



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EASTERN ILLINOIS UNIVERSITY

Single Audit and Compliance Examination
 For the Year Ended June 30, 2019

Release Date: May 27, 2020

FINDINGS THIS AUDIT: 8				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:	0	0	0	2005		19-3	
Category 2:	7	1	8				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	7	1	8				
FINDINGS LAST AUDIT: 1							

SYNOPSIS

- (19-02) The University did not review federal work study hours worked against class hours scheduled to ensure students were not working during a scheduled class and that they were paid for the correct number of hours.
- (19-05) The University did not have adequate controls over procurement card transactions.

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 AND SINGLE AUDIT
For the Year Ended June 30, 2019

COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - UNIVERSITY INCOME FUND	FY 2019	FY 2018
INCOME FUND REVENUES		
Tuition.....	\$ 48,572,508	\$ 49,410,144
Service fees.....	154,749	158,500
Fines and penalties.....	30,604	34,539
Other.....	870,173	2,175,918
Total Revenues.....	49,628,034	51,779,101
INCOME FUND EXPENDITURES		
Personal services.....	19,934,202	20,105,939
FICA-Medicare.....	1,288,262	1,165,532
Group insurance.....	-	1,230,119
Compensated absences.....	(530,174)	(820,242)
Contractual services.....	8,719,829	8,246,996
Travel.....	222,396	244,405
Commodities.....	781,646	692,390
Awards, grants, and matching funds.....	5,162,329	5,717,935
Permanent improvements.....	91,460	24,456
Equipment and library books.....	645,396	1,020,180
Telecommunications.....	94,601	58,427
Operation of automotive equipment.....	82,430	65,816
Student awards/tuition waived.....	10,507,043	9,987,983
Total Expenditures.....	46,999,420	47,739,936
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ 2,628,614	\$ 4,039,165
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2019	FY 2018
Employment Statistics		
Faculty and Administrative.....	646	650
Civil Service.....	444	443
Student Employees.....	195	197
Total Employees.....	1,285	1,290
Enrollment Statistics		
Fall term enrollment.....	7,526	7,030
Spring term enrollment.....	7,503	7,016
Cost Per Student		
Cost Per Full-Time Equivalent Student.....	\$ 14,700	\$ 19,166
PRESIDENT		
During Examination Period: Dr. David M. Glassman		
Currently: Dr. David M. Glassman		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FEDERAL WORK STUDY HOURS DURING
SCHEDULED CLASS HOURS AND ERRORS IN
TIMESHEETS**

Eastern Illinois University (University) did not review federal work study (FWS) hours worked against class hours scheduled and timesheets to ensure students were not working during a scheduled class and that they were paid for the correct number of hours.

During testing, auditors noted the following:

- Four of 37 (11%) individuals tested participating in the federal work study program did not reflect the correct number of hours worked or had incomplete documentation of the hours worked in their timesheets resulting in both overpayments and underpayments to the individuals. Documentation showed differences between the hours paid and hours worked ranged from an underpayment totaling one hour to 20 hours overpaid.
- Three of 37 (8%) individuals tested worked during scheduled class hours.

We recommended the University properly review federal work study hours to ensure none are worked during scheduled class hours and actual hours reported on timesheets are accurate. (Finding 2, pages 18-19)

University officials agreed with the auditor's recommendation.

**Federal work study program
participants tested did not reflect
correct hours worked on timesheets**

**Differences ranged up to 20 hours
overpaid**

**Individuals worked during
scheduled class hours**

**University agrees with the
recommendation**

**INADEQUATE CONTROLS OVER UNIVERSITY
PROCUREMENT CARD TRANSACTIONS**

The University did not have adequate controls over procurement card (P-Card) transactions.

In a sample of 40 transactions tested, auditors noted the following weaknesses and noncompliance:

**Charges were for items on an
existing contract**

Charges were not properly approved

- Two (5%) charges tested were for items on an existing contract.
- Two (5%) charges tested for logo/licensing items were not properly approved.
- Seven (18%) charges tested did not have documentation of

the fixed asset equipment form submission to the Business Office.

Payments included sales tax totaling \$138

- Eleven (28%) charges tested had a charge and payment that included sales tax. Total sales tax paid for the charges tested was \$138.

Charges were missing proper description

- Thirteen (33%) charges were missing proper descriptions entered in the software system.

Charges exceeded the transaction limit of \$2,500

- Twenty-two (55%) charges tested exceeded the transaction limit of \$2,500 and were made by cardholders for whom the University did not provide written documentation of advance approval. (Finding 5, pages 23-25)

We recommended the University strengthen its internal controls over P-Card transactions to ensure compliance with the University's policies and procedures.

University disagrees with the recommendation

University officials disagreed with the auditor's recommendation and stated the University believed their internal controls were adequate.

Auditor's comment

In an auditor's comment we noted the University's did not follow the requirements in the P-Card Manual and did not provide adequate documentation to substantiate other claims in the University's response.

OTHER FINDINGS

The remaining findings pertain to noncompliance with enrollment reporting requirements, failure to require positive time reporting for all employees, noncompliance with statutory mandates, inadequate compliance with payment card industry data security standards, weaknesses in cybersecurity programs and practices, and inadequate controls over external service providers. We will review the University's progress towards the implementation of our recommendations in our next Single Audit and compliance examination.

AUDITOR'S OPINIONS

The financial audit report was released under a separate cover. The auditors stated the financial statements of Eastern Illinois University as of and for the year ended June 30, 2019, are fairly stated in all material respects.

The auditors also 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 Agency's major federal programs for the year ended June 30, 2019.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of Eastern Illinois University for the year ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants stated the University complied, in all material respects, with the requirements described in the report.

This Single Audit and 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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