



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2022

Release Date: April 27, 2023

FINDINGS THIS AUDIT: 11	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2021		22-7	
				2020	22-1	22-8	
Category 2:	1	8	9	2019		22-4, 22-5, 22-9	
Category 3:	0	0	0	2018	22-02	22-6	
TOTAL	1	10	11	2012		22-10	
FINDINGS LAST AUDIT: 14				2005		22-11	

INTRODUCTION

This digest covers the Compliance Examination of Illinois State University for the year ended June 30, 2022. A separate digest covering the University's financial audit as of and for the year ended June 30, 2022 was previously released on February 16, 2023. In addition, a separate digest covering the University's Single Audit for the year ended June 30, 2022, was previously released on March 23, 2023, respectively. In total, this report contains 11 findings, three of which were reported within the University's financial audit and single audit.

SYNOPSIS

- (22-07) The University did not run the Illinois Institute for Entrepreneurship Education.
- (22-10) The University did not always ensure compliance with the University Faculty Research and Consulting Act and University policies regarding outside employment.

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

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FAILURE TO RUN THE ILLINOIS INSTITUTE FOR
ENTREPRENEURSHIP EDUCATION**

The Illinois State University (University) did not run the Illinois Institute for Entrepreneurship Education (IIEE).

**Institute transferred to the Chicago
State University in Fiscal Year 2011**

During testing, we noted the University transferred the IIEE to the Chicago State University (CSU) during Fiscal Year 2011. (Finding 7, page 22)

We recommended the University run the IIEE or seek a legislative remedy with CSU to formally transfer the IIEE to CSU.

University officials agree

University officials indicated they will seek legislative support to eliminate the law.

**NONCOMPLIANCE WITH THE UNIVERSITY
FACULTY RESEARCH AND CONSULTING ACT**

The Illinois State University (University) did not always ensure compliance with the University Faculty Research and Consulting Act (Act) and University policies regarding outside employment.

During Fiscal Year 2022, faculty members reported 72 instances of outside employment to the University Provost.

During testing, we noted the following:

**Requests for outside employment
submitted late**

- 28 (39%) instances had the Request for Approval of Secondary/Outside Employment (Form PERS 927) submitted by the faculty member for approval by the University's Provost between 1 to 104 days late.

Approvals by the Provost were late

- 36 (50%) instances had Form PERS 927 approved by the University's Provost between 1 to 104 days late.

**Faculty with outside employment did
not submit a request for approval**

- 46 (64%) instances did not have the Annual Report of Secondary/Outside Employment (Form PERS 928) submitted by the faculty member.
- One (1%) instance had the Form PERS 928 submitted by the faculty member to the University's Provost during September 2022, 15 days late. This lag reduced or eliminated the amount of time available for review and approval by the faculty member's department chair and dean prior to the deadline for receiving final

approval from the University's Provost on September 30, 2022.

- 6 (8%) instances had an approval for outside employment by the University's Provost, but the PERS 927 on file did not have the expected end date of the faculty member's employment.

University officials have been unable to implement corrective action

Further, this finding was first noted during the University's Fiscal Year 2012 State compliance examination. As such, University management has been unsuccessful in implementing a corrective action plan to remedy these deficiencies. (Finding 10, pages 26-27) **This finding has been reported since 2012.**

We recommended the University's Provost take appropriate corrective action and implement internal controls to ensure faculty members with outside research, consulting services, or employment receive written pre-approval to conduct the requested activity and annually disclose the time spent on these activities in accordance with State law and University policy.

University officials agree

University officials indicated they continue to review the process as well as inform faculty of the reporting obligation.

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 State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2022-001 and Finding 2022-002. Except for the noncompliance described in these findings, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by 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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