



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, 2023**

Release Date: February 22, 2024

FINDINGS THIS AUDIT: 3				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2	1	3	2018	23-01		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	2	1	3				
FINDINGS LAST AUDIT: 3							

INTRODUCTION

This digest covers the financial audit of Illinois State University (University) as of and for the year ended June 30, 2023. The University's Single Audit and State compliance examination reports will be separately issued at a later date.

SYNOPSIS

- **(23-01)** The University had multiple 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, 2023**

STATEMENT OF NET POSITION	2023	2022
Assets and Deferred Outflows of Resources		
Unrestricted		
Cash and cash equivalents.....	\$ 170,212,792	\$ 185,754,364
Receivables.....	30,224,497	25,707,075
Investments.....	-	6,005,479
Inventories, prepaid expenses, deposits, and other.....	8,948,043	10,784,862
Restricted		
Cash and cash equivalents.....	46,228,322	30,759,643
Receivables.....	5,339,319	4,686,789
Investments.....	118,484,120	143,939,521
Inventories, prepaid expenses, deposits, and other.....	375,813	338,032
Capital assets, net.....	544,843,270	525,167,053
Deferred outflows of resources.....	3,941,997	5,117,709
Total.....	<u>928,598,173</u>	<u>938,260,527</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	29,133,627	24,057,057
Revenue bonds and certificates of participation.....	173,028,560	188,166,808
Other.....	58,151,569	66,018,960
Deferred inflows of resources.....	16,501,166	8,663,655
Total.....	<u>276,814,922</u>	<u>286,906,480</u>
Net Position		
Net investment in capital assets.....	361,088,385	348,216,068
Restricted, expendable.....	154,939,797	154,460,806
Unrestricted.....	135,755,069	148,677,173
Total.....	<u>\$ 651,783,251</u>	<u>\$ 651,354,047</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2023	2022
Revenues		
Tuition and fees, net.....	\$ 213,954,050	\$ 210,326,094
State appropriations.....	73,125,300	73,122,175
Auxiliary enterprises.....	96,743,929	84,393,773
Payments on behalf of the University - State.....	43,558,000	42,541,000
Special funding situation - Pension and OPEB.....	(4,763,589)	93,853,292
Other.....	151,412,253	165,115,082
Total.....	<u>574,029,943</u>	<u>669,351,416</u>
Expenses		
Instruction.....	152,815,484	190,262,125
Student services.....	53,805,212	63,836,760
Student aid.....	86,815,439	97,353,525
Auxiliary enterprises.....	83,134,462	79,299,569
Other.....	197,030,142	220,303,781
Total.....	<u>573,600,739</u>	<u>651,055,760</u>
Change in net position.....	<u>\$ 429,204</u>	<u>\$ 18,295,656</u>
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Terri Goss Kinzy (07/01/22 - 02/14/23)		
Currently: Interim President Dr. Aondover Tarhule (2/17/23-present)		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INFORMATION SECURITY WEAKNESSES

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

Computer security weaknesses

During testing of University information technology controls, we noted the University:

- Had not developed access provisioning policies documenting the internal controls for all environments and applications.
- Had not developed a policy documenting requirements for an annual review of users' access.
- Had not conducted a review of users' access.
- Had not developed a policy documenting the review of security violation reports to ensure remediation is timely conducted. (Finding 1, pages 5-6) **This finding has been reported since 2018.**

Auditor's Recommendation

We recommended the University implement adequate security, including:

- Approving the updated policies and procedures to (1) reflect the University's current environment and (2) address future changes in processed and new systems; and
- Documenting, during formal user access reviews, the appropriateness of each user's access to the University's applications for all departments'.

Additionally, we recommended the University strengthen its controls to maintain a complete and accurate population of servers, update their servers with the vendors' latest versions of antivirus and operating systems, conduct security assessments over its environment and ensure all security operations are properly configured.

University officials agree

University officials concurred with our finding.

OTHER FINDING

The remaining findings pertain to inadequate internal controls over its service providers and inadequate controls over changes to its environment, applications and data. We will review the University's progress towards the implementation of our recommendations in our next financial audit.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the years ended June 30, 2023, are fairly stated in all material respects.

This financial audit was conducted by FORVIS 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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