



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EASTERN ILLINOIS UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2021

Release Date: July 6, 2022

FINDINGS THIS AUDIT: 8	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2020	21-1	21-5, 21-6	
Category 2:	2	4	6	2019		21-4	
Category 3:	1	0	1	2005		21-3	
TOTAL	3	5	8				
FINDINGS LAST AUDIT: 9							

INTRODUCTION

This digest covers Eastern Illinois University’s (University) Compliance Examination for the year ended June 30, 2021. A separate digest covering the University’s Financial Audit was previously released on June 22, 2022. In addition, a separate digest covering the University’s Single Audit was separately released. In total, this report contains 8 findings, one of which was reported in the Financial Audit and Single Audit.

SYNOPSIS

- (21-4) The University did not obtain or conduct independent internal control reviews over certain service providers.
- (21-6) The University subsidized operations of University activities between accounting entities during fiscal year 2021.
- (21-7) The University’s had weaknesses over the security of its computers.

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.

**EASTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021**

COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - UNIVERSITY INCOME FUND (Unaudited)	FY 2021	FY 2020
INCOME FUND REVENUES		
Tuition.....	\$ 50,450,159	\$ 49,316,133
Service fees.....	109,155	138,450
Fines and penalties.....	9,764	21,918
Other.....	817,437	5,833,427
Total Revenues.....	51,386,515	55,309,928
INCOME FUND EXPENDITURES		
Personal services.....	18,816,853	17,851,361
FICA-Medicare.....	1,179,178	1,161,261
Compensated absences.....	(175,160)	200,674
Contractual services.....	8,933,558	8,965,209
Travel.....	5,187	184,291
Commodities.....	604,916	674,371
Awards, grants, and matching funds.....	6,416,932	5,422,147
Permanent improvements.....	4,250	4,800
Equipment and library books.....	540,610	462,955
Telecommunications.....	65,744	95,250
Operation of automotive equipment.....	79,864	75,781
Student awards/tuition waived.....	9,907,787	10,246,726
Total Expenditures.....	46,379,719	45,344,826
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ 5,006,796	\$ 9,965,102
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2021	FY 2020
Full-time Equivalent Students	6,630	5,963
Cost Per Full-Time Equivalent Student.....	\$ 13,243	\$ 14,551
PRESIDENT		
During Examination Period: Dr. David M. Glassman		
Currently: Dr. David M. Glassman		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

LACK OF ADEQUATE CONTROLS OVER SERVICE PROVIDERS

The University did not obtain or conduct independent internal control reviews over certain service providers.

During our testing of the six service providers, we noted:

Contracts did not address various controls

- Two (33%) service provider contracts did not address the security, integrity, availability, confidentiality, and privacy controls over the University's applications and data.

A report was not obtained

- A System and Organization Controls (SOC) report was not obtained for one (17%) service provider.

Bridge letters were not obtained

- The University did not obtain a bridge letter extending through the end of the engagement period for four (67%) service providers. (Finding 4, pages 16-17) **This finding was first reported in 2019.**

We recommended the University ensure the contracts with the service providers address the security, integrity, availability, confidentiality, and privacy controls over the University's applications and data, obtain SOC reports from all service providers, and obtain bridge letters if the SOC report does not extend through the end of the engagement period.

University response

University officials stated they will continue to request and evaluate SOC reports and bridge letters where they are available from the vendor. Where those reports and bridge letters are unavailable, and, testing cannot be reasonably accomplished, University officials stated they will consider the risk versus the necessity of the service providers.

NONCOMPLIANCE WITH UNIVERSITY GUIDELINES

Operations of activities subsidized between accounting entities

The University subsidized operations of University activities between accounting entities during fiscal year 2021. Activities are functions which are self-supporting in whole or in part, which are directly related to instructional, research, or service units.

During our review of compliance with the University Guidelines, we noted several accounting entities which did not have a positive operating cash balance at any point during the fiscal year. Some of the issues included:

**Continuing Education Contract
Credit had negative cash balances**

- The Continuing Education Contract Credit accounting entity had negative operating cash balances at the beginning and end of the fiscal year, totaling \$0.6 million and \$1.3 million, respectively.

**Unique Charges Credit Courses had
negative cash balances**

- The Unique Charges Credit Courses accounting entity had negative operating cash balances at the beginning and end of the fiscal year, totaling \$.06 million and \$0.05 million, respectively

**Student Fee Programs had negative
cash balances**

- The Student Fee Programs accounting entity had negative operating cash balances at the beginning and end of the fiscal year, totaling \$2.6 million and \$2.1 million, respectively.

**Student Facilities had negative cash
balances**

- The Student Facilities accounting entity had negative cash balances at the beginning and end of the fiscal year, totaling \$3.1 million and \$2.4 million respectively. (Finding 6, pages 19-20)

We recommended the University annually review the activities of each accounting entity, ensure fees charged for services are sufficient to cover expenditures, and take appropriate corrective actions to ensure subsidies between accounting entities do not continue.

**University partially agreed with the
recommendation**

University officials partially agreed with the recommendation and stated they review annually the financial position and consider changes to fees and other charges, but due to competitive pressures, they are sometimes unable to raise fees to fully recover the costs sufficiently to cover the costs of some operations.

WEAKNESSES IN SECURITY OVER COMPUTERS

The University had weaknesses over the security of computers.

**1,600 computers required encryption
to be installed**

During the examination period, we noted the University encrypted approximately 15% of its laptop and desktop computers. Furthermore, we noted 1,600 of 1,873 (85%) computers required encryption to be installed.

**152 hard drives had not been
properly destroyed or sanitized**

Additionally, we noted 152 hard drives removed from computers sent to the University's warehouse for surplus had not been properly destroyed or sanitized/wiped of data. (Finding 7, pages 21-22)

We recommended the University ensure all laptops and computer equipment have adequate security such as encryption installed. Additionally, we recommended the University destroy and/or wipe its devices currently held in its internal surplus.

University agreed with the recommendation

University officials agreed with the recommendation and stated they are working to encrypt all laptop computers.

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 OPINIONS

The financial audit report was previously released. The auditors stated the financial statements as of and for the year ended June 30, 2021 are fairly stated in all material respects.

The single audit report was separately 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, 2021.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of Eastern Illinois University for the year ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State Compliance for Finding 2021-001. 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 were conducted by Sikich 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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