



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

NORTHERN ILLINOIS UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2022

Release Date: July 6, 2023

FINDINGS THIS AUDIT: 16	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2021		22-11, 22-12, 22-14	
Category 2:	3	12	15	2020	22-1	22-9, 22-10, 22-13	
Category 3:	0	0	0	2019		22-7	
TOTAL	3	13	16	2018		22-5, 22-6, 22-8	
FINDINGS LAST AUDIT: 18				2012		22-3	
				2005		22-4	

INTRODUCTION

This digest covers our Compliance Examination of Northern Illinois University for the year ended June 30, 2022. A separate Financial Audit as of and for the year ended June 30, 2022, was previously released on February 16, 2023. Additionally, a Single Audit as of and for the year ended June 30, 2022 was released on March 30, 2023. In total, this report contains 16 findings, two of which were reported in the Financial Audit.

SYNOPSIS

- (22-3) The University has not established adequate internal controls over contracts to ensure they are approved prior to performance and comply with all applicable State requirements.
- (22-6) The University has not established adequate controls over the completion of I-9 forms for employees hired by the University.
- (22-10) The University did not conduct trainings for all its employees as required by the State Officials and Employees Ethics Act.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS OVER
CONTRACTS**

**Controls over contracts need
improvement**

The University has not established adequate internal controls over contracts to ensure they are approved prior to performance and comply with all applicable State requirements.

During our review of 40 contracts for the year ended June 30, 2022, we noted the following:

**Goods or services were provided
prior to contract approval**

- Seven contracts (18%) totaling \$165,359 were not approved prior to goods or services being provided. The contracts were executed between 8 to 105 days after the commencement of the services or the receipt of the goods.
- Five contract (13%) totaling \$436,540 were filed with the Office of the Comptroller late. The contracts were filed between 264 and 444 days late.
- One contract (3%) totaling \$25,000 did not obtain the vendor certification agreement prior to the approval of the contract. The certification agreement was signed 72 days late.

During our review of 3 lease agreements in which the University was the lessor for the year ended June 30, 2022 we noted one lease (33%) totaling \$18,318 was not signed prior to the commencement of the lease. The lease was executed 3 days after the commencement of the lease. (Finding 3, pages 12-13) **This finding has been reported since 2012.**

We recommended the University establish and maintain internal control procedure over contracts and lease agreements to ensure contracts are complete and properly approved prior to performance, and the University adhere to State laws and regulations.

University accepted the finding

University officials accepted the recommendation.

INADEQUATE CONTROLS OVER I-9 FORMS

**Internal controls over the
completion of I-9 forms need
improvement**

The University has not established adequate controls over the appropriate completion of I-9 forms for employees hired by the University.

During our review of a sample of forty (40) employee hires, we noted the following:

- Four employees (10%) did not complete section 1 of the I-9 form on or before their respective hire date.
- One employee (3%) did not complete on Section 2 of the I-9 form properly as their first day of employment was not filled out.
- Five employees (13%) did not complete Section 2 of the I-9 form within three days of their first day of employment. (Finding 6, page 16)

We recommended the University enhance their controls over the process for preparing and reviewing the I-9 Forms to ensure compliance with U.S. Citizenship and Immigration Services requirements.

University accepted the finding

University officials accepted the recommendation.

LACK OF ANNUAL EMPLOYEE TRAININGS

The University did not conduct trainings for all its employees as required by the State Officials and Employees Ethics Act.

During our testing of 40 employees, we noted the following:

New hire ethics training was performed late

- Of the 10 new hires tested, one employee (10%) did not complete their ethics training within 30 days of being hired. The number of days late was 54 days.

Four new employees tested did not have any sexual harassment training during fiscal year 2022

- Of the 10 new hires tested, seven employees (70%) did not complete their sexual harassment training within 30 days of being hired. Four employees (40%) did not have any sexual harassment training during fiscal year 2022, and for three employees (30%), the number of days late ranged from 46 to 87 days late.
- Of the 30 active employees tested, one employee (3%) did not complete an annual ethics training during fiscal year 2022.
- Of the 30 active employees tested, one employee (3%) did not complete an annual sexual harassment training during fiscal year 2022. (Finding 10, page 20) **This finding has been reported since 2020.**

We recommended the University ensure required employee trainings are conducted annually in accordance with the State Officials and Employees Ethics Act.

University accepted the finding

University officials accepted the recommendation.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the University. We will review the University's progress towards the implementation of our recommendations in our next State Compliance Examination.

AUDITOR'S OPINION

The financial audit report was previously released. The auditors stated the financial statements of the University as of and for the year ended June 30, 2022 are fairly stated in all material respects.

The single audit report was previously released. The auditors conducted a single audit of the University as required by the Uniform Guidance. The auditors stated the University complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2022.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the University for the year ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State Compliance for Finding 2022-001. Except for the noncompliance described in that finding, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This State Compliance Examination was conducted by CliftonLarsonAllen LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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