



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**CHICAGO STATE UNIVERSITY**

Financial Audit  
 For the Year Ended June 30, 2024

Release Date: March 13, 2025

FINDINGS THIS AUDIT: 3	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2023	24-03		
Category 2:	0	1	1	2020	24-02	24-01	
Category 3:	0	0	0				
<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>3</b>				
FINDINGS LAST AUDIT: 3							

**INTRODUCTION**

This digest covers the Chicago State University’s (University) Financial Audit as of and for the year ended June 30, 2024. The University’s State Compliance Examination and Single Audit reports will be separately issued at a later date.

**SYNOPSIS**

- (24-02) The University did not maintain adequate controls over computer security.
- (24-03) The University did not have adequate internal controls to ensure compliance with the Illinois Pension Code.

<p><b>Category 1:</b> Findings that are <b>material weaknesses</b> in internal control and/or a <b>qualification</b> on compliance with State laws and regulations (material noncompliance).</p> <p><b>Category 2:</b> Findings that are <b>significant deficiencies</b> in internal control and <b>noncompliance</b> with State laws and regulations.</p> <p><b>Category 3:</b> Findings that have <b>no internal control issues but are in noncompliance</b> with State laws and regulations.</p>
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**CHICAGO STATE UNIVERSITY**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2024**

REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2024	2023
<b>Operating Revenues</b>		
Student tuition and fees, net.....	\$ 12,504,561	\$ 15,419,279
Federal grants and contracts.....	8,467,290	4,608,518
State and local grants and contracts.....	3,502,559	1,690,968
Nongovernmental grants and contracts.....	950,540	768,617
Auxiliary enterprises.....	4,734,038	4,322,737
Other operating revenues.....	7,182	6,292
Total Operating Revenues.....	30,166,170	26,816,411
<b>Operating Expenses</b>		
Instruction.....	36,338,288	33,008,979
Research.....	1,693,734	996,550
Public service.....	1,025,037	907,969
Academic support.....	6,865,191	5,979,704
Student services.....	4,559,166	3,690,874
Institutional support.....	15,208,638	15,474,900
Operations and maintenance of plant.....	14,893,854	12,433,693
Depreciation.....	5,498,575	5,434,322
Scholarship and fellowship.....	10,594,874	9,215,484
Auxiliary enterprises.....	11,097,295	10,735,021
Total Operating Expenses.....	107,774,652	97,877,496
Operating (Loss).....	(77,608,482)	(71,061,085)
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations.....	42,650,800	40,076,900
Special funding situation.....	7,373,003	4,046,084
On-behalf payments.....	7,770,000	7,189,000
Federal and State nonoperating grants.....	14,992,688	11,838,752
Investment income.....	572,970	499,082
Interest on capital assets - related debt.....	(235,147)	(138,485)
Other, net.....	12,414,435	13,021,222
Increase (Decrease) in Net Position.....	7,930,267	5,471,470
Net position, beginning of year (as previously reported).....	165,298,193	159,826,723
Prior Period Adjustment.....	-	-
Net position, beginning of year (as restated).....	165,298,193	159,826,723
Net position, end of year.....	\$ 173,228,460	\$ 165,298,193
STATEMENT OF NET POSITION	2024	2023
Cash and Cash Equivalents.....	\$ 14,852,919	\$ 11,178,638
Balance in State Appropriation .....	836,250	1,848,967
Capital and Right-of-Use Assets, net.....	168,514,388	160,304,529
Other Assets.....	14,644,438	16,562,951
Total Assets.....	198,847,995	189,895,085
Deferred Outflows of Resources - Pension and OPEB.....	1,485,675	1,956,473
Current Liabilities.....	15,606,949	13,076,173
Other Noncurrent Liabilities.....	8,404,517	9,583,743
Total Liabilities.....	24,011,466	22,659,916
Deferred Inflows For OPEB Expense.....	3,093,744	3,893,449
<b>Net Position</b> .....	\$ 173,228,460	\$ 165,298,193
<b>UNIVERSITY PRESIDENT</b>		
During Audit Period: Ms. Zalduaynaka Scott, Esq.		
Currently: Ms. Zalduaynaka Scott, Esq.		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**WEAKNESSES OVER COMPUTER SECURITY**

The University did not maintain adequate general Information Technology (IT) controls related to its environment and applications.

During testing, we requested the University provide a population of its active servers. In response to this request, the University provided a listing of servers which included decommissioned servers. Due to these conditions, we were unable to conclude the University's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 500.08 and AT-C § 205.36).

**Information Technology (IT) infrastructure was not secured properly**

Despite this limitation, we performed testing on a sample of servers and noted the Information Technology (IT) infrastructure was not secured properly.

**Separated employees have access to the University's environment**

Further, during our testing of the University's controls over access provisioning, we noted separated employees continued to have access to the University's environment. (Finding 2, pages 66-68)  
**This finding has been reported since 2020.**

We recommended the University implement adequate general IT controls related to its environment and applications.

**University officials agreed with our recommendation**

University officials agreed with the recommendation and stated the University acknowledges the need to strengthen controls over its IT environment and applications. University officials further stated the University has initiated a comprehensive review of its identity and access management (IAM) processes to improve offboarding procedures and eliminate reliance on manual and ad-hoc processes. Finally, University officials stated the University was formalizing procedures for server management to ensure accurate inventory tracking and decommissioning.

**INADEQUATE CONTROLS TO ENSURE COMPLIANCE WITH THE ILLINOIS PENSION CODE**

The University did not have adequate internal controls to ensure compliance with the Illinois Pension Code (Code).

**Unable to reconcile populations of retired employees, annuitants and disabled employees**

During testing, we requested the University provide the populations of retired employees, persons receiving a retirement annuity (Annuitant) from the State Universities Retirement System (SURS) and re-employed by the University, and employees who filed for disability benefits during Fiscal Year 2024. The University provided the populations; however,

these populations could not be reconciled to the University's internal records and SURS.

Due to this condition, we were unable to conclude the University's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 500.08 and AT-C § 205.36) to test the University's compliance with the Code.

Even given the population limitations noted above, we performed the testing and noted:

**Incorrectly reported unused sick leave to SURS**

- Two of four (50%) retired employees' unused sick leave ranging 17 and 122 days were incorrectly reported to SURS.

**Re-employed annuitants were not timely reported to SURS**

- Two of two (100%) re-employed annuitants were not timely reported to SURS. The University notified SURS 9 and 347 days late. (Finding 3, pages 69-70)

We recommended the University implement controls to ensure the completeness and accuracy of populations of retirees, re-employed annuitants, and employees who filed for disability benefits. Further, we recommended the University accurately report unused sick leave and timely notify re-employment of annuitants to SURS in accordance with the Code.

**University officials agreed with our recommendation**

University officials agreed with the recommendation and stated the University was working with SURS to reconcile data. Further, University officials stated internal controls would be strengthened to ensure timely reporting.

**OTHER FINDING**

The remaining finding pertains to inadequate internal controls over census data. We will review the University's progress towards the implementation of our recommendations in our next financial audit.

**AUDITOR'S OPINION**

The 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 financial audit 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**

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FRANK J. MAUTINO  
Auditor General

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