



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

Christopher B. Meister, Auditor General

SUMMARY REPORT DIGEST

GOVERNORS STATE UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2025

Release Date: May 28, 2026

FINDINGS THIS AUDIT: 12				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	2024		25-02, 25-03, 25-06	
Category 2:	1	11	12	2023		25-07	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2021		25-01, 25-10, 25-11, 25-12	
TOTAL	1	11	12	2020		25-05	
				2019		25-08	
				2016		25-09	
FINDINGS LAST AUDIT: 17							

INTRODUCTION

This digest covers the Governors State University (University) Compliance Examination for the year ended June 30, 2025. Separate digests covering the University’s Financial Audit and Single Audit as of and for the year ended June 30, 2025 were previously released. In total, this report contains 12 findings, 4 of which were reported in the Single Audit report.

SYNOPSIS

- (25-05) The University did not have adequate internal control over reporting its census data.
- (25-06) The University had a deficiency within its internal audit activities during Fiscal Year 2025.
- (25-10) The University did not have adequate controls around its service providers.

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 INTERNAL CONTROLS OVER
CENSUS DATA**

The University did not have adequate internal control over reporting its census data to provide assurance census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

During our cut-off testing of data transmitted by the University to the System, we identified the following events that were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.

Instances of member information being reported to SURS after the close of the fiscal year

- Four new employee hires
- Thirty-three employee terminations. (Finding 5, Pages 19-22) **This finding has been reported since 2020.**

We recommended the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process. Further, we recommended the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

University agreed with the auditors

University officials agreed with the finding and accepted the recommendation.

INTERNAL AUDIT DEFICIENCY

The University had a deficiency within its internal audit activities during Fiscal Year 2025.

Failure to conduct an external assessment during the examination period

During our testing, we noted the University's internal audit function failed to conduct a new external assessment during the examination period as required by the International Standards for the Professional Practice of Internal Auditing. The last external assessment was conducted in July 2018. (Finding 6, Page 23)

We recommended the University establish controls to ensure required external quality assessments are conducted within prescribed timeframes.

University agreed with the auditors

University officials agreed with the finding and accepted the recommendation.

INADEQUATE CONTROLS AROUND SERVICE PROVIDERS

The University did not have adequate controls around its service providers.

In Fiscal Year 2025, the University identified 106 service providers. The University maintains numerous cloud-based solutions with various service providers. These service providers maintain the hardware, software and the data for various applications regarding many sectors, such as campus news and events, student orientation, employment, photographs, student organizations, visitor tracking, course evaluations, and emergency notifications.

During testing of 26 service providers, we noted the University had not:

For 100% of the service providers tested, the University did not have documented procedures for monitoring of service providers

- Developed formal, documented policies and procedures to ensure performance measures are monitored to comply with contractual terms for all (100%) of the service providers tested.
- Timely reviewed the SOC reports or equivalent, for 4 (15%) service providers, with reviews conducted between 161 and 245 days after the report dates.
- Assessed and documented the operation of Complementary User Entity Controls (CUECs) relevant to the University's operations for 4 (15%) service providers.
- Provided the actual Fiscal Year 2025 SOC reports for 9 (35%) service providers. As a result, we were unable to test whether the SOC report reviews performed by the University were adequate.

For 35% of the service providers tested, the University did not provide SOC reports

The University is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced. (Finding 10, Pages 31-33) **This finding has been reported since 2021.**

We recommended the University:

- Establish policies and procedures to ensure performance measures are monitored to comply with contractual terms and service level agreements.
- Perform timely review of SOC reports or equivalent of all service providers.
- Monitor and document the operation of CUECs noted in the SOC reports that are relevant to the University's operations.
- Obtain the latest SOC reports of all service providers.

University agreed with auditors

University officials agreed with the finding and accepted the recommendation.

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 our next State compliance examination.

AUDITOR’S OPINIONS

The 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 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 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 stated the University complied, in all material respects, with the requirements describe in the report.

This State compliance examination was conducted by Adelfia, LLC.

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COURTNEY DZIERWA
Deputy Auditor General

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

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CHRISTOPHER B. MEISTER
Auditor General

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