



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

EASTERN ILLINOIS UNIVERSITY

**Single Audit and Compliance Examination
For the One Year Ended June 30, 2013**

Release Date: March 26, 2014

Summary of Findings:

• Compliance	5
• Financial Audit (released 12-19-13)	0
Total findings:	5
Total last audit:	16
Repeated from last audit:	5

SYNOPSIS

This digest covers our Single Audit and compliance examination of the Eastern Illinois University for the year ended June 30, 2013. A financial audit as of and for the year ending June 30, 2013, was previously released on December 19, 2013.

- The University did not exercise adequate internal controls over the University's vehicles.
- The University needs to improve compliance with the University Faculty Research and Consulting Act.

{Financial data is summarized on the reverse page.}

EASTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION AND SINGLE AUDIT
For the Year Ended June 30, 2013

COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - UNIVERSITY INCOME FUND	FY 2013	FY 2012
Revenues		
Tuition.....	\$ 73,462,814	\$ 74,743,935
Service fees.....	297,836	306,915
Other.....	348,848	1,726,607
Total Revenues.....	<u>74,109,498</u>	<u>76,777,457</u>
Expenses		
Personal services.....	41,353,709	37,358,604
FICA/Medicare.....	1,603,491	1,572,151
Contractual services.....	9,879,615	10,462,638
Travel.....	969,680	963,172
Commodities.....	1,712,050	1,543,911
Student awards/tuition waived.....	10,725,074	8,560,198
Awards, grants and matching funds.....	3,981,325	1,973,062
Equipment and library books.....	2,414,884	2,217,536
Telecommunications.....	334,454	308,942
Operation of automotive equipment.....	249,205	227,718
Permanent improvements.....	4,167,198	2,464,518
Group insurance.....	1,272,450	1,277,043
Compensated absences.....	(297,283)	(777,925)
Total Expenses.....	<u>78,365,852</u>	<u>68,151,568</u>
Excess (deficiency) of revenues over expenses.....	<u>\$ (4,256,354)</u>	<u>\$ 8,625,889</u>
EMPLOYMENT STATISTICS (UNAUDITED)		
	FY 2013	FY 2012
Faculty and Administrative.....	903	910
Civil Service.....	739	754
Student Employees.....	272	290
Total Employees.....	<u>1,914</u>	<u>1,954</u>
ENROLLMENT STATISTICS (UNAUDITED)		
	FY 2013	FY 2012
Fall term enrollment.....	9,064	9,797
Spring term enrollment.....	8,225	8,911
PRESIDENT		
During Examination Period: Dr. William Perry		
Currently: Dr. William Perry		

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

NEED TO IMPROVE CONTROLS OVER VEHICLES

Eastern Illinois University (University) did not exercise adequate internal controls over the University's vehicles.

The auditors noted the following:

- The University did not collect and maintain odometer readings on a regular basis for University owned vehicles.
- The University did not have a policy in place regarding all University-owned vehicles to undergo regular service and/or repairs in order to maintain the vehicles in a road worthy and safe operating condition.

Maintenance policy not in place

During University-owned vehicle maintenance testing, the auditors noted:

- Two of 40 (5%) vehicles tested were driven over 7,000 and 15,500 miles with a year between regular maintenance. The University did not require maintenance records to be submitted for services performed at other locations. Additionally, the second vehicle's maintenance was not performed at regular intervals because the vehicle was not available for service at the time.
- Two of 40 (5%) vehicles did not have recorded odometer readings during Fiscal Year 2013 or vehicle maintenance records. The University did not require maintenance records to be submitted for the services performed at other locations for these vehicles. (Finding 2, pages 20-21)

Regular maintenance not performed

Maintenance records not required

We recommended the University:

- Collect, maintain, and review odometer readings on a regular basis to provide assurance University-owned vehicles are being properly used and whether each vehicle can be justified as the most cost effective solution for the University's specific operational needs;
- Adopt a policy and implement internal controls to ensure all University vehicles undergo regular service and/or repair.

University officials agree with the auditors

University officials agreed with the recommendation, indicating they will continue to centralize responsibility for collecting periodic odometer readings from University vehicles and will work to ensure that each vehicle receives routine maintenance.

NEED TO IMPROVE COMPLIANCE WITH THE UNIVERSITY FACULTY RESEARCH AND CONSULTING ACT

The University did not always ensure compliance with the University Faculty Research and Consulting Act.

During testing, the auditors noted the following:

Approvals to perform outside consulting, research, and employment were submitted late

- Seven of ten (70%) request forms for outside employment were submitted by faculty members between one and 154 days after the outside services began.
- Nine of ten (90%) approvals for outside employment request forms submitted by faculty members were approved by the University's provost between four to 163 days after outside services began.
- Three of ten (30%) full-time faculty members approved for outside employment did not complete an annual statement of the amount of time spent on outside employment with the University's provost. (Finding 3, pages 22-23)

Faculty members did not disclose time spent on outside consulting, research, and employment

We recommended the University enhance the internal controls to ensure faculty members with outside research or consulting services receive written pre-approval to conduct the requested activity and annually disclose time spent on these activities in accordance with State law.

University officials agree with the auditors

University officials agreed with the recommendation and stated they will continue to remind faculty of their responsibilities under this statute. The University would also work with faculty members to provide timely approval of their outside research and consulting services and obtain an appropriate indication of time spent on the outside projects.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the University. We will review the University's progress towards the implementation of our recommendations in our next audit.

AUDITORS' OPINION

The auditors conducted a State compliance examination and federal Single Audit of the University for the year ended June 30, 2013. A financial audit of the University as of and for the year ended June 30, 2013, was previously released.

A handwritten signature in blue ink, appearing to read "William G. Holland", is positioned above a horizontal line.

WILLIAM G. HOLLAND
Auditor General

WGH:mkl

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this engagement were CliftonLarsonAllen, LLP.