



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

CHICAGO STATE UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2025

Release Date: April 23, 2026

FINDINGS THIS AUDIT: 15				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	1	5	6	2023	25-04, 25-08	25-14	
Category 2:	5	4	9	2022	25-06		
Category 3:	0	0	0	2020	25-03	25-01, 25-11, 25-12	
TOTAL	6	9	15	2016	25-07		
FINDINGS LAST AUDIT: 14							

INTRODUCTION

This digest covers the Compliance Examination of Chicago State University (University) for the year ended June 30, 2025. A separate digest covering the University’s financial audit as of and for the year ended June 30, 2025, was previously released on March 10, 2026. In addition, a separate digest covering the University’s Single Audit for the year ended June 30, 2025, was previously released on March 24, 2026. In total, this report contains fifteen findings, five of which were reported in the Financial Audit and Single Audit collectively.

SYNOPSIS

- **(25-06)** The University did not maintain adequate controls over personal services.
- **(25-07)** The University did not have adequate controls over contractual services expenditures.
- **(25-08)** The University did not maintain adequate controls over its equipment.

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.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE CONTROLS OVER PERSONAL SERVICES

The Chicago State University (University) did not maintain adequate controls over personal services.

During review of 60 employees' personnel files, we noted the following:

Gross pay rates did not agree with SUCSS established rates

W-4's were unable to be located

Retirement deductions were incorrectly calculated

- Three (5%) employees' gross pay rates did not agree with the established rate per the State Universities Civil Service System (SUCSS).
- 42 (70%) employees' W-4 forms could not be located.
- 18 (30%) employees' federal income taxes were incorrectly calculated. As a result, the discrepancies in withheld federal income tax amounts ranged from \$5 to \$138.
- Eight (13%) employees' State income taxes were incorrectly calculated. As a result, the discrepancies in withheld State income tax amounts ranged from \$2 to \$29.
- Two (3%) employees' retirement deductions were incorrectly calculated.
- Two (3%) employees' payroll records or supporting documents could not be located. As a result, we were unable to determine whether the employees' payroll was accurate.

During testing of 60 employees' timesheets, we noted the following:

Timesheets were unable to be located

Timesheets were not approved

- 27 (45%) employees' timesheets could not be located; therefore, we were unable to determine if the timesheets were timely submitted and approved.
- 13 (22%) employees' timesheets were not approved by the employee's supervisor.

Overtime was not timely preauthorized

During testing of 60 employees' overtime records, we noted 60 employees (100%) did not have overtime authorized prior to the scheduled overtime period. Specifically, overtime requests were approved between 12 and 45 days after the scheduled overtime.

Accrued leave balances were incorrectly calculated

During the review of 60 employees' accrued leave balances, we noted 12 (20%) employees' accrued leave balances were incorrectly calculated, with discrepancies ranging from 6 to 61 hours.

Unable to determine lump sum payments were correctly calculated

During testing of 15 terminated employees, we noted two (13%) employees' lump sum payments lacked adequate supporting documentation. As a result, we were unable to determine whether the lump sum payments were accurately calculated.

Performance evaluations were not completed

During testing of 60 employees' performance evaluations, we noted the following:

- 16 (27%) employees' performance evaluations were not completed.
- Eight (13%) employees' performance evaluations were completed one to 114 days late.
- One (2%) employee's performance evaluation had no indication of the completion date; therefore, we were unable to determine if the performance evaluation was completed timely.

Performance evaluations were not properly filled out

During testing of employees' training requirements, we noted the following:

Annual trainings were not completed timely

- Four of 799 (1%) employees completed the annual ethics and harassment and discrimination prevention training two to 37 days late.
- Four of 799 (1%) employees did not complete the annual Identity Protection Act training.
- 61 of 692 (9%) employees completed the annual Identity Protection Act training one to 48 days late. (Finding 6, pages 25-29). **This finding has been reported since 2022.**

We recommended the University strengthen controls over personal services to ensure employee timesheets and overtime timecards are maintained and approved by their supervisors, and W-4 forms and terminated employees' lump sum payments calculation are properly maintained. In addition, we recommended the University ensure employees' gross pay rates, income withholding taxes, retirement deductions, and accrued leave calculations are accurate. Further, we recommended the University ensure employees complete the required trainings in accordance with the State Officials and Employees Ethics Act and Identity Protection Act. Lastly, we recommended the University enforce monitoring procedures to ensure employee performance evaluations are timely and properly completed.

University agreed with the auditors

The University agreed with the recommendations and indicated it will work towards implementing processes to strengthen controls over personal services.

INADEQUATE CONTROLS OVER CONTRACTUAL SERVICES EXPENDITURES

The University did not have adequate controls over contractual services expenditures.

During our testing of contractual agreements, we requested the University to provide the population of contractual agreements including interagency agreements entered during the examination period. In response to this request, the University provided a listing of purchase orders issued during the examination period. During testing, we noted the following:

A list of contracts was not maintained

- The University did not maintain an up-to-date list of new and existing contracts effective for the examination period.

Unable to determine the completeness of population of new contracts

- Multiple purchase orders can be linked to a single contract. Therefore, a single purchase order does not necessarily indicate a new contract. As such, we were unable to determine the completeness of new contracts based on the purchase order listing.

Unable to provide a list of interagency agreements

In addition, the University was unable to provide a listing of interagency agreements.

Further, during our review of 33 contracts (totaling \$3,737,856), including purchase orders, executed during the fiscal year ended June 30, 2025, we noted the following:

Contracts were executed late

- Two contracts (totaling \$231,661) were executed subsequent to the start date of the contracts. The contract execution dates ranged from 15 to 47 days from the commencement of services.

Contracts were not approved

- Two contracts (totaling \$540,000) were not approved by the Board of Trustees. (Finding 7, pages 30-32). **This finding has been reported since 2016.**

We recommended the University maintain a complete and accurate list of contractual agreements. In addition, we recommended the University establish appropriate procedures to ensure all contracts are signed and executed prior to the commencement of services. Further, the University should strengthen internal controls to ensure significant purchases requiring Board of Trustees approval are formally approved by the Board of Trustees prior to execution.

University agreed with the auditors

The University agreed with the recommendation and indicated the University acknowledges that improvements are necessary and pledges to take immediate corrective action to rectify these issues.

INADEQUATE CONTROLS OVER EQUIPMENT

The University did not maintain adequate controls over its equipment.

Did not submit its Annual Certification of Inventory (Certification) to CMS

We noted the University did not submit its Annual Certification of Inventory (Certification) to the Department of Central Management Services (CMS) during the Fiscal Year 2025. As a result, we were unable to determine whether the University had any unlocated equipment items during the fiscal year or whether it implemented the prior year recommendation to investigate missing equipment items during its annual inventory count. Additionally, we were unable to trace the 50 equipment items selected during our physical inspection to the Certification due to its non-submission.

Equipment items, totaling \$69,192, could not be located

Further, during our list to floor testing, we noted four of 25 (16%) equipment items, totaling \$69,192, could not be located. In addition, we noted one of 25 (4%) equipment items amounting to \$193,175 was not properly tagged.

Equipment items, totaling \$41,992, were not timely recorded in the University's property records

Additionally, during additions testing, we noted three of 25 (12%) equipment items, totaling \$41,992, were recorded in the University's property records more than 90 days after acquisition, ranging from 94 to 322 days late.

A quarterly Form C-15 was submitted to the Comptroller three days late.

Finally, during testing of the University's quarterly Agency Report of State Property (Form C-15) for Fiscal Year 2025, we noted one of four (25%) quarterly Form C-15 was submitted to the Comptroller three days late. (Finding 8, pages 33-35)

We recommended the University strengthen its internal controls over equipment and property management to ensure equipment transactions are recorded in the property records in a timely manner, equipment items are properly tagged, and all equipment is adequately accounted for and safeguarded. Additionally, the University should ensure required property reports and certifications are accurately prepared and submitted to CMS and the Comptroller in accordance with State requirements.

University agreed with the auditors

The University agreed with the recommendation and indicated the University will appropriately strengthen its controls over equipment and property management.

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 the next engagement.

AUDITOR'S OPINIONS

The financial audit was previously released. Our auditors stated the financial statements of the University as of and for the year ended June 30, 2025 are fairly stated in all material respects.

The Single Audit was also previously released. Our auditors conducted a Single Audit of the University as required by the Uniform Guidance and 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, 2025.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2025, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2025-003, 2025-004, and 2025-006 through 2025-009. Except for the noncompliance described in these findings, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth & Company, LLP.

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COURTNEY DZIERWA
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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