



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, 2022**

Release Date: March 30, 2023

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: 1							

INTRODUCTION

This digest covers Southern Illinois University’s (University) Financial Audit as of and for the year ended June 30, 2022. A digest covering the University’s Single Audit was separately issued. In addition, a separate digest covering the University’s Compliance Examination for the year ended June 30, 2022 will be issued at a later date.

SYNOPSIS

- **(22-1)** 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 benefits 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, 2022

FINANCIAL OPERATIONS (In Thousands)	FY 2022	FY 2021
OPERATING REVENUES		
Tuition and fees, net.....	\$ 216,994,018	\$ 212,999,598
Grants and contracts.....	93,957,835	83,760,785
Sales and services of educational departments.....	181,560,791	152,053,702
Auxiliary enterprises.....	82,188,603	71,110,589
Physicians and Surgeons practice plan and other.....	56,300,543	48,953,801
Total Operating Revenues.....	<u>631,001,790</u>	<u>568,878,475</u>
OPERATING EXPENSES		
Instruction.....	325,573,437	357,167,413
Research.....	45,206,101	45,947,673
Public service.....	71,106,011	71,227,344
Academic support.....	293,263,050	303,290,867
Student services.....	102,374,064	100,303,961
Institutional support.....	83,763,476	100,912,915
Scholarships and fellowships.....	59,876,701	50,356,522
Auxiliary enterprises.....	80,584,091	86,641,700
Other.....	147,061,384	149,577,139
Total Operating Expenses.....	<u>1,208,808,315</u>	<u>1,265,425,534</u>
Operating Loss.....	(577,806,525)	(696,547,059)
NONOPERATING REVENUES (EXPENSES)		
State appropriations.....	204,472,200	194,897,600
Capital appropriations, gifts and grants.....	6,015,421	4,366,774
Private gifts and endowments.....	10,124,858	7,768,852
Grants and contracts.....	115,270,276	87,098,905
On behalf/Special funding for fringe benefits.....	289,847,101	401,525,250
Other, net.....	(17,870,413)	(7,071,873)
	<u>30,052,918</u>	<u>(7,961,551)</u>
INCREASE IN NET POSITION		
Net Position, beginning of year.....	658,270,343	622,950,410
Restatement.....		43,281,484
Net Position, beginning of year, as restated.....	658,270,343	666,231,894
Net Position, end of year.....	<u>\$ 688,323,261</u>	<u>\$ 658,270,343</u>
SUMMARY - STATEMENT OF NET POSITION (In Thousands)		
Current Assets.....	\$ 259,969,758	\$ 247,703,257
Noncurrent Assets and Deferred outflows.....	1,016,914,846	942,312,000
Total Assets and Deferred outflows.....	1,276,884,604	1,190,015,257
Current Liabilities.....	133,997,962	122,489,378
Noncurrent Liabilities and Deferred inflows.....	454,563,381	409,255,536
Total Liabilities.....	588,561,343	531,744,914
Total Net Position.....	<u>\$ 688,323,261</u>	<u>\$ 658,270,343</u>
UNIVERSITY PRESIDENT		
During Audit Period and Currently: Dr. Daniel Mahoney		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS OVER
CENSUS DATA**

**Internal controls over census data
need improvement**

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 benefits (OPEB) plans was complete and accurate. We noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by the State University Retirement System (SURS) to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.
- During our cut-off testing of data transmitted by the University to SURS, we noted 117 instances of an active employee becoming inactive or part-time, 2 instances of an inactive employee becoming active, and 1 instance of an inactive employee becoming retired were reported to SURS after the close of the fiscal year in which the event occurred. There were also 2 instances previously reported that impacted the June 30, 2020 census data.
- During our testing of instructor eligibility testing, we noted 3 of 2,007 instructors tested were not reported as eligible to participate in SURS by the University. There were also 10 instances previously reported that impacted the June 30, 2020 census data. (Finding 1, pages 7-9). **This finding has been reported since 2020.**

We recommended the University continue to work with SURS to complete the base year reconciliation of Fiscal Year 2021 active members' census data from its underlying records to a report of census data submitted to SURS' actuary and Central Management Services' (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' actuary and CMS' actuary. Further, we recommended the University ensure all events occurring within a census data accumulation year are timely reported to SURS so these events can be incorporated into the census data provided to SURS' actuary and CMS' actuary. Finally, we recommended the University ensure all eligible employees are reported to SURS, along with any required employee and employer contributions.

University agreed with the auditors

University officials agreed with the finding and stated the campuses have now completed the base year reconciliation and continue to work to automate the process going forward.

AUDITOR'S OPINION

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.

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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