



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

SOUTHERN ILLINOIS UNIVERSITY

Financial Audit
 For the Year Ended June 30, 2021

Release Date: June 8, 2022

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2020	1		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 2							

INTRODUCTION

This digest covers Southern Illinois University’s Financial Audit as of and for the year ended June 30, 2021. The University’s Compliance Examination and Single Audit will be issued in separate reports at a later date.

SYNOPSIS

- **(21-1)** The University did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefit plans was complete and accurate.

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.

SOUTHERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2021

NET POSITION	2021	2020
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 80,902,564	\$ 83,543,751
Cash and cash equivalents, restricted.....	48,997,070	55,112,687
Investments.....	116,613,884	77,296,359
Investments, restricted.....	80,743,238	79,625,243
Receivables.....	61,940,861	93,097,268
Inventories, prepaid expenses, and other.....	30,859,103	32,257,159
Capital assets, net.....	769,958,537	796,384,490
Total Assets and Deferred Outflows of Resources.....	1,190,015,257	1,217,316,957
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	84,331,011	83,066,816
Bond obligations.....	199,050,659	220,366,799
Other.....	248,363,244	290,932,932
Liabilities and Deferred Inflows of Resources.....	531,744,914	594,366,547
Net Position		
Net investment in capital assets.....	571,607,102	582,061,669
Restricted, nonexpendable.....	5,153,843	4,770,106
Restricted, expendable.....	72,429,376	67,631,058
Unrestricted (Deficit).....	9,080,022	(31,512,423)
Total.....	\$ 658,270,343	\$ 622,950,410
REVENUES, EXPENSES AND CHANGES IN NET POSITION	2021	2020
Revenues		
Tuition and fees, net.....	\$ 212,999,598	\$ 220,368,095
State appropriations.....	197,172,043	196,968,943
Grants and contracts.....	170,859,690	157,744,943
Auxiliary enterprises.....	71,110,589	79,563,104
Special funding situation for fringe benefits.....	320,527,943	151,561,419
Benefit payments on behalf of the University.....	80,997,307	60,007,865
Sales and services of educational departments.....	152,053,702	145,716,510
Physicians and Surgeon practice plan and other.....	61,868,597	78,076,924
Total.....	1,267,589,469	1,090,007,803
Expenses		
Instruction.....	357,167,413	298,586,256
Public service.....	71,227,344	52,843,522
Academic support.....	303,290,867	251,628,281
Student services.....	100,303,961	82,567,767
Institutional support.....	100,912,915	64,732,315
Scholarships and fellowships.....	50,356,522	52,470,073
Auxiliary enterprises.....	86,641,700	86,156,014
Other.....	205,650,298	175,363,728
Total.....	1,275,551,020	1,064,347,956
Change in net position.....	\$ (7,961,551)	\$ 25,659,847
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Daniel Mahony		
Currently: Dr. Daniel Mahony		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE INTERNAL CONTROLS OVER CENSUS DATA

Internal controls over census data need improvement

Southern Illinois University (University) did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Some of the more significant issues we noted during our testing included the following:

An initial complete reconciliation had not been performed

- The University had not performed an initial complete reconciliation of its census data recorded by the State Universities Retirement System (SURS) to its internal records to establish a base year of complete and accurate census data.

13 individuals were improperly excluded from participating in SURS

- We identified thirteen employees who had been improperly excluded from participating in SURS, which resulted in these people not having any employee contributions collected by the University and reported to SURS. The potential impact to each employee's total service credit was it could be off between 0 and 21.75 years. (Finding 1, pages 7-10).

We recommended the University implement controls to ensure census data events are timely and accurately reported to SURS. Further, we recommended the University work with SURS to annually reconcile its active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS's actuary and CMS' actuary.

Finally, we recommended the University work with SURS and CMS to identify and address any unremitted or erroneously remitted employee and, if applicable, employer contributions related to these events.

Agency agreed

The University agreed and stated the campuses are developing automated processes to address the recommendations.

We will review the University's progress towards the implementation of our recommendations in our next financial audit.

AUDITOR'S OPINION(S)

The auditors stated the financial statements of the University as of and for the year ended June 30, 2021 are fairly stated in all material respects.

This financial audit was conducted by Plante & Moran, PLLC.

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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