



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, 2024

Release Date: May 20, 2025

FINDINGS THIS AUDIT: 14				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	5	5	2023	24-03, 24-05	24-08	
Category 2:	2	7	9	2022	24-06	24-04, 24-14	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2020	24-02	24-01, 24-09, 24-11, 24-12	
TOTAL	2	12	14	2016	24-07		
FINDINGS LAST AUDIT: 16							

INTRODUCTION

This digest covers the Compliance Examination of Chicago State University (University) for the year ended June 30, 2024. A separate digest covering the University’s financial audit as of and for the year ended June 30, 2024, was previously released on March 13, 2025. In addition, a separate digest covering the University’s Single Audit for the year ended June 30, 2024, was previously released on March 25, 2025. In total, this report contains fourteen findings, four of which were reported in the Financial Audit and Single Audit collectively.

SYNOPSIS

- **(24-05)** The University did not maintain adequate controls over its equipment.
- **(24-06)** The University did not maintain adequate controls over personal services.
- **(24-07)** 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 maintain adequate controls over its equipment.

We noted the University submitted its Annual Certification of Inventory (Certification) to the Department of Central Management Services (CMS) 229 days late.

The University had 352 unlocated equipment items

Further, we reviewed the University's Certification submitted to the CMS. The Certification reported 352 unlocated items amounting to \$748,411 or 4% of the total dollar amount of University equipment. Of the 352 unlocated equipment items:

- 248 (70%) items consisting of iPad, laptops, uninterruptible power supply unit (UPS), and central processing units (CPUs), totaling \$188,281, were missing from the Information Technology Department.
- 11 (3%) items consisting of projector, printers, X-ray tube analyzer, television, copiers, tracking system, search device, and meter cell, totaling \$188,378, were missing from the College of Pharmacy.
- One (1%) audio visual system, totaling \$120,537, was missing from the Pharmacy Practice.
- Eight (2%) items consisting of lift tables, megapress kit, extractor, air compressor, auto scrubber, striping machine, and hydraulic bender, totaling \$62,509, were missing from the Physical Facilities – Planning and Management.
- Four (1%) items consisting of copier, CPU, and compressors, totaling \$36,291, were missing from the Nursing Department.
- 32 (9%) items consisting of laptops, CPUs, and badminton net system, totaling \$21,773, were missing from the Athletics Department.
- 48 (14%) items consisting of radio, printer, centrifuge, copiers, laptops, cash register, servers, auto scrubber, and iPad, totaling \$130,642, were missing from various Departments.

An audio visual system totaling \$120,573 was missing

Multiple equipment items were missing from various Departments

Further, the University did not investigate and/or re-examine inventory counts.

Equipment items could not be traced to the CMS Certification

Additionally, during list to floor testing, one of 25 (4%) equipment items, totaling \$14,978, could not be traced to the Certification submitted to CMS. In addition, during floor to list testing, nine of 25 (36%) equipment items could not be traced to the Certification submitted to CMS and University's property records.

Equipment was not timely added to University records

Further, during additions testing, we noted seven of 25 (28%) equipment items, totaling \$45,295, were recorded in the University's property records more than 90 days after acquisition, ranging from 10 to 198 days late.

Lack of documentation over canceled wireless devices

Finally, during testing of canceled wireless communication devices, we noted the University was unable to provide documentation to determine if the devices had been returned in a timely manner for three of four (75%) employees that left the University or received an upgraded device. (Finding 5, pages 21-24)

We recommended the University strengthen its controls over equipment and investigate or re-examine large discrepancies identified during its annual inventory counts. In addition, we recommended the University ensure property records accurately reflect equipment on-hand, equipment items are timely inventoried, and the Certification is timely submitted to CMS in accordance with State laws and regulations. Finally, we recommended the University implement a formal documentation process for requesting and approving any cancellations or changes to wireless communication device services or assignments and establish internal controls to ensure the timely retrieval of wireless communication devices and the cancellation of telecommunication services when an employee leaves the University or upgrades their device.

University agreed with the auditors

The University agreed with the recommendation and indicated internal reconciliation of equipment will be performed, and the additional oversight will begin with the Summer 2025. The University further indicated management would implement a formal, centralized process to track the issuance, return, and cancellation of telecommunication devices.

INADEQUATE CONTROLS OVER PERSONAL SERVICES

The University did not maintain adequate controls over personal services.

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

- Five (8%) employees' gross pay rates did not agree with the established rates per the State Universities Civil Service System (SUCSS).

Gross pay rates did not match SUCSS

- Three (5%) employees' gross pay rates could not be traced to the SUCSS.

W-4's were unable to be located

- 38 (63%) employees' W-4 forms could not be located.

Retirement deduction was incorrect

- One (2%) employee's retirement deduction was incorrectly calculated.

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

Timesheets were unable to be located

- 24 (40%) employees' timesheets could not be located.
- One (2%) employee's timesheet was approved three days late.

Timesheets were not approved

- Two (3%) employees' timesheets were not approved by the employee's supervisor.

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

Overtime time cards could not be located

- 28 (47%) employees' overtime timecards could not be located.

Overtime was not preauthorized

- 32 (53%) employees did not obtain prior authorization in order to work overtime.

Overtime did not match University records

- Six (10%) employees' overtime hours per timecards did not agree with University records. Specifically, we noted discrepancies ranging from eight to 56 hours.

During testing of leave of absences for five employees, we noted the following:

Leave request was not approved

- One (20%) employee's leave request form was not signed by the employee's supervisor.
- Three (60%) employees' leave request forms could not be located.

Overpayment during leave time

- Two (40%) employees were overpaid, totaling \$7,983, during their period of leave of absence.

Accrued leave balances were incorrectly calculated

During review of 40 employees' accrued leave balances, we noted five (13%) employees' accrued leave balances were incorrectly calculated, with discrepancies ranging from 48 to 168 hours.

Lump sum payments were incorrectly calculated

During testing of 15 terminated employees, we noted two (13%) terminated employees' lump sum payments were incorrectly calculated, with discrepancies ranging from 288 to 383 hours.

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

Performance evaluations were not completed

- Four (7%) employees' performance evaluations were not completed.
- Seven (12%) employees' performance evaluations were completed three to 30 days late.
- Four (7%) employees' performance evaluations were not signed by the employees, as required.
- One (2%) employee's performance evaluation had no indication of the completion date.

Performance evaluations were not properly filled out

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

Annual trainings were not completed

- One (2%) new employee did not complete the initial harassment and discrimination prevention training.
- Two (3%) employees did not complete the annual Identity Protection Act training.
- Four (7%) employees completed the annual Identity Protection Act training five to 32 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, overtime timecards, and leave requests are maintained and approved by their supervisors and W-4 forms are properly maintained. In addition, we recommended the University ensure employees' gross pay rates, retirement deductions, terminated employees' lump sum payments, 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 completed.

University agreed with the auditors

The University agreed with the recommendations and indicated it will work to implement controls over payroll and leave processes, required training, and completion of performance evaluations.

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 into during the examination period. In response to this request, the University provided a listing of purchase orders issued during the examination period. However, upon checking the completeness and accuracy of the listing provided, 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 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 \$3,127,481), including purchase orders, executed during the fiscal year ended June 30, 2024, we noted the following:

Contracts were executed late

- Four contracts (totaling \$218,817) were executed subsequent to the start date of the contracts. The contract execution dates ranged from 7 to 89 days from the commencement of services.

Exempt purchases were not timely published in the Illinois Procurement Bulletin

- Three exempt purchases (totaling \$742,949) were not published in the Illinois Procurement Bulletin, while three exempt purchases (totaling \$346,441) were published 14 to 89 days late.

Contract was not approved

- One contract amounting to \$23,400 was not approved by the authorized staff. (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, we recommended the University review its procedures to ensure exempt purchases are timely published in the Illinois Procurement Bulletin.

University agreed with the auditors

The University agreed with the recommendation and indicated a contract management software would be deployed in Fiscal Year 2026, which will provide contract repository, visibility, contract creation, contract performance management, and other features to improve contract efficiency at the University.

OTHER FINDINGS

The remaining findings pertain to inadequate internal controls over Census Data, weaknesses over computer security, inadequate controls to ensure compliance with the Illinois Pension Code, failure to notify students and parents upon disbursement of funds, failure to prepare and file the Agency Workforce Report, lack of adequate controls over review of internal controls over service providers, Census Data reconciliation, weaknesses in cybersecurity programs and practices, inadequate disaster recovery process, weaknesses with Payment Card Industry Data Security Standards, and weaknesses over maintenance of employment eligibility verification forms. We will review the University's progress towards the implementation of our recommendations in our next State compliance examination.

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, 2024 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, 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 Findings 2024-002, 2024-003, 2024-005, 2024-006, and 2024-007. 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

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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