

**REPORT DIGEST**

**GOVERNORS STATE UNIVERSITY  
FINANCIAL AND COMPLIANCE AUDIT  
(In accordance with the Single Audit Act of 1984  
and OMB Circular A-133)  
For the Two Years Ended June 30, 1993**

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

## **INTRODUCTION**

Governors State University is a two-year upper division university located in University Park near Chicago. The annual full-time equivalent enrollment of Governors State is approximately 3,100 students.

## **FINDINGS AND RECOMMENDATIONS**

### **FAILURE TO LIMIT CASH TO IMMEDIATE NEEDS**

The University failed to limit cash requests from the federal government to its immediate needs. The University drew \$165,000 that remained unused for 18 days. Federal requirements allow for federal aid recipients to maintain a three-day supply. (Finding 8, page 102)

We recommended the University establish procedures to keep requests for federal funds limited to its immediate needs. The University agreed with the finding and has already implemented procedures which will provide compliance with federal cash management regulations.

## **INTERNAL AUDITS**

We noted two significant problems with the internal audit function of the University.

First, not all major areas of internal controls were covered by the internal audits performed during the audit period. This problem was compounded by the failure of the University to keep a copy of an approved two-year plan as required by the Fiscal Control and Internal Audit Act. Significant internal control areas not covered by internal audit included revenues, accounting, and EDP. (Finding 1, page 9)

Second, the audit workpapers we examined contained deficiencies. We noted lack of documentation of items required by internal auditing standards. The items not properly documented included the source of the information recorded in the workpapers, evidence of supervisory review, and cross references to other workpapers. (Finding 2, page 11)

We recommended the College comply with the provisions of the Fiscal Control and Internal Audit Act by providing internal audit coverage for all required areas, and that the internal audit workpapers comply with all applicable internal audit standards for documentation.

The University agreed with our recommendations and announced that our recommendations are being implemented.

## **OTHER FINDINGS**

The remaining findings are less significant and are being given appropriate attention by the University.

## **AUDITORS' OPINION**

The auditors have expressed the opinion that the financial statements of Governors State University are fairly presented.

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WILLIAM G. HOLLAND, Auditor General

WGH:JTD:jr

## **SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	9	10
Repeated audit findings	3	2
Recommendations implemented or not repeated	7	7

## **SPECIAL ASSISTANT AUDITORS**

Pandolfi, Topolski, Weiss & Co., Ltd. served as our special assistant auditors on this audit.

**GOVERNOR'S STATE UNIVERSITY**  
**FINANCIAL AND COMPLIANCE AUDIT**  
**FOR THE TWO YEARS ENDED JUNE 30, 1993**

<b>FINANCIAL OPERATIONS (CURRENT FUNDS)</b>	<b>FY 1993</b>	<b>FY 1992</b>
<b>REVENUES</b>		
Appropriations	\$ 17,641,900	\$ 17,910,500
Student tuition and fees	7,965,844	7,320,189
Grants, contracts, and gifts	1,445,984	1,233,656
Auxiliary enterprises	287,770	302,379
Other	<u>680,358</u>	<u>616,933</u>
<b>Total</b>	<b><u>\$ 28,021,856</u></b>	<b><u>\$ 27,383,657</u></b>
<b>EXPENDITURES AND MANDATORY TRANSFERS</b>		
Instruction	\$ 12,985,738	\$ 12,555,539
Research	53,244	47,244
Academic support	1,607,593	1,631,221
Student services	1,684,476	1,915,640
Institutional support	7,021,419	5,805,144
Operation of plant	3,581,391	3,580,970
Staff benefits	1,572,420	1,565,019
Scholarships and fellowships	310,065	290,095
Auxiliary enterprises	332,560	223,228
Mandatory transfers	22,034	22,034
Public service	<u>379,877</u>	<u>327,878</u>
<b>Total</b>	<b><u>\$ 29,550,817</u></b>	<b><u>\$ 27,964,012</u></b>
<b>SELECTED ACCOUNT BALANCES (ALL FUNDS)</b>	<b>JUNE 30, 1993</b>	<b>JUNE 30, 1992</b>
Cash and short-term investments	\$ 1,016,687	\$ 2,339,642
Buildings, land, and equipment	48,216,988	45,872,343
Accrued compensated absences	5,914,449	5,422,341
Fund balances (deficit):		
Unrestricted	(5,046,280)	(3,523,251)
Restricted	268,792	250,248
Loan	1,836,082	1,741,403
Net investment in plant	48,216,988	45,872,343
<b>SUPPLEMENTARY INFORMATION</b>	<b>FY 1993</b>	<b>FY 1992</b>
<b><u>Employment Statistics</u></b>		
Appropriated funds:		
Faculty/administrative	277.8	284.6
Civil service	218.3	234.0
Student employees	21.5	26.2
Nonappropriated funds:		
Faculty/administrative	25.7	25.6
Civil service	40.1	20.7
Student employees	49.0	34.8
<b>Total Employees</b>	<b>632.4</b>	<b>625.9</b>
<b><u>Selected Activity Measures</u></b>		
Annual full-time equivalent students - undergraduate	1,716	1,803
Annual full-time equivalent students - graduate	1,418	1,556
Full-time equivalent cost per student	8,803	7,845
Classroom Utilization - maximum	79.17%	83.92%
<b>UNIVERSITY PRESIDENT</b>		
During Audit Period: Dr. Leo Goodman-Malamuth Currently: Dr. Paula Wolff (started September, 1992)		