located at:

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

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

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



John Butler
Merit Board Chair
Gail Schiesser
Executive Director

MANAGEMENT ASSERTION LETTER

March 20, 2025

Honorable Frank J. Mautino
Auditor General
State of Illinois
400 West Monroe, Suite 306
Springfield, Illinois 62704

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 of Illinois, State Universities Civil Service System (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 System's compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the System has materially complied with the specified requirements listed below.

- A. The 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 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. Other than what has been previously disclosed and reported in the Schedule of Findings, the 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 truly,

State of Illinois, State Universities Civil Service System

SIGNED ORIGINAL ON FILE

Ms. Gail Schiesser
Executive Director

**STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	1
Repeated Findings	1	0
Prior Recommendations Implemented or Not Repeated	0	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2023-001	9	New	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2023-002	12	2021/2021	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance

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STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with System personnel at an exit conference on March 13, 2025.

Attending were:

State Universities Civil Service System

Gail Schiesser, Executive Director
Robert Curry, IT Manager/Administrative Coordinator
Teresa Rademacher, Administrative Assistant II
Jennifer Miles, Administrative Aide

Office of the Auditor General

Quentin Kuntzman, Senior Audit Manager
Andrea Alderman, Audit Manager
Kaustuv Dawadi, Senior Auditor

The responses to the recommendations were provided by Teresa Rademacher, Administrative Assistant II, in a correspondence dated March 20, 2025.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, State Universities Civil Service System

Report on State Compliance

We have examined compliance by the State of Illinois, State Universities Civil Service System (System) with the specified 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, 2023. Management of the System is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the System's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The 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 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 System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the System complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the System complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the System's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the System during the two years ended June 30, 2023. As described in the accompanying Schedule of Findings as item 2023-001, the System had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the System complied with the specified requirements during the two years ended June 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2023-002.

The System's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The System's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the System's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the System's compliance with the specified requirements and to test and report on the System's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2023-001 to be a material weakness.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as item 2023-002 to be a significant deficiency.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The System's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The System's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA, CPA, CISA, CIA
Director of Financial and Compliance Audits

Springfield, Illinois
March 20, 2025

STATE OF ILLINOIS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)

The State Universities Civil Service System’s (System) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the System to determine whether certain key attributes were properly entered by the System’s staff into the ERP System. In order to determine the operating effectiveness of the System’s internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State’s ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted 3 of 140 (2%) attributes were not properly entered into the ERP System. Specifically, the System did not enter the latter of the receipt date of the proper bill or the receipt of goods and/or services into the ERP System correctly for 2 of 35 (6%) vouchers tested, totaling \$9,424. In addition, the vendor information entered into the ERP System for 1 of 35 (3%) vouchers tested, totaling \$245, did not agree to the vendor’s invoice. Therefore, the System’s internal controls over voucher processing **were not operating effectively**.

The Statewide Accounting Management System (SAMS) (Procedure 17.20.20) requires the System to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Office of Comptroller to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the System to maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the System to establish and maintain a system of internal fiscal and administrative controls to provide assurance that expenditures are properly recorded and accounted for to maintain accountability over the State’s resources.

Due to this condition, we qualified our opinion because we determined the System had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively) - Continued

We then conducted an analysis of the System’s expenditures data for Fiscal Years 2022 and 2023 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) and found no noncompliance with the Act or the Code (74 Ill. Admin. Code 900.70).

Even given the limitations noted above, we performed tests of details on a sample of the System’s vouchers for other compliance matters and noted the following noncompliance:

- For 3 of 35 (9%) general vouchers tested, totaling \$2,545, the System did not utilize the correct detail expenditure (object) codes for all components of the voucher, resulting in \$614 being allocated to the incorrect code.
- For 52 of 96 (54%) employee reimbursement vouchers examined, totaling \$6,575, the System paid sales tax. Total sales tax paid amounted to \$427.
- For 1 of 96 (1%) employee reimbursement vouchers examined, totaling \$80, no supporting invoice was included in ERP. As a result, we were unable to determine the purchase was reasonable and necessary.

SAMS (Procedure 11.10.50) states the purpose of a SAMS detail object code is to report expenditure information at a more refined level with a common object. Good internal controls require a thorough review of vouchers and comparison to support to ensure accuracy prior to approving the voucher for payment.

The Illinois Department of Revenue’s *Sales & Property Tax Exemptions (PIO-37)* publication exempts State, local, and federal governments from sales tax.

The State Records Act (5 ILCS 160/8) requires the System to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the System designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the System’s activities.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the System to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.

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For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively) - Continued

System personnel indicated the issues noted above were due to inadequate controls and employee error.

Failure to properly enter the key attributes into the State’s ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP, which can result in improper interest calculations and expenditures. In addition, failure to use the correct detail object code limits the usefulness of expenditure information. Further, payment of sales tax results in an unnecessary use of State funds. Lastly, failure to ensure supporting documentation for purchases is received and maintained represents noncompliance with the State Records Act. (Finding Code No. 2023-001)

RECOMMENDATION

We recommend the System design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. In addition, we recommend the System utilize the correct detail object code. Further, we recommend the System ensure sales tax is not paid on purchases. Finally, we recommend the System ensure supporting documentation for purchases is received and maintained.

SYSTEM RESPONSE

The System will develop internal controls to ensure its data entry is complete and accurate in ERP and that all information for purchases is received and maintained. The System will strive to utilize the correct detail object code when processing invoices with the Comptroller. Also, the System has set up an account and taken measures to ensure the System does not incur taxes on purchases made after March 2025.

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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023

2023-002. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The State Universities Civil Service System (System) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

The System is provided authority through legislative statute and is empowered through the University Civil Service Merit Board to develop, maintain, and administer a comprehensive and efficient program of human resource administration for the higher education community, specifically related to the employment and employment relationship with their auxiliary and support staff positions. To assist the System in meeting their statutory requirements, the System maintains several applications, which contain confidential and/or personal information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our review of the System’s cybersecurity program, practices, and control of confidential information, we noted the System had not:

- Established and documented cybersecurity roles and responsibilities.
- Maintained adequate documentation to substantiate they reviewed and monitored security violations, and established corrective action plans for addressing incidents identified.
- Adopted a policy reasonably designed to protect and appropriately dispose of data not on State-owned equipment.
- Established a limit to the number of incorrect access attempts. In addition, computers are not logged-off or password protected after a defined period of inactivity.
- Enabled encryption for one of three (33%) devices selected for testing.

The *Framework for Improving Critical Infrastructure Cybersecurity* (superseded by the *Cybersecurity Framework 2.0* effective February 26, 2024) and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST) endorses developing and disseminating an organization-wide information security program plan that includes the identification and assignment of roles, responsibilities, management commitment, coordination among organizational entities, and compliance. Additionally, it requires entities to consider risk management practices, threat environments, legal and

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2023-002. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

regulatory requirements, mission objectives, and constraints in order to ensure the security of their applications, data, and continued business mission. Further, it requires entities to maintain security over all devices and transmissions, utilizing encryption.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the System to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources.

The System's *Computer and Internet Usage Policy*, Section 2.5.5 Vulnerability Scanning and Monitoring, requires all PC's, laptops, and tablets to be encrypted.

Generally accepted information systems audit guidance endorses the development of well-designed and well-managed controls to protect computer systems and data. Effective computer security controls provide safeguarding, securing, and controlling access to hardware, software, and the information stored in the computer system.

During the previous engagement, System personnel indicated the lack of resources resulted in the weaknesses identified. During the current engagement, System personnel indicated the deficiencies noted were the result of a lack of awareness regarding requirements and employee error.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the System's confidential or personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-002, 2021-001)

RECOMMENDATION

We recommend the System:

- Establish and document cybersecurity roles and responsibilities;
- Maintain adequate documentation to substantiate they reviewed and monitored security violations, and establish corrective action plans for addressing incidents identified;
- Adopt a policy reasonably designed to protect and appropriately dispose of data not on State-owned equipment;

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2023-002. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

- Establish a limit to the number of incorrect access attempts and ensure computers are logged-off or password protected after a defined period of inactivity; and
- Enable encryption for all State equipment devices used by employees.

SYSTEM RESPONSE

The System will establish a policy to limit the number of incorrect access attempts and ensure that computers are logged off or password-protected after a defined period of time. Also, the System will ensure that all state-owned equipment has enabled encryption. The System will also update the policy to define cybersecurity roles and responsibilities, review security events and vulnerabilities, which includes a corrective action plan, and protect and dispose of data on non-state-owned equipment.