



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2019**

Release Date: February 19, 2020

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2018		19-01	
Category 2:	0	1	1				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 2							

INTRODUCTION

This digest covers the University's financial audit as of and for the year ended June 30, 2019. A separate digest covers the University's compliance examination (including the Single Audit) for the year ended June 30, 2019.

SYNOPSIS

- (19-01) The University had computer security weaknesses.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

ILLINOIS STATE UNIVERSITY
FINANCIAL AUDIT
For The Year Ended June 30, 2019

STATEMENT OF NET POSITION	2019	2018
Assets and Deferred Outflows of Resources		
Unrestricted		
Cash and cash equivalents.....	\$ 53,171,079	\$ 56,122,226
Receivables.....	25,184,407	24,280,924
Investments.....	103,781,662	95,815,652
Inventories, prepaid expenses, deposits, and other.....	7,332,088	6,423,274
Restricted		
Cash and cash equivalents.....	10,094,795	4,324,216
Receivables.....	7,282,331	5,672,857
Investments.....	135,654,120	153,554,448
Inventories, prepaid expenses, deposits, and other.....	964,283	2,350,694
Capital assets, net.....	518,501,834	481,692,054
Total.....	<u>861,966,599</u>	<u>830,236,345</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	27,960,245	21,320,938
Bond obligations.....	160,251,415	163,553,776
Other.....	70,730,836	71,385,906
Total.....	<u>258,942,496</u>	<u>256,260,620</u>
Net Position		
Net investment in capital assets.....	364,358,168	318,965,464
Restricted, expendable.....	134,262,553	155,285,243
Unrestricted.....	104,403,382	99,725,018
Total.....	<u>\$ 603,024,103</u>	<u>\$ 573,975,725</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2019	2018
Revenues		
Tuition and fees, net.....	\$ 199,747,193	\$ 200,168,393
State appropriations.....	66,354,100	98,939,700
Auxiliary enterprises.....	90,801,134	85,783,356
Payments on behalf of the University - State.....	35,477,000	170,213,603
Payments on behalf of the University - State.....	46,816,147	-
Other.....	123,822,306	107,135,763
Total.....	<u>563,017,880</u>	<u>662,240,815</u>
Expenses		
Instruction.....	164,879,992	243,231,729
Student services.....	54,189,901	46,326,373
Student aid.....	56,152,680	59,729,198
Auxiliary enterprises.....	64,722,625	60,871,659
Other.....	194,024,304	200,161,752
Total.....	<u>533,969,502</u>	<u>610,320,711</u>
Adjustment for change in accounting principle.....	-	(33,007,666)
Change in net position.....	<u>\$ 29,048,378</u>	<u>\$ 18,912,438</u>
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Larry Dietz		
Currently: Dr. Larry Dietz		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INFORMATION SECURITY WEAKNESSES

The Illinois State University (University) had computer security weaknesses.

During testing, we identified the following information security-related weaknesses:

User access management policies not finalized

- While the University had formed the Office of Identity and Access Management (OIAM), the new OIAM had not finalized its drafting of policies and procedures related to user access management, including ensuring the policies and procedures (1) reflect the University's current environment and (2) address future changes in processes and new systems.

Access reviews not conducted

- The University had not conducted access reviews of all system administrators and processes, including those users with access to the University's primary financial system.

Password change requirements not enforced

- The University was not enforcing its password change requirements for all users. (Finding 1, pages 6-7 in the *Government Auditing Standards* report)

We recommended the University implement adequate security, including:

- finalizing the policies and procedures related to user access management to (1) reflect the University's current environment and (2) address future changes in processes and new systems;
- finalizing the corrective action plan by ensuring all required access reviews are performed, documented, and cover all users, including system administrators; and,
- ensuring password requirements comply with policies and are consistently enforced to all users.

University officials agreed with our recommendation.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2019, are fairly stated in all material respects.

This financial audit was conducted by RSM US LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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