

# **Chicago State University**

A COMPONENT UNIT OF THE  
STATE OF ILLINOIS

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## **STATE COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED  
JUNE 30, 2025

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PERFORMED AS SPECIAL  
ASSISTANT AUDITORS FOR THE  
AUDITOR GENERAL,  
STATE OF ILLINOIS

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**STATE COMPLIANCE EXAMINATION**  
**For the Year Ended June 30, 2025**

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The Chicago State University's <i>Financial Audit</i> and <i>Federal Single Audit</i> Reports for the year ended June 30, 2025, were issued under separate covers.	

**CHICAGO STATE UNIVERSITY**  
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**STATE COMPLIANCE EXAMINATION**  
**For the Year Ended June 30, 2025**

**UNIVERSITY OFFICIALS**

President	Ms. Zaldwaynaka Scott, J. D.
Chief of Staff	Ms. Jimell Byrd - Reno
Provost and V.P. for Academic Affairs	Dr. Sonja Feist-Price
V.P., General Counsel, Chief Compliance Officer and V.P. of Legal Affairs (07/01/2025 – Present)	Jason Carter
Interim V.P., General Counsel, Chief Compliance Officer and V.P. of Legal Affairs (05/15/2025 – 06/30/2025)	Jason Carter
Interim V.P., General Counsel, Chief Compliance Officer and V.P. of Legal Affairs (05/01/2025 – 05/14/2025)	Vacant
V.P., General Counsel, Chief Compliance Officer and V.P. of Legal Affairs (07/01/2024 – 04/30/2025)	Sonya Miller
CFO & V.P. of Financial Operations	Ms. Nicole Latimer-Williams
Executive Director/Controller (12/01/2025 – Present)	Ms. Zaneta Dabney
Executive Director/Controller (07/01/2024 – 11/30/2025)	Ms. Evelyn Romero
Chief Internal Auditor (06/01/ 2025 – Present)	James Timberlake
Chief Internal Auditor (07/01/2024 – 05/31/2025)	Vacant

**BOARD OF TRUSTEES**

Chair	Ms. Andrea Zopp, Esq.
Vice Chair	Ms. Angelique David, Esq.
Secretary	Ms. Cheryl Watkins
Member	Mr. Jason Quaira
Member (05/02/2025 – Present)	Ms. Dixie Adams
Member (07/01/2024 – 05/01/2025)	Vacant
Member (05/02/2025 – Present)	Ms. Michelle Gooze-Miller
Member (07/01/2024 – 05/01/2025)	Vacant
Member (06/09/2025 – Present)	Mr. John C. Robak
Member (03/11/2025 – 06/08/2025)	Vacant
Member (07/01/2024 – 03/10/2025)	Mr. Cory Thames
Student Member (07/01/2025 – Present)	Ms. Zariah Franklin
Student Member (07/01/2024 – 06/30/2025)	Ms. Allison Bolden

**UNIVERSITY OFFICE**

The University's primary administrative office is located at:

9501 S. King Drive  
Chicago, Illinois 60628



## MANAGEMENT ASSERTION LETTER

April 15, 2026

Roth & Company, LLP  
540 W. Madison St., Suite 2450  
Chicago, Illinois 60661

Roth & Company, LLP:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Chicago State University (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following specified requirements during the one-year period ended June 30, 2025. Based on this evaluation, we assert that during the year ended June 30, 2025, the University has materially complied with the specified requirements listed below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

**Chicago State University**

**SIGNED ORIGINAL ON FILE**

Ms. Zaldwaynaka Scott, J.D.  
President

**SIGNED ORIGINAL ON FILE**

Ms. Nicole Latimer-Williams,  
Chief Financial Officer & Senior V.P. of Financial Operations

**SIGNED ORIGINAL ON FILE**

Mr. Jason Carter, Esq.  
General Counsel, Chief Compliance Officer &  
V.P. of Legal Affairs

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**STATE COMPLIANCE EXAMINATION**  
**For the Year Ended June 30, 2025**

**STATE COMPLIANCE REPORT**

**SUMMARY**

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	15	14
Repeated Findings	9	12
Prior Recommendations Implemented or Not Repeated	5	4

**SCHEDULE OF FINDINGS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First Reported</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>Current Findings</b>				
2025-001	11	2024/2020	Inadequate Internal Controls over Census Data	Noncompliance and Significant Deficiency
2025-002	16	New	Inadequate Controls over Financial Reporting	Noncompliance and Significant Deficiency
2025-003	18	2024/2020	Weaknesses over Computer Security	Material Noncompliance and Material Weakness
2025-004	21	2024/2023	Inadequate Controls to Ensure Compliance with the Illinois Pension Code	Material Noncompliance and Material Weakness

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Findings</b>				
2025-005	23	New	Failure to Timely Return Title IV Funds	Noncompliance and Significant Deficiency
2025-006	25	2024/2022	Inadequate Controls over Personal Services	Material Noncompliance and Material Weakness
2025-007	30	2024/2016	Inadequate Controls over Contractual Services Expenditures	Material Noncompliance and Material Weakness
2025-008	33	2024/2023	Inadequate Controls over Equipment	Material Noncompliance and Material Weakness
2025-009	36	New	Inadequate Controls over Vehicle Accident Reporting	Material Noncompliance and Material Weakness
2025-010	38	New	Noncompliance with the Illinois Solid Waste Management Act	Noncompliance and Significant Deficiency
2025-011	39	2024/2020	Weaknesses in Cybersecurity Programs and Practices	Noncompliance and Significant Deficiency
2025-012	42	2024/2020	Inadequate Disaster Recovery Process	Noncompliance and Significant Deficiency
2025-013	44	New	Noncompliance with the State Universities Civil Service Requirements	Noncompliance and Significant Deficiency
2025-014	46	2024/2023	Failure to File or Submit Accurate Agency Workforce Report	Noncompliance and Significant Deficiency

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**SCHEDULE OF FINDINGS (CONTINUED)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Findings</b>				
2025-015	48	New	Inadequate Controls over Travel Vouchers	Noncompliance and Significant Deficiency
<b>Prior Findings Not Repeated</b>				
A	50	2024/2022	Failure to Notify Students and Parents Upon Disbursement of Funds	
B	50	2024/2020	Lack of Adequate Controls over Review of Internal Controls over Service Providers	
C	50	2024/2024	Census Data Reconciliation	
D	50	2024/2024	Weaknesses with Payment Card Industry Data Security Standards	
E	51	2024/2022	Weaknesses over Maintenance of Employment Eligibility Verification Forms	

**EXIT CONFERENCE**

The University waived an exit conference in correspondence from Mr. James Timberlake, Chief Internal Auditor, dated February 6, 2026, for Findings 2025-001 through 2025-004, and February 25, 2026, for Finding 2025-005. The responses to the recommendations for Findings 2025-001 through 2025-004 were provided by Mr. James Timberlake, Chief Internal Auditor, in a correspondence dated February 10, 2026. The response to the recommendation for Finding 2025-005 was provided by Mr. James Timberlake, Chief Internal Auditor, in a correspondence dated February 26, 2026.

**CHICAGO STATE UNIVERSITY**  
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**EXIT CONFERENCE (CONTINUED)**

The remaining findings and recommendations appearing in this report were discussed with the University personnel at an exit conference on April 8, 2026.

Attending were:

Chicago State University

Zaldwanayka Scott, J.D., President

Nicole Latimer-Williams, Chief Financial Officer & V.P. of Financial Operations

James Timberlake, Chief Internal Auditor

Zaneta Dabney, Executive Director/Controller

Latasha Larry, Associate Vice President of Human Resources & Chief Culture Officer

Office of the Auditor General

Reddy Bommareddi, CPA, CISA, Senior Audit Manager

Roth & Co, LLP

Aaron Donnelly, CPA, FCA, Partner

Darlene Dizon, CPA, Senior Manager

Joan Angeles, CPA, Supervisor

The responses to the recommendations for Findings 2025-006 through 2025-015 were provided by Mr. James Timberlake, Chief Internal Auditor, in a correspondence dated April 10, 2026.



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Trustees  
Chicago State University

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Chicago State University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2025. Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State

Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the University during the year ended June 30, 2025. As described in the accompanying Schedule of Findings as items 2025-003, 2025-004, and 2025-006 through 2025-009, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2025, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2025-001, 2025-002, 2025-005, and 2025-010 through 2025-015.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Report on Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.



Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-003, 2025-004, and 2025-006 through 2025-009 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-001, 2025-002, 2025-005, and 2025-010 through 2025-015 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 15, 2026



**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-001.     **FINDING**     Inadequate Internal Controls over Census Data

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

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during Fiscal Year 2023 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2024, which is incorporated into the University's Fiscal Year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not developed a process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-001.     **FINDING**     Inadequate Internal Controls over Census Data

- During completeness testing of University faculty data, the auditors identified eight instructors were not reported as eligible to participate in the System and Plan by the University.
- During testing of System records to University records, the University was not able to provide supporting documentation for the significant elements of census data for 2 of 60 (3%) members selected for testing.
- During testing of University records to System records, the auditors identified one instructor was not reported as eligible to participate in the System and the Plan by the University. The auditors also noted the University was not able to provide supporting documentation for the significant elements of census data for 6 of 60 (10%) employees selected for testing.
- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in inaccurate member status (active or inactive) as of fiscal year-end.
  - One new employee hire
  - 22 employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the University's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-001.     **FINDING**     Inadequate Internal Controls over Census Data

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-001.     **FINDING**     Inadequate Internal Controls over Census Data

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University management indicated these exceptions were due to significant turnover in the Human Resources department, resulting in poor record management and inadequate internal control over census data.

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. Finally, failure to maintain adequate supporting documentation inhibits the auditor's ability to verify the accuracy of the data being provided to the actuaries. (Finding Code No. 2025-001, 2024-001, 2023-001, 2022-001, 2021-003, 2020-003)

**RECOMMENDATION**

We recommend the University continue to work with the System to establish the process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

In addition, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Further, we recommend 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.

Finally, we recommend the University maintain the relevant supporting documentation for all employees, especially documentation containing the significant elements of census data.

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-001. **FINDING** Inadequate Internal Controls over Census Data

**UNIVERSITY RESPONSE**

The University agrees with the recommendations. The University will establish the process of annually obtaining the incremental changes recorded by the System in the census data, to reconcile these changes back to the University. The University will work to strengthen controls to ensure that all eligible employees are reported to the System, along with required employee and employer contributions. The University will develop processes to ensure all events occurring within a census data accumulation year are timely reported to the System. The University will maintain supporting documentation for elements of census testing.

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-002.     **FINDING**     Inadequate Controls over Financial Reporting

The Chicago State University (University) did not exercise adequate internal control over its financial reporting.

During our audit of the University's financial statements, we noted the following:

- The University did not properly account for changes in monthly payment amounts related to subscription services resulting in inaccurate balances in various accounts. Specifically, operating expenses were understated by \$207,392, right of use assets were understated by \$218,240, subscription payable was understated by \$207,075, accumulated amortization was understated by \$1,708, and gain on termination was understated by \$216,849.
- The University did not properly implement Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Specifically, the inaccurate calculation and recording of accrued compensated absences resulted in an overstatement of both the accrued liability and related operating expenses by \$3,488,089.

Proposed adjustments to correct these misstatements were recorded by the University.

In accordance with U.S. generally accepted accounting principles (GAAP), including GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, changes in subscription payment terms and services to be evaluated and accounted for as subscription modifications. Such modifications require appropriate remeasurement of the subscription liability and related subscription assets, including corresponding adjustments to accumulated amortization and subscription-related expenses.

Further, GASB Statement No. 101 requires governmental entities to recognize a liability and expense for the amount of vested or accumulated compensated absences that employees are expected to receive as a result of services already rendered. Proper implementation requires that both liabilities and expenses are to be accurately reported in the financial statements.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports. The University's system of internal control should

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-002. **FINDING** Inadequate Controls over Financial Reporting

include procedures that assets, liabilities, revenues, and expenses are properly recorded and presented in the financial statements.

University management indicated the leadership turnover in Finance Office led to inaccurate calculation for GASB Statement No. 96 and GASB Statement No.101 account balances.

Failure to accurately record financial transactions resulted in misstatements of the University's financial statements. (Finding Code No. 2025-002)

**RECOMMENDATION**

We recommend the University strengthen its controls over financial reporting to allow for the accurate preparation of its financial statements in accordance with GAAP.

**UNIVERSITY RESPONSE**

The University agrees with the finding. The University will appropriately account for changes in monthly payment amounts related to subscription services and compensated absences in accordance with applicable GASB standards. The preparation, review, and approval of all accounts will be performed in a timely and consistent manner. In addition, the University will ensure the proper implementation of GASB standards on an ongoing basis.

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS - CURRENT FINDINGS**  
**For the Year Ended June 30, 2025**

2025-003.     **FINDING**     Weaknesses over Computer Security

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

The University had invested in computer hardware and systems and established several critical, confidential, or financially sensitive systems for use in meeting its mission.

*Security of the environment*

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).

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

*Controls over access provisioning*

During our testing of the University's controls over access provisioning, we noted separated employees continued to have access to the University's environment.

This finding was first reported in Fiscal Year 2020. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over computer security.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control, Configuration, and System and Services Acquisition sections, require entities to maintain proper internal controls over the security of the IT environment and access provisioning.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently and effectively and in compliance with applicable law.

University management indicated the issues regarding separated employees having access to the network were due to the University's access deactivation process being manual and relied on coordination between Human Resources and the Information Technology Department. University management further indicated employee access was revoked upon separation; however, user accounts

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2025-003. **FINDING** Weaknesses over Computer Security (Continued)

remain active when individuals also maintain active student status, as student accounts follow a separate offboarding policy. During the audit period, this distinction between employee and student account lifecycles was not consistently documented or clearly distinguishable within the environment.

Further, University management indicated the University did not have fully documented server lifecycle management procedures integrated with configuration and vulnerability management processes resulting in server inventories being not consistently updated to reflect decommissioned or retired systems, leading to incomplete populations used for audit and security management purposes.

In addition, University management indicated the IT infrastructure was not being secured due to not fully formalizing the baseline security configuration standards and exception management practices across all server environments, including legacy system constraints limited the ability to uniformly apply current security requirements.

Failure to have adequate security controls over computing resources increases the risk of unauthorized access to the computing environment and the risk that confidentiality, integrity, and availability of systems and data will be compromised. (Finding Code No. 2025-003, 2024-002, 2023-002, 2022-002, 2021-001, 2020-001)

**RECOMMENDATION**

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

**UNIVERSITY RESPONSE**

University management agrees with the finding and acknowledges the need to strengthen general information technology controls over the University's computing environment and applications. To address these findings, the University has initiated actions to formalize governance, improve documentation, and plan targeted technical improvements.

As part of these efforts, the University will:

- Continue to implement NIST 800-171 as its governance framework to establish standardized security controls and align with industry best practices.

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2025-003.    **FINDING**    Weaknesses over Computer Security (Continued)

- Document distinct account lifecycle procedures and plan a separate account model with unique identifiers for employee and student access to ensure employee accounts can be deprovisioned upon separation even when student status remains active.
- Improve coordination and documentation between Human Resources and Information Technology to support more consistent and timely employee separation notifications.
- Use Tanium to enhance visibility into server inventories, patch status, and lifecycle risks, including systems impacted by application dependencies and testing limitations.

The University remains committed to strengthening its IT control environment and will continue refining its security practices to align with applicable regulatory and industry standards.

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2025-004.    **FINDING**        Inadequate Controls to Ensure Compliance with the Illinois Pension Code

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

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 2025. 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 which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed the testing to determine whether the University accurately reported to SURS about unused sick leave of retired employees, certificates of disability for employees who filed for disability benefits stating the employee is unable to perform the duties, and re-employment of annuitants. During testing, we noted one of seven (14%) retired employees' unused sick leave days totaling 129 days were incorrectly reported to SURS.

This finding was first reported in Fiscal Year 2023. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over the Code.

The Code (40 ILCS 5/15-113.4) requires the University to certify to the SURS Board the number of days of unused sick leave accrued to the employee's credit on the date the employee was terminated.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over State's resources.

University management stated there was a significant turnover of payroll staff which impacted the proper documentation of disability leave and accuracy of reporting unused sick leave in accordance with the Code.

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2025-004.    **FINDING**            Inadequate Controls to Ensure Compliance with the Illinois Pension Code (Continued)

Failure to maintain adequate internal control resulted in noncompliance with the Code and reduced the overall reliability of activity reported in the University's financial statements. (Finding Code No. 2025-004, 2024-003, 2023-003)

**RECOMMENDATION**

We recommend 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 recommend the University accurately report unused sick leave to SURS in accordance with the Code.

**UNIVERSITY RESPONSE**

The University agrees with the finding and will implement controls to maintain accurate records of retirees, re-employed annuitants, and employees who file for disability benefits. The University will also implement controls for accurate reporting of unused sick leave to SURS.

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2025-005.    **FINDING**    Failure to Timely Return Title IV Funds

Federal Agency:	U.S. Department of Education
Assistance Listing Number:	84.268
Program Name:	Student Financial Assistance Cluster: Federal Direct Student Loans
Award Number:	P268K251351
Program Expenditures:	\$19,691,778
Questioned Costs:	None

The Chicago State University (University) did not timely return Title IV funds to the Department of Education (ED).

**Conditions Found**

During our testing of 40 students who withdrew from the University, we noted one student (3%) in which the University’s unearned Direct Loan funds, totaling \$2,015, were not returned within the 45-day timeframe. Specifically, the funds were returned 181 days after the student’s withdrawal date. The sample methods used in performing this testing were not statistically valid.

**Evaluative Criteria**

The Code of Federal Regulations (34 CFR 668.173(b) and 34 CFR 668.22(j)(1)) requires the University to return the amount of Title IV funds for which it is responsible as soon as possible, but no later than 45 days after the date of the University’s determination that the student withdrew.

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal statutes, regulations, and terms and conditions of the federal award. Effective internal controls should include procedures to ensure Title IV funds are returned to the ED in a timely manner.

**Underlying Cause**

University management stated the issue noted was due to oversight when reviewing the student withdrawal spreadsheet.

**Significance**

Failure to timely return Title IV funds to the ED results in noncompliance with federal regulations and may jeopardize the University’s future federal funding. (Finding Code No. 2025-005)

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2025-005. **FINDING** Failure to Timely Return Title IV Funds (Continued)

**RECOMMENDATION**

We recommend the University strengthen its controls to ensure unearned Title IV funds are returned to the ED within the 45-day period.

**UNIVERSITY RESPONSE**

The University agrees with the finding. The delay resulted from an oversight in properly determining that a return to Title IV calculation was required. Upon identification that a calculation was required, the calculation was performed immediately, and unearned funds were returned to the ED. This is an isolated instance and not indicative of a systemic issue; however, to help prevent recurrence, the University has provided staff with guidance to enhance monitoring of the student withdrawal spreadsheet.

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2025-006.    **FINDING**    Inadequate Controls over Personal Services

The Chicago State University (University) did not maintain adequate controls over personal services.

- During review of 60 employees' personnel files, we noted the following:
  - Three (5%) employees' gross pay rates did not agree with the established rate per the State Universities Civil Service System (SUCSS).
  - 42 (70%) employees' W-4 forms could not be located.
  - 18 (30%) employees' federal income taxes were incorrectly calculated. As a result, the discrepancies in withheld federal income tax amounts ranged from \$5 to \$138.
  - Eight (13%) employees' State income taxes were incorrectly calculated. As a result, the discrepancies in withheld State income tax amounts ranged from \$2 to \$29.
  - Two (3%) employees' retirement deductions were incorrectly calculated.
  - Two (3%) employees' payroll records or supporting documents could not be located. As a result, we were unable to determine whether the employees' payroll was accurate.

The Statewide Accounting Management System (SAMS) Manual (Procedure 23.10.30) requires the University to be responsible for completing the payroll voucher each pay period and attest to the employee's rate of pay, gross earnings, deductions, net pay, and other required information on the voucher and file. The SAMS Manual (Procedure 23.10.30) also states that the initial control of each payroll is at the agency level.

The State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of the essential transactions of the University to protect both the legal and financial rights of the State and of persons directly affected by the University's activities.

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2025-006. **FINDING** Inadequate Controls over Personal Services (Continued)

- During testing of 60 employees' timesheets, we noted the following:
  - 27 (45%) employees' timesheets could not be located; therefore, we were unable to determine if the timesheets were timely submitted and approved.
  - 13 (22%) employees' timesheets were not approved by the employee's supervisor.

The University's Employee Handbook, Work Hours and Payroll section, requires managers to review the accuracy and completeness of employee gross pay rates, time reports and leave request forms; monitor, and approve employees' time to ensure they are recording exception time taken; and monitor and approve non-exempt employees' work time to ensure they are adhering to an approved work schedule.

- During testing of 60 employees' overtime records, we noted 60 employees (100%) did not have overtime authorized prior to the scheduled overtime period. Specifically, overtime requests were approved between 12 and 45 days after the scheduled overtime.

The University's Employee Handbook, Work Hours and Payroll section, states employees must receive prior authorization from their manager to work overtime.

- During the review of 60 employees' accrued leave balances, we noted 12 (20%) employees' accrued leave balances were incorrectly calculated, with discrepancies ranging from 6 to 61 hours.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure the University accurately calculates the accrued leave balances of employees.

- During testing of 15 terminated employees, we noted two (13%) employees' lump sum payments lacked adequate supporting documentation. As a result, we were unable to determine whether the lump sum payments were accurately calculated.

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2025-006.     **FINDING**     Inadequate Controls over Personal Services (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure the University properly calculates and adequately supports lump sum payments made to terminated employees to ensure payments are accurate.

- During testing of 60 employees' performance evaluations, we noted the following:
  - 16 (27%) employees' performance evaluations were not completed.
  - Eight (13%) employees' performance evaluations were completed one to 114 days late.
  - One (2%) employee's performance evaluation had no indication of the completion date; therefore, we were unable to determine if the performance evaluation was completed timely.

The University procedures require performance evaluations to be conducted annually within the due dates set forth by the University Human Resource Department or the University Faculty Personnel Action Timetable.

In addition, the Illinois Administrative Code (Code) (80 Ill. Admin. Code 302.270) requires performance records to include an evaluation of employee performance prepared by each agency, not less than annually.

- During testing of employees' training requirements, we noted the following:
  - Four of 799 (1%) employees completed the annual ethics and harassment and discrimination prevention training two to 37 days late.
  - Four of 799 (1%) employees did not complete the annual Identity Protection Act training.
  - 61 of 692 (9%) employees completed the annual Identity Protection Act training one to 48 days late.

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2025-006. **FINDING** Inadequate Controls over Personal Services (Continued)

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-10(a)) requires each officer, member, and employee to complete an ethics training annually. In addition, the Act (5 ILCS 430/5-10.5(a-5)) requires each officer, member, and employee to complete a harassment and discrimination prevention training program annually.

Additionally, the Identity Protection Act (5 ILCS 179/37) requires all employees identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers. The training should include instructions on handling of information that contains social security numbers from the time of collection through destruction of the information.

This finding was first reported during the year ended June 30, 2022. In the subsequent years, the University has been unsuccessful in implementing appropriate corrective action.

University management attributed the errors to staffing constraints and high turnover, which limited management's ability to consistently apply controls.

The review and approval of employee timesheets and overtime timecards is a systematic and uniform approach to ensure no employee is misreporting their time spent on official University business. In addition, failure to approve and maintain timesheets, overtime cards, and W-4 forms, lump sum payments documentation for terminated employees, along with accurately calculating employees' federal and State income withholding taxes, and the appropriate retirement deductions, as well as ensuring that gross pay rates align with SUCSS may result in incorrect compensation for services rendered and results in noncompliance with University policies and State statutes. Failure to timely complete the ethics and harassment and discrimination training may result in employees not recognizing harassment or discrimination and understanding their rights and responsibilities under the Act. Failure to timely complete the Identity Protection Act training may result in employees mishandling information containing social security numbers. Finally, performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Failure to conduct timely employee performance evaluations delays formal feedback on an employee's performance, areas for improvement, and the next year's performance goals and objectives. In addition, employee performance evaluations should serve as a foundation for salary adjustments, promotions, demotions, discharge, layoff, recall, or reinstatement decisions. (Finding Code No. 2025-006, 2024-006, 2023-008, 2022-014)

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2025-006. **FINDING** Inadequate Controls over Personal Services (Continued)

**RECOMMENDATION**

We recommend the University strengthen controls over personal services to ensure employee timesheets and overtime timecards are maintained and approved by their supervisors, and W-4 forms and terminated employees' lump sum payments calculation are properly maintained. In addition, we recommend the University ensure employees' gross pay rates, income withholding taxes, retirement deductions, and accrued leave calculations are accurate. Further, we recommend the University ensure employees complete the required trainings in accordance with the State Officials and Employees Ethics Act and Identity Protection Act. Lastly, we recommend the University enforce monitoring procedures to ensure employee performance evaluations are timely and properly completed.

**UNIVERSITY RESPONSE**

The University agrees with the finding and recommendations. The University will work towards implementing processes to strengthen controls over personal services.

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2025-007. **FINDING** Inadequate Controls over Contractual Services Expenditures

The Chicago State University (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 during the examination period. In response to this request, the University provided a listing of purchase orders issued during the examination period. During testing, we noted the following:

- The University did not maintain an up-to-date list of new and existing contracts effective for the examination period.
- 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.

In addition, the University was unable to provide a listing of interagency agreements.

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 (AT-C § 205.36).

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we obtained the available population provided by the University, selected a sample, and tested for compliance. During our review of 33 contracts (totaling \$3,737,856), including purchase orders, executed during the fiscal year ended June 30, 2025, we noted the following:

- Two contracts (totaling \$231,661) were executed subsequent to the start date of the contracts. The contract execution dates ranged from 15 to 47 days from the commencement of services.
- Two contracts (totaling \$540,000) were not approved by the Board of Trustees.

This finding was first reported during the year ended June 30, 2016. In the subsequent years, the University has been unsuccessful in implementing appropriate corrective action.





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2025-008.     **FINDING**     Inadequate Controls over Equipment

The Chicago State University (University) did not maintain adequate controls over its equipment.

Specifically, we noted the following:

- The University did not submit its Annual Certification of Inventory (Certification) to the Department of Central Management Services (CMS) during Fiscal Year 2025. As a result, we were unable to determine whether the University had any unlocated equipment items during the fiscal year or whether it implemented the prior year recommendation to investigate missing equipment items during its annual inventory count. Additionally, we were unable to trace the 50 equipment items selected during our physical inspection to the Certification due to its non-submission.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.460) requires the University to complete and certify the University's annual physical inventory of State equipment and submit a complete property listing to CMS on dates designated by CMS.

Furthermore, the University Administration and Finance Policies and Procedures Manual on Property Control Management (Policy) states each Fiscal Officer is delegated with the responsibility to retain and account for all assets under their authority. According to the Policy, each Fiscal Officer is required to know the location of all equipment assigned to their fiscal stewardship and ensure such equipment is reasonably secure from possible theft and other hazards. A physical inventory is also to be conducted annually beginning March 31<sup>st</sup> in compliance with CMS rules and regulations and the Fiscal Officer is responsible for providing an explanation and supporting documentation of discrepancies identified.

- During our list to floor testing, we noted four of 25 (16%) equipment items, totaling \$69,192, could not be located. In addition, we noted one of 25 (4%) equipment items amounting to \$193,175 was not properly tagged.

The Statewide Accounting Management System (SAMS) Manual (Procedure 29.10.10) requires the University to maintain detailed property records and update property records as necessary to reflect the current balance of the State property. Such detailed records are to be organized by major asset category and include information such as the location, among others. In addition, the Code (44 Ill. Admin. Code 5010.210) requires the University to mark each piece of State-owned equipment in its possession with a unique identification number.

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2025-008. **FINDING** Inadequate Controls over Equipment (Continued)

- During additions testing, we noted three of 25 (12%) equipment items, totaling \$41,992, were recorded in the University's property records more than 90 days after acquisition, ranging from 94 to 322 days late.

The Code (44 Ill. Admin. Code 5010.400) requires the University to adjust property records within 90 days of acquisition, change, or deletion of equipment.

- During testing of the University's quarterly Agency Report of State Property (Form C-15) for Fiscal Year 2025, we noted one of four (25%) quarterly Forms C-15 was submitted to the Comptroller three days late.

The SAMS Manual (Procedure 29.20.10) requires the Form C-15 to be filed on a quarterly basis and submitted to the Comptroller no later than the last day of the month following the last day of the quarter.

This finding was first reported during the year ended June 30, 2023. In the subsequent years, the University has been unsuccessful in implementing appropriate corrective action.

University management indicated the conditions noted above occurred primarily due to staff transitions within the Controllershship and Property Control functions, which required the transfer of responsibilities and knowledge, combined with staffing and resource constraints across the University during Fiscal Year 2025. These circumstances limited the ability to consistently perform certain inventory control activities in a timely manner, including the submission of required certifications and reports, the timely updating of property records, and the completion and follow-up of annual physical inventory procedures, resulting in the deficiencies noted.

Failure to maintain adequate internal controls over equipment reporting increases the risk that State property may not be properly safeguarded or accurately accounted for. In addition, the inability to locate equipment items, properly tag assets, and timely update property records increases the risk of loss, theft, or misuse of State property. Further, untimely submission of required reports may result in incomplete or inaccurate property records and represents noncompliance with State laws and regulations. (Finding Code No. 2025-008, 2024-005, 2023-007)

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2025-008. **FINDING** Inadequate Controls over Equipment (Continued)

**RECOMMENDATION**

We recommend the University strengthen its internal controls over equipment and property management to ensure equipment transactions are recorded in the property records in a timely manner, equipment items are properly tagged, and all equipment is adequately accounted for and safeguarded. Additionally, the University should ensure required property reports and certifications are accurately prepared and submitted to CMS and the Comptroller in accordance with State requirements.

**UNIVERSITY RESPONSE**

The University agrees with the finding. The University will appropriately strengthen its internal controls over equipment and property management. Additionally, the University will ensure that items are properly tagged, and all equipment is adequately accounted for and safeguarded and ensure that all required reports and certifications are accurately prepared and submitted, timely to CMS and the Comptroller, accordingly.

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2025-009.     **FINDING**     Inadequate Controls over Vehicle Accident Reporting

The Chicago State University (University) failed to maintain adequate internal controls over vehicle accident reports.

We requested the University to provide a population of vehicle accident reports during the examination period. In response to this request, the University provided a population; however, we noted a discrepancy between the University's population and the Auto Liability Report of accidents produced by the Department of Central Management Services' (CMS) database. Specifically, there was one accident reported in CMS' Auto Liability Report, but it was not included in the University's population. Therefore, we noted the University failed to provide a complete and accurate population of accidents that occurred during the examination period.

Due to these conditions, we were unable to conclude the University's population records of automobile accidents were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C §205.36).

However, we tested the entire population of automobile accident reports. Our testing indicated that for one of the three accident reports (33%), the University submitted the Claim Intake Form to CMS 11 days late.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.520(i)) requires the completed Claim Intake Form to be received by the CMS Auto Liability Unit no later than seven calendar days following the accident.

University management stated the accident may have potentially been reported by another State agency, such as the Illinois State Police, and the vehicle operator may not have reported the accident directly to the Campus Police Department.

Failure to submit accident reports timely could delay accident investigations, impair the University's ability to defend against claims, or delay settlements of claims made against the University. Further, without the University providing complete and adequate documentation to enable testing, we were impeded in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the University's compliance with the Code. (Finding Code No. 2025-009)

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2025-009. **FINDING** Inadequate Controls over Vehicle Accident Reporting (Continued)

**RECOMMENDATION**

We recommend the University strengthen controls to ensure it adequately tracks all motor vehicle accidents and to ensure Claim Intake Forms are submitted to CMS within the required timeframe.

**UNIVERSITY RESPONSE**

The University agrees with the audit finding regarding inadequate internal control over accident reporting and will therefore implement standardized procedures, clarify roles and responsibilities, and develop training to appropriate personnel to reinforce compliance requirements.

Enhanced monitoring will be implemented through the introduction of periodic reviews of accident reporting policies and procedures to ensure adherence; additionally centralized documentation and tracking will be implemented to improve accountability, thereby ensuring data reliability.

The developed methodology will improve controls, support compliance and minimize risk associated with accident reporting.

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2025-010. **FINDING** Noncompliance with the Illinois Solid Waste Management Act

The Chicago State University (University) did not comply with the Illinois Solid Waste Management Act (Act).

During our testing, the University was unable to provide a solid waste reduction plan and, as of the end of the audit period, could not demonstrate such a plan had been submitted to the Illinois Environmental Protection Agency (EPA).

The Act (415 ILCS 20/3.1(b)) requires the University to develop a comprehensive waste reduction plan covering a period of 10 years which addresses the management of solid waste generated by academic, administrative, student housing and other institutional functions. The Act (415 ILCS 20/3.1(c)) requires a waste reduction plan to address existing waste generation by volume, waste composition, existing waste reduction and recycling activities, waste collection and disposal costs, future waste management methods, and specific goals to reduce the amount of waste generated that is subject to landfill disposal. The Act states that the plan shall be updated every 5 years, and any proposed amendments to the plan shall be submitted for review and approval to EPA.

University management indicated the issue resulted from staff turnover, which led to a loss of institutional knowledge, and remaining staff were unaware of the requirement to develop and submit the solid waste reduction plan.

Failure to develop and obtain approval of a solid waste reduction plan places the University out of compliance with the Illinois Solid Waste Management Act and increases the risk that solid waste reduction and management activities are not adequately planned, monitored, or aligned with State requirements. (Finding Code No. 2025-010)

**RECOMMENDATION**

We recommend the University develop a comprehensive solid waste reduction plan in accordance with the Act and submit the plan, along with any required updates or amendments, to EPA for review and approval. In addition, we recommend the University establish procedures to ensure the plan is reviewed and updated in compliance with statutory timelines.

**UNIVERSITY RESPONSE**

The University agrees with the finding. The University will develop a comprehensive solid waste reduction plan in accordance with the Act and submit the plan to the required agencies for review and approval.

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2025-011.    **FINDING**    Weaknesses in Cybersecurity Programs and Practices

The Chicago State University (University) did not maintain adequate internal controls related to its cybersecurity programs and practices.

Given the University’s responsibilities, it maintains a substantial amount of personal and confidential information, including Social Security numbers, addresses, and educational records.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the University’s cybersecurity program, practices, and control of confidential information, we noted the University had not:

- Ensured staff and contractors acknowledged their understanding of the University’s information security policies and procedures.
- Performed a comprehensive risk assessment to identify and ensure adequate protection of confidential or personal information.
- Classified its data to ensure adequate protection.
- Ensured adequate implementation and documentation of information security incident response activities.

This finding was first reported during the year ended June 30, 2020. In subsequent years, the University has been unsuccessful in establishing adequate controls related to cybersecurity programs and practices.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST) require entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State’s resources.

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2025-011. **FINDING** Weaknesses in Cybersecurity Programs and Practices (Continued)

Additionally, the University's Security and Awareness Training Policy requires all University staff and employees with access to IT systems to review and sign the IT Division's Acceptable Use Agreement, acknowledging understanding of security responsibilities and best practices to safeguard the University's data.

Further, the University's Security Incident Response Policy requires all staff and employees to promptly report any actual or suspected security incidents. These incidents should be documented, evidence preserved, and analysis activities conducted.

University management indicated the following:

- The University began formalizing policy acknowledgment requirements and implementing a centralized tracking mechanism, full operationalization, and enforcement across all staff and contractors; however, this was not completed during the audit period. As a result, documentation of acknowledgments remained incomplete for certain populations at the time of examination.
- Risk assessment activities were conducted during the audit period; however, the formal enterprise-wide risk management methodology governing scope, frequency, documentation standards, and oversight had not yet been fully operationalized.
- The University had not established or implemented a formal, enterprise-wide data classification framework during the audit period. As a result, roles, accountability, and standardized protection requirements for sensitive and confidential information were not formally defined or consistently applied.
- Incident response procedures were in place during the audit period; however, formal documentation standards and supporting standard operating procedures were not fully developed or consistently documented.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the University's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2025-011, 2024-011, 2023-011, 2022-010, 2021-009, 2020-013)

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2025-011. **FINDING** Weaknesses in Cybersecurity Programs and Practices (Continued)

**RECOMMENDATION**

We recommend the University:

- Ensure staff and contractors acknowledge their understanding of the University’s information security policies and procedures.
- Perform a comprehensive risk assessment to identify and ensure adequate protection of confidential or personal information.
- Classify its data to ensure adequate protection.
- Ensure adequate implementation and documentation of information security incident response activities.

**UNIVERSITY RESPONSE**

The University agrees with the finding and acknowledges certain components of its cybersecurity program were not fully operationalized during the audit period. However, the University has made measurable progress in advancing its cybersecurity posture and establishing a more mature control environment aligned with the NIST framework.

Specifically, the University has initiated and, in some cases, substantially implemented the following:

- Deployment of a centralized mechanism to track and enforce acknowledgment of information security policies and the “Acceptable Use Agreement” across staff and contractors.
- Execution of risk assessment activities, with ongoing efforts to formalize a comprehensive enterprise-wide risk management methodology, including defined scope, documentation standards, and governance.
- Development of a formal data classification framework to standardize the identification and protection of sensitive and confidential information.
- Implementation of incident response procedures, with enhancements in progress to formalize documentation, evidence handling, and reporting protocols.

While these initiatives were in progress during the audit period and not fully complete, the University has established a clear roadmap with defined priorities, governance, and resource allocation to ensure full implementation. The University remains committed to continuous improvement and to addressing this repeat finding by strengthening cybersecurity controls, enhancing accountability, and ensuring alignment with regulatory requirements and industry best practices.

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2025-012. **FINDING** Inadequate Disaster Recovery Process

The Chicago State University (University) did not ensure an adequately updated and tested disaster recovery plan exists for timely recovery of critical computer systems.

The University had a disaster recovery plan (Plan) to guide the University in the recovery of its computing and network facilities in the event of a disaster. However, the Plan was not revised since 2016, and it did not depict the current environment and did not contain detailed steps to recover its environment, applications, and data. Additionally, the University had not adequately documented its disaster recovery testing. Specifically, it did not document the recovery objectives, detailed recovery scripts and time to restore the information system, and the roles and responsibilities.

This finding was first reported during the year ended June 30, 2020. In subsequent years, the University has been unsuccessful in establishing adequate controls related to its disaster recovery.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Contingency Plan section, requires reviewing the contingency plan and updating the plan to address the changes to the organization, system, environment of operation and problems encountered during contingency plan implementation, execution, or testing. The Publication also requires testing of the Plan to determine the effectiveness and readiness to execute the recovery procedures.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

University management indicated due to resource constraints they did not have formal procedures in place to ensure the disaster recovery plan and related documentation were properly developed, periodically reviewed, and updated. As a result, the plan was outdated, did not reflect the current environment, and disaster recovery testing was not adequately documented.

Failure to have an adequately updated and tested disaster recovery plan leaves the University exposed to the possibility of major disruptions to services. (Finding Code No. 2025-012, 2024-012, 2023-012, 2022-011, 2021-010, 2020-014)

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2025-012. **FINDING** Inadequate Disaster Recovery Process (Continued)

**RECOMMENDATION**

We recommend the University update the Plan to depict the current environment along with detailed recovery steps. We also recommend the University adequately document its disaster recovery testing.

**UNIVERSITY RESPONSE**

The University agrees with the finding and acknowledges the disaster recovery plan requires significant updates to reflect the current technology environment and to ensure effective recovery of critical systems. The University recognizes the importance of maintaining a comprehensive, current, and tested disaster recovery capability in alignment with NIST Special Publication 800-53 contingency planning controls.

To address this finding, the University has initiated and will continue the following corrective actions:

- The University will update its disaster recovery plan to accurately reflect the current infrastructure, systems, applications, and data environment. This will include the development of detailed, step-by-step recovery procedures for all critical systems.
- The University will define and document recovery objectives for mission-critical systems.
- The University will formalize roles and responsibilities for disaster recovery to ensure clear accountability during a disruption.
- The University will develop and maintain detailed recovery scripts and procedures to support consistent and timely system restoration.
- The University will implement a formal disaster recovery testing program, including scheduled testing at least annually, and will document all test results, issues identified, and corrective actions taken. The University will establish a formal review cycle to ensure the disaster recovery plan is periodically reviewed and updated to reflect changes in the environment, systems, or organizational structure.
- The University will align its disaster recovery and contingency planning processes with NIST Special Publication 800-53 and NIST Special Publication 800-171 frameworks to ensure adherence to industry best practices.

The University acknowledges prior delays in fully addressing this issue were due to resource constraints. However, leadership has prioritized this effort and is allocating the necessary resources to remediate the finding and strengthen its overall disaster recovery posture.

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2025-013.     **FINDING**       Noncompliance with the State Universities Civil Service Requirements

The Chicago State University (University) did not fully comply with the requirements of the State Universities Civil Service Act (Act) and related regulations.

During our testing, we noted the following:

- For 4 of 4 (100%) employee promotions covered by the State Universities Civil Service System (SUCSS), the University did not maintain documentation supporting the probationary period established by the SUCSS for the promoted positions. As such, we were unable to determine whether the promotions were offered in accordance with SUCSS requirements.

The Act (110 ILCS 70/36j) requires that promotions be made in accordance with rules established by the University Civil Service Merit Board which includes establishment of probationary periods for promotional appointments.

- We also noted the University did not maintain a current and publicly accessible seniority list that includes the names of all status employees in each class in order of their seniority.

The Illinois Administrative Code (80 Ill. Admin. Code 250.120(c)) requires the University to maintain a public and current seniority list that includes the names of all status employees in each class in order of their seniority.

The State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of the essential transactions of the University to protect both the legal and financial rights of the State and of persons directly affected by the University's activities.

University management indicated the University did not have a clear understanding of the Act to maintain the necessary documentation.

Failure to maintain required documentation and records increases the risk that promotion decisions may not comply with statutory and regulatory requirements. In addition, the lack of required records limits transparency and reduces the University's ability to demonstrate compliance with State laws and regulations. Finally, noncompliance with the Act may also result in potential challenges to personnel actions and increased scrutiny by applicable State oversight and regulatory agencies. (Finding Code No. 2025-013)

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2025-013.     **FINDING**       Noncompliance with the State Universities Civil Service Requirements (Continued)

**RECOMMENDATION**

We recommend the University strengthen controls over SUCSS-related personnel processes to ensure required documentation is obtained and retained for probationary periods. We also recommend the University maintain a current, complete seniority list and make it publicly accessible on its website, provide training to staff on SUCSS requirements, and implement periodic monitoring to ensure ongoing compliance with statutory requirements.

**UNIVERSITY RESPONSE**

The University agrees with the finding and recommendations. The University will implement controls to ensure the required documentation is obtained and retained for probationary periods. The University will work toward implementing and maintaining a publicly accessible seniority list.

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2025-014.     **FINDING**           Failure to File or Submit Accurate Agency Workforce Report

The Chicago State University (University) did not have adequate controls over the preparation and submission of required reports, including the Agency Workforce Report.

The University submitted an inaccurate Fiscal Year 2024 Agency Workforce Report (Report) to the Office of the Secretary of State’s Index Department (SOS). Further, we noted the University failed to submit the Fiscal Year 2024 Report to the Office of the Governor.

During our review of the University’s Fiscal Year 2024 Report submitted to the SOS, we noted the following:

- The University did not report the percentage of persons employed within the agency workforce.
- The Report contained five instances where the total number of women employed within the agency workforce was inaccurately reported.
- The Report contained two instances where the total number of women and African American professional employees was inaccurately reported.
- The Report contained two instances where the total number of Caucasian employees employed within the agency workforce was inaccurately reported.
- The University was unable to provide supporting schedules for the Hawaiian/Pacific Islander persons employed within the agency workforce. As such, we were unable to determine the accuracy of information reported in the Report.

The State Employment Records Act (Act) (5 ILCS 410/1 et seq.) requires the University to annually report to the SOS and the Office of the Governor the number of minorities, women, professional employees, and physically disabled persons along with related salary and statistical information to provide State officials and administrators with the information to help guide efforts to achieve a more diversified workforce. The report is to be filed by January 1 of each year with the Office of the Governor and Secretary of State.



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2025-015.     **FINDING**     Inadequate Controls over Travel Vouchers

The Chicago State University (University) did not maintain adequate controls over its travel vouchers.

During testing of 25 travel vouchers, we noted the following:

- Seven (28%) travel vouchers totaling \$40,101 were not approved by the immediate supervisor or receiving officer.
- 15 (60%) travel vouchers, totaling \$75,896, were not approved by the agency head or designated representative.
- Four (16%) travel vouchers totaling \$25,104, could not be located. As such, we were unable to determine whether the travel vouchers were properly approved or accurate.

The University’s policies and procedures state that travel within the State of Illinois is to be authorized and approved by the appropriate fiscal officer prior to the beginning of travel while out-of-State travel requires additional approvals of the Vice President or Provost and President.

Moreover, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. This would include controls over travel of University employees and ensuring expenditures are properly approved.

Additionally, the State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the University designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the University’s activities.

University management indicated that Travel Authorization (TA) routing and approval controls were not consistently followed. Several exceptions were noted where required approvals were not obtained due to staff error in accordance with established procedures. In addition, one TA was expedited for postseason travel with less than five days’ notice, resulting in required signatures being bypassed.

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2025-015. **FINDING** Inadequate Controls over Travel Vouchers (Continued)

Failure to adhere to travel policies and procedures, including maintaining adequate supporting documentation, increases the risk of unauthorized travel, inappropriate use of University funds, and the inability to demonstrate compliance with applicable requirements. (Finding Code No. 2025-015)

**RECOMMENDATION**

We recommend the University strengthen its internal controls to ensure compliance with travel policies and procedures, including proper authorization and the creation and retention of adequate supporting documentation.

**UNIVERSITY RESPONSE**

The University agrees with the finding. The issue was largely attributable to staff turnover and an extended vacancy in key positions, which impacted processing continuity. Since that time, the University has taken corrective action by conducting training with athletics and ensuring the travel policy better reflects the operational nuances of athletic travel while maintaining the required protocols for travel authorizations.

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**SCHEDULE OF FINDINGS - PRIOR FINDINGS NOT REPEATED**  
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A. **FINDING** Failure to Notify Students and Parents Upon Disbursement of Funds

During the prior year, the Chicago State University (University) did not notify the students and parents upon disbursement of Teacher Education Assistance for College and Higher Education (TEACH) Grants and Federal Direct Loan funds.

During the current year, our sample testing did not identify instances of untimely or missing notifications related to the grant and loan disbursements. (Finding Code No. 2024-004, 2023-005, 2022-005)

B. **FINDING** Lack of Adequate Controls over Review of Internal Controls over Service Providers

During the prior year, the University did not have adequate internal controls over its service providers. Specifically, the University did not obtain and review System and Organization Controls (SOC) reports, evaluate Complementary User Entity Controls (CUECs), assess subservice organization controls, or analyze identified control deviations for applicable service providers.

During the current year, our sample testing indicated the University implemented procedures to obtain and review SOC reports to ensure service providers' internal controls are adequate. In addition, the University reviewed SOC reports and monitored relevant CUECs, obtained and reviewed SOC reports for subservice providers or performed alternative procedures and documented and evaluated any control deviations noted. (Finding Code No. 2024-009, 2023-009, 2022-008, 2021-007, 2020-012)

C. **FINDING** Census Data Reconciliation

During the prior year, the University did not complete its annual census data reconciliation and certification.

During the current year, our testing indicated the University completed its annual census data reconciliation and certification and submitted it timely to the State Universities Retirement System (SURS). (Finding Code No. 2024-010)

D. **FINDING** Weaknesses with Payment Card Industry Data Security Standards

During the prior year, the University did not complete all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

During the current year, our testing indicated the University had completed Self-Assessment Questionnaires (SAQ) A, SAQ B, and Attestation of Compliance (AOC) for its programs accepting credit card payments. (Finding Code No. 2024-013)

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E. **FINDING** Weaknesses over Maintenance of Employment Eligibility Verification Forms

During the prior year, the University did not ensure the U.S. Citizenship and Immigration Services (USCIS) Employment Eligibility Verification forms (I-9 Form) were properly maintained.

During the current year, our testing noted fewer instances and less severe cases of noncompliance, indicating improvement in the University's controls over the maintenance of Form I-9; therefore, this finding was reported in the University's *Report of Immaterial Findings*. (Finding Code No. 2024-014, 2023-014, 2022-013)