



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

UNIVERSITY OF ILLINOIS

State Compliance Examination
For the Year Ended June 30, 2024

Release Date: April 17, 2025

FINDINGS THIS AUDIT: 10				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2023		24-5, 24-9	
Category 2:	1	8	9	2022	24-1	24-2, 24-10	
Category 3:	0	0	0	2021		24-8	
TOTAL	1	9	10	2020		24-3	
				2008		24-6	
				2005		24-7	
FINDINGS LAST AUDIT: 22							

INTRODUCTION

This digest covers our State Compliance Examination of the University of Illinois for the year ended June 30, 2024. A separate Financial Audit as of and for the year ended June 30, 2024 was previously released on January 28, 2025. A separate Single Audit for the year ended June 30, 2024 was previously released on March 11, 2025. In total, this report contains 10 findings, 4 of which were reported in the Financial Audit and Single Audit collectively.

SYNOPSIS

- (24-5) The University did not comply with requirements applicable to its property and equipment.
- (24-9) The University did not comply with the provisions of the University Faculty Research and Consulting Act.

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 PROPERTY AND EQUIPMENT

Need to improve controls over property and equipment

The University of Illinois (University) did not comply with requirements applicable to its property and equipment.

We tested a sample of 60 items included in the University's records to determine whether the equipment existed as of the University's fiscal year-end. As a result of our testing, we noted the following:

Transferred equipment to another University totaling \$1,084,288 still included in the equipment listing

- Two pieces of non-data storing equipment (totaling \$1,084,288) had been provided to another University. The equipment was still included on the University's year-end equipment listing at the Urbana-Champaign campus.
- One piece of non-data storing equipment (totaling \$84,274) did not have proper documentation supporting the disposal. The equipment was still included on the University's year-end equipment listing at the Chicago campus.

Additionally, the University's certification of inventory as of June 30, 2024, which includes all equipment with an acquisition cost greater than \$2,500 and all high theft equipment, disclosed 7 other items totaling \$31,870 which could not be located out of the University's \$2,331,739,048 equipment inventory. (Finding 5, Pages 17-18)

We recommended the University review its process for ensuring all equipment records are accurately maintained and updated in a timely manner. We also recommended the University strengthen its internal control over the accountability of University equipment.

University accepted the finding

University officials accepted the recommendation.

NONCOMPLIANCE WITH UNIVERSITY FACULTY RESEARCH AND CONSULTING ACT

The University did not comply with the provisions of the University Faculty Research and Consulting Act (Act).

A disclosure application, *START myDisclosures* is used by all faculty employees to annually complete a disclosure and request for approval to perform outside research or consulting services. Throughout the year, additional disclosures and requests for prior approval are necessary whenever a change in

such activities is proposed or when required by granting agencies.

In reviewing the disclosure applications, we noted the following:

Disclosure application did not require the faculty member to list the start date

- The disclosure did not require the faculty member to list the start date of the research or consulting service. As a result, we were unable to determine if written approval of the President, or his designee, was obtained prior to the start of such services for twenty of 28 (71%) disclosures tested.
- For the disclosures where the begin date was disclosed by the employee, the approval was after the start date of the activity for seven of 28 (25%) disclosures tested. (Finding 9, Pages 25-26)

We recommended the University work to update its disclosure form to include all information necessary to document compliance with the requirements of the University Faculty Research and Consulting Act.

University agreed with the auditors

University officials 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 the next engagement.

AUDITOR'S OPINIONS

The financial audit was previously released. Our auditors stated the financial statements of the University of Illinois as of and for the year ended June 30, 2024 are fairly stated in all material respects.

The single audit was previously released. Our auditors also 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, 2024.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2024, as required by the Illinois State Auditing Act. The accountants qualified

their report on State compliance for Finding 2024-001. Except for the noncompliance described in this finding, the accountants stated the University complied, in all material respects, with the requirements described in the report.

The State Compliance Examination was conducted by RSM US 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.

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FRANK J. MAUTINO
Auditor General

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