

University of Illinois
Health Services Facilities System
(A Segment of the University of Illinois)

Report Required under *Government Auditing Standards*
For the Year Ended June 30, 2023
Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

**University of Illinois
Health Services Facilities System
(A Segment of the University of Illinois)**

**Report Required under *Government Auditing Standards*
For the Year Ended June 30, 2023**

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The System's financial statements as of and for the year ended June 30, 2023, have been issued under a separate cover.

**University of Illinois
Health Services Facilities System
(A Segment of the University of Illinois)**

**Report Required under Government Auditing Standards
For the Year Ended June 30, 2023**

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**University of Illinois
Health Services Facilities System
(A Segment of the University of Illinois)**

**Report Required under *Government Auditing Standards*
For the Year Ended June 30, 2023**

Summary

The audit of the financial statements of the University of Illinois Health Services Facilities System (System) was performed by RSM US LLP in accordance with *Government Auditing Standards*. This report is an integral part of that audit.

Based on their audit, the auditors expressed an unmodified opinion on the System's basic financial statements, issued under a separate cover.

Summary of Findings

The auditors identified one matter involving the System's internal control over financial reporting that they considered to be a material weakness.

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
HSFS 2023-001	5	2022/2022	Inadequate Controls over Electronic Health Record System	Material Weakness
Prior Findings Not Repeated				
A	6		Inadequate Internal Controls over Census Data	

Exit Conference

The University waived an exit conference in a correspondence from Brent Rasmus, Controller and Assistant Vice President for Business and Finance, on December 21, 2023. The responses to the recommendations were provided by Jennifer Erickson, Senior Associate Director for Business and Finance, in a correspondence dated December 21, 2023.



RSM US LLP

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
University of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of the University of Illinois Health Services Facilities System (System), a segment of the University of Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and we have issued our report thereon dated January 19, 2024. That report includes an emphasis of matter relating to restatement of opening net position for the implementation of Governmental Accounting Standards Board's Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item HSFS 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

System's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the finding identified in our audit and described in the accompanying Schedule of Findings. The System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
January 19, 2024

**University of Illinois
Health Services Facilities System
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**Schedule of Findings
For the Year Ended June 30, 2023**

Current Findings – Government Auditing Standards

Finding HSFS 2023-001 Weaknesses in Controls over Electronic Health Record System

The University of Illinois (University) had not implemented adequate internal controls over their Electronic Health Record System (EHR).

The University maintains an EHR that contains patient medical records and data. Additionally, it supports billing and transaction workflows which feed into the financial statements.

During our testing of the EHR, we noted:

- 28 of 40 (70%) EHR users' access were not timely terminated upon separation from the University. It was determined the University's departments were not timely notifying Human Resources, which in turn did not timely notify the Information Technology security team. As a result, users' access to EHR was not timely disabled. Access was disabled 8 to 181 days after the user had separated from the University.
- A comprehensive review of EHR user access was not performed during the fiscal year.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by National Institute of Standards and Technology (NIST), Access Control Section, promotes controls for ensuring access to system resources are appropriate.

The University's Account Access Controls-Terminations and Disable Policy, Account Access Controls section, states separated employee's computer system access is to be revoked within 7 days after termination.

University Management indicated that the complexity and decentralized nature of EHR access did not allow the University to implement a comprehensive review of access and delayed the notifications of employee separation.

Failure to terminate separated employees' access could result in unauthorized access to the EHR and data. (Finding Code No. HSFS 2023-001, HSFS 2022-002)

Recommendation

We recommend the University to terminate separated users' access within 7 business days of the last day of employment and conduct annual reviews of users' access.

System Response

Accepted: Hospital Information Services has implemented an automated process to be proactive in removing access to the EPIC system, however this process relies on timely human resources processes. The University will continue to work towards improving notification processes for timelier removal of access to systems. Additionally, the UI Hospital developed an access review process during the fall of 2023 and began an access review of the EPIC system in November that is expected to be completed by early 2024.

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**Schedule of Findings
For the Year Ended June 30, 2023**

Prior Findings Not Repeated

A. Inadequate Internal Controls over Census Data

The University of Illinois, which includes the Health Services Facilities System (the System), 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.

During the current audit, the System implemented controls over reporting of census data, including a reconciliation of data with the plans. Current year census data testing did not identify financially significant issues. The exceptions identified this year will be reported within the State Compliance Examination. (Finding Code No. HSFS 2022-001, HSFS 2021-003, HSFS 2020-001)