



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, 2023

Release Date: May 23, 2024

FINDINGS THIS AUDIT: 16				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2	1	3	2022	23-08	23-05, 23-14	
Category 2:	3	10	13	2021		23-10	
Category 3:	0	0	0	2020		23-01, 23-02, 23-09, 23-11, 23-12, 23-13	
TOTAL	5	11	16	2016		23-15	
FINDINGS LAST AUDIT: 14							

INTRODUCTION

This digest covers the Compliance Examination of Chicago State University (University) for the year ended June 30, 2023. A separate digest covering the University’s financial audit as of and for the year ended June 30, 2023, was previously released on February 22, 2024. In addition, a separate digest covering the University’s Single Audit for the year ended June 30, 2023, was previously released on March 28, 2024. In total, this report contains sixteen findings, six of which were reported in the Financial Audit and Single Audit collectively.

SYNOPSIS

- (23-07) The University did not have adequate controls over equipment.
- (23-10) The University did not fully comply with the requirements of the Chicago State University Law regarding flexible hours positions.
- (23-15) The University did not have adequate controls over contractual services expenditures.

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 EQUIPMENT

The Chicago State University (University) did not investigate missing equipment items during its annual inventory count.

We reviewed the University's Annual Certification of Inventory (Certification) submitted to the Department of Central Management Services (CMS). The Certification reported 150 unlocated items amounting to \$748,156 or 4% of the total dollar amount of University equipment. Of the 150 unlocated equipment items:

The University had 150 unlocated equipment items

- 46 (31%) items consisting of chassis, controller wireless blades, power protector, UPS system, video conferencing equipment, camcorder, network switches, and laptops totaling \$526,956 were missing from the Information Technology Department.
- 11 (7%) items consisting of scrubbers, air conditioners, rotary scroll compressor, motor control center, and a sewer camera totaling \$74,630 were missing from the Physical Facilities and Planning Management Department.
- 60 (40%) laptops totaling \$30,900 were missing from the Athletics Department.
- Six (4%) items consisting of laptops, blood perfusion monitor, Millar Pressure-Volume 300 Foundation system totaling \$48,739 were missing from the College of Pharmacy.
- Nine (6%) items consisting of laptops and central processing units totaling \$9,373 were missing from the Education Opportunity Center.
- 18 (12%) items consisting of laptops, central processing units, UPS, microphone, tablets, and a copier totaling \$57,559 were missing from the Admission, Pharmacy Practice, Enrollment Management, Biological Sciences, Advanced Studies in Education, Center for Stem Education, Student Affairs, Daycare Center, and Pharmaceutical Sciences Departments. (Finding 7, pages 25-26)

60 laptops totaling \$30,900 were missing

We recommended the University strengthen controls over equipment and investigate or reexamine large discrepancies identified during its annual inventory counts.

University agreed with the auditors

University officials agreed with the finding and indicated an internal asset validation process is in place currently which requires University Department Equipment Managers to complete investigation and re-inventory procedures of missing assets.

NONCOMPLIANCE WITH THE CHICAGO STATE UNIVERSITY LAW

The University did not fully comply with the requirements of the Chicago State University Law regarding flexible hours positions.

University did not evaluate the effectiveness of the flexible hours program

The University Board of Trustees (Board) established goals for flexible hours positions at the University. The Board passed a resolution in 2013 to achieve a goal of having 20% of its employees working flexible schedules by 2016. During testing, we noted the University reached its 20% goal; however, the University did not begin the process of evaluating the effectiveness and efficiency of the flexible hours program. (Finding 10, page 34) **This finding has been reported since 2021.**

We recommended the University evaluate the effectiveness and efficiency of the program in compliance with the requirements of the Chicago State University Law.

University agreed with the auditors

University officials agreed with the recommendation and stated the University was implementing a corrective action plan to demonstrate an evaluation on the efficiency and effectiveness of the flexible hours program.

INADEQUATE CONTROLS OVER CONTRACTUAL SERVICES EXPENDITURES

The Chicago State University (University) did not have adequate controls over contractual services expenditures.

During our review of 40 contracts (totaling \$2,667,966), including purchase orders, executed during the fiscal year ended June 30, 2023, we noted the following:

Contracts were executed late

- Eight contracts (totaling \$377,841) were executed subsequent to the start date of the contracts. The contract execution dates were 17 and 89 days from the commencement of services.

An exempt purchase was not published in the Illinois Procurement Bulletin

- One exempt purchase (totaling \$117,149) was not published timely in the Illinois Procurement Bulletin.

Contracts were not properly signed

- Two contracts (totaling \$148,708) were not signed by the University President.

Contracts were not supported with three price quotations

- Fifteen contracts (totaling \$665,504) were not supported with three price quotations and at least one of the three quotes from a Business Enterprise Program Certified Vendor.

Real Property Contract did not have disclosures from the lessor

In addition, during testing of a real property contract (totaling \$1,282,500) executed during the fiscal year 2023, the University did not obtain the disclosure form from the lessor. (Finding 15, pages 43-45) **This finding has been reported since 2016.**

We recommended the University establish appropriate procedures to ensure all contracts are signed and executed prior to the commencement of services. Further, we recommended the University review its procedures to ensure disclosures are obtained prior to the execution of contracts, exempt purchases are timely published in the Illinois Procurement Bulletin, and contracts are supported by three price quotes in accordance with the State statutes and guidelines. Lastly, we recommended the University obtain the real estate disclosure form for each real property contract executed in accordance with the Public Officer Prohibited Activities Act.

University agreed with the auditors

University officials agreed with the recommendation indicating additional staff would be hired within Procurement Services during the course of FY25 which will allow for increased efforts to ensure compliance with all applicable requirements.

OTHER FINDINGS

The remaining findings pertain to inadequate internal controls over census data, compliance with Illinois Pension Code, personal services and service providers; failure to provide uniform resource locator to Department of Education, notify students and parents upon disbursement of funds, comply with established procurement procedures, and prepare and file the Agency Workforce Report; weaknesses over computer security, cybersecurity programs and practices and maintenance of employment eligibility verification forms; noncompliance with the Chicago State University Law, inadequate disaster recovery process and change control weaknesses. We will review the University's progress towards the implementation of our recommendations in our 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, 2023 are fairly stated in all material respects.

The single audit was 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, 2023.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-003, 2023-007, and 2023-008. 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.

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

FJM:vrh