



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS BOARD OF HIGHER EDUCATION

COMPLIANCE ATTESTATION EXAMINATION

For the Two Years Ended: June 30, 2011

Release Date: May 24, 2012

Summary of Findings:

Total this audit: 2

Total last audit: 0

Repeated from last audit: 0

SYNOPSIS

- The Illinois Board of Higher Education failed to comply with the Open Meetings Act.
- The Illinois Board of Higher Education did not exercise adequate controls over personal services.

{Expenditures and Activity Measures are summarized on the reverse page.}

**ILLINOIS BOARD OF HIGHER EDUCATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011**

EXPENDITURE STATISTICS	2011	2010	2009
Total Expenditures.....	\$ 14,854,638	\$ 47,331,817	\$ 15,257,587
OPERATIONS TOTAL.....	\$ 3,191,029	\$ 2,928,205	\$ 2,742,034
% of Total Expenditures.....	21.5%	6.2%	18.0%
Personal Services.....	2,163,828	2,093,452	1,958,266
Other Payroll Costs (FICA, Retirement).....	54,497	44,023	27,665
All Other Operating Expenditures.....	972,704	790,730	756,103
AWARDS AND GRANTS.....	\$ 11,663,609	\$ 44,403,612	\$ 12,515,553
% of Total Expenditures.....	78.5%	93.8%	82.0%
Total Receipts.....	\$ 39,657,842	\$ 3,769,538	\$ 3,515,753
Average Number of Employees.....	32	30	32

SELECTED ACTIVITY MEASURES (Not Examined)	2011	2010	2009
Grant Allocations by Institution Type			
Public Universities	\$ 4,707,700	\$ 3,215,100	\$ 4,446,700
Community Colleges	1,120,800	499,400	978,500
Independent Institutions	4,385,500	39,163,900	3,410,600
Proprietary Institutions	24,300	27,600	40,600
Other Institutions	1,905,000	1,905,000	3,251,900
Total Grants	\$ 12,143,300	\$ 44,811,000	\$ 12,128,300

AGENCY DIRECTOR	
During Examination Period:	G.W. Reid (12/27/10 - Present) Don Sevener (8/16/10 - 12/26/10) Judy Erwin (7/1/09 - 8/15/10)
Currently:	G.W. Reid

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

NONCOMPLIANCE WITH OPEN MEETINGS ACT

The Board failed to comply with the Open Meetings Act.

Closed meeting minutes not reviewed

The Open Meetings Act required the Board to periodically, but no less than semi-annually, meet to review minutes of all closed meetings and make a determination whether confidentiality still exists or if the minutes no longer require confidential treatment. However, the Board reported its determination only once during Fiscal Year 2010 and not at all during Fiscal Year 2011.

We recommended the Board develop and implement procedures to ensure the contents of closed meeting minutes are reviewed at least semi-annually, and the results of these reviews are reported in open session. (Finding 1, page 9)

Board agreed with auditors

Board officials accepted the recommendation and stated they have implemented procedures to ensure the minutes of all closed meetings are reviewed periodically as required.

INADEQUATE CONTROLS OVER PERSONAL SERVICES

The Board did not exercise adequate controls over personal services. Some of the conditions we noted follow:

Evaluations not performed

- No evaluations were performed during the examination period for 7 of 8 (88%) employees tested.
- The Board's employee performance evaluation policy does not include guidelines for the frequency of employee performance evaluations or guidelines for timely completion of the evaluation process.

No guidelines for the timely completion or frequency of evaluations

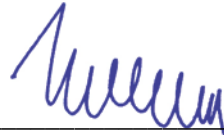
We recommended the Board conduct timely performance evaluations and create a policy that defines a specific timeframe for completion of the evaluation process. (Finding 2, pages 10-11)

Board agreed with auditors

Board officials accepted the recommendation and stated they will review the current policy and revise it as appropriate.

AUDITOR'S OPINION

We conducted a compliance examination of the Illinois Board of Higher Education as required by the Illinois State Auditing Act. The Illinois Board of Higher Education has no funds that require an audit leading to an opinion on financial statements.

A handwritten signature in blue ink, appearing to read "William G. Holland", is written over a horizontal line.

WILLIAM G. HOLLAND
Auditor General

WGH:CMD:RT

AUDITORS ASSIGNED

The compliance examination was conducted by the Auditor General's staff.