

STATE OF ILLINOIS ILLINOIS STATE UNIVERSITY

State Compliance Examination Report
For the Year Ended June 30, 2024

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

**State of Illinois
Illinois State University**

**State Compliance Examination
For the Year Ended June 30, 2024**

Table of Contents

	<u>Page(s)</u>
University Officials	1
Management Assertion Letter	2
State Compliance Report	
Summary	3
Independent Accountant’s Report on State Compliance and on Internal Control over Compliance	6
Schedule of Findings	
Current Finding	9
Prior Findings Not Repeated	29

**State of Illinois
Illinois State University**

**State Compliance Examination
For the Year Ended June 30, 2024**

University Officials

President (03/18/24 – present)
Interim President (02/17/23 – 03/17/24)

Dr. Aondover Tarhule
Dr. Aondover Tarhule

Vice President for Finance and Planning (01/06/2025 – present)
Interim Vice President for Finance and Planning (1/1/24 – 12/31/24)
Vice President for Finance and Planning (07/01/23 – 12/31/23)

Dr. Glen Nelson
Dr. Daniel Petree
Mr. Dan Stephens

Vice President for Academic Affairs and Provost (05/01/24 - present)
Acting Vice President for Academic Affairs and Provost (07/01/23 – 04/30/24)

Dr. Ani Yazedjian
Dr. Ani Yazedjian

Vice President for Student Affairs

Dr. Levester Johnson

Vice President for University Advancement

Mr. Pat Vickerman

Comptroller (12/2/2024 – present)
Comptroller (7/1/23 – 12/31/24)

Mr. Carlos Garcia
Mr. Doug Schnittker

Legal Counsel

Ms. Jeannie Barrett

Director – Internal Audit

Mr. Robert Blemler

Officers of the Board of Trustees

Chair of the Board

Dr. Kathryn Bohn

Secretary of the Board

Dr. Robert Navarro

Members of the Board of Trustees

Member

Dr. Kathryn Bohn

Member

Dr. Robert Navarro

Member

Ms. Julie Annette Jones

Member

Mr. Scott Jenkins

Member

Dr. Lia Merminga

Member

Mr. Darren Tillis

Member

Vacant

Student Member (07/01/24 – present)
Student Member (5/11/24 – 06/30/24)
Student Member (7/1/23 – 05/10/24)

Mr. Ryan Russell
Vacant
Mr. Aselimhe Ebikhumi

Office Location

The University's primary administrative offices are located at:
Hovey Hall
Campus Box 1100
Normal, Illinois 61790-1100



ILLINOIS STATE UNIVERSITY
Illinois' first public university

Vice President for Finance and Planning

302 Hovey Hall
 Campus Box 1100
 Normal, IL 61790-1100
 Office: 309-438-2143

March 10, 2025

Forvis Mazars, LLP
 225 North Water Street, Suite 400
 Decatur, IL 62523

Ladies and Gentlemen:

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 Illinois State 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 Illinois State University's compliance with the following specified requirements during the one-year period ended June 30, 2024. Based on this evaluation, we assert that during the year ended June 30, 2024, the Illinois State University has materially complied with the specified requirements listed below.

- A. The Illinois State 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 Illinois State 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 Illinois State 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 Illinois State 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 Illinois State University on behalf of the State or held in trust by the Illinois State University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois State University

SIGNED ORIGINAL ON FILE

Dr. Aondover Tarnhule, University President

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Dr. Glen Nelson, Vice President Finance and Planning

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Ms. Jeannie Barrett, General Counsel

**State of Illinois
Illinois State University**

**State Compliance Examination
For the Year Ended June 30, 2024**

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 for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)*.

Accountant’s Report

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

Summary of Findings

Number of	Current Report	Prior Report
Findings	13	11
Repeated findings	10	7
Prior recommendations implemented or not repeated	1	4

Schedule of Findings

Item No.	Page	Last/First Reported	Description	Finding Type
Current Findings				
2024-001	9	2023/2018	Information Security Weaknesses	Material Weakness and Material Noncompliance
2024-002	11	2023/2023	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Material Weakness and Material Noncompliance
2024-003	13	2023/2023	Weaknesses in Change Control	Material Weakness and Material Noncompliance
2024-004	14	2023/2019	Weakness in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance

**State of Illinois
Illinois State University**

**State Compliance Examination
For the Year Ended June 30, 2024**

Item No.	Page	Last/First Reported	Description	Finding Type
2024-005	17	2023/2019	Inadequate Business Continuity and Disaster Recovery Planning	Significant Deficiency and Noncompliance
2024-006	19	2023/2021	Failure to Run the Illinois Institute for Entrepreneurship Education	Significant Deficiency and Noncompliance
2024-007	20	2023/2019	Inadequate Control over Training	Significant Deficiency and Noncompliance
2024-008	21	2023/2012	Noncompliance with the University Faculty Research and Consulting Act	Significant Deficiency and Noncompliance
2024-009	23	2023/2005	Noncompliance with the State Officials and Employees Ethics Act	Significant Deficiency and Noncompliance
2024-010	24	2023/2023	Inadequate Controls over Travel Voucher Processing	Significant Deficiency and Noncompliance
2024-011	26	New	Noncompliance with University Guidelines	Significant Deficiency and Noncompliance
2024-012	27	New	Noncompliance with the State Comptroller's Act	Significant Deficiency and Noncompliance
2024-013	28	New	Noncompliance with the Credit Card Marketing Act	Significant Deficiency and Noncompliance
Prior Findings Not Repeated				
A	29	2023/2023	Inaccurate Reporting of Federal Expenditures on the Schedule of Expenditures of Federal Awards	

**State of Illinois
Illinois State University**

**State Compliance Examination
For the Year Ended June 30, 2024**

Exit Conference

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on March 4, 2025. In attendance were:

Illinois State University

Dr. Glen Nelson	Vice President for Finance and Planning
Carlos Garcia	Comptroller
Erika Jones	Assistant Comptroller
Emily Duffield	Chief Accountant
Charles Edamala	Associate Vice President and Chief Information Officer
Dan Taube	Chief Information Security Officer

Office of the Auditor General

Thomas Kizziah	Senior Audit Manager
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Forvis Mazars, LLP

Heather Powell	Partner
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The responses to these recommendations were provided by Ms. Erika Jones, Assistant Comptroller, in a correspondence dated March 10, 2025.

Independent Accountant's Report on State Compliance and on Internal Control over Compliance

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Illinois State University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Illinois 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, 2024. 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.

Honorable Frank J. Mautino
Auditor General

and

Board of Trustees
Illinois State University

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, 2024. As described in the accompanying Schedule of Findings as items 2024-001 through 2024-003, the University had not complied, in all material respects with the 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, 2024, 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 2024-004 through 2024-013.

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.

Honorable Frank J. Mautino
Auditor General

and

Board of Trustees
Illinois State University

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 2024-001 through 2024-003 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 2024-004 through 2024-013 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 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 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

**Decatur, Illinois
March 10, 2025**

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Current Findings

Finding 2024-001 Information Security Weaknesses

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

The University relies on its computing environment for maintaining several critical, sensitive, and/or confidential systems used to meet its mission.

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

- Had not fully developed access provisioning policies documenting the internal controls for all environments and applications.
- Had not fully developed a policy documenting requirements for an annual review of users' access.
- Had not fully developed a policy documenting the review of security violation reports to ensure remediation is timely conducted.

In order to determine if proper security controls had been implemented across the University's environment, we requested a population of servers. Although the University provided a population, documentation demonstrating its completeness and accuracy was not provided. Due to these conditions, we were unable to conclude the Office's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AT-C § 205). Even given the population limitations, we tested the population of servers, noting the University could not provide documentation demonstrating the antivirus and operating system were running the vendors' latest versions.

In addition, our testing noted the University had not ensured all security operations were properly configured.

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 and Configuration Management sections require entities to maintain proper internal controls over access and security of their environment, applications and data.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance 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 officials indicated the IT functions and resources are highly distributed across the institution which require considerably more time to change and improve. University officials also indicated IT is limited in capacity to fully organize the remediation efforts within the portfolio of work efforts required of IT across the institution.

Inadequate controls over changes to the University's environment, applications and data could lead to unauthorized access, unauthorized changes and security risks to its environments, applications and related data. Also, due to the severity of the weaknesses noted, we were unable to rely upon the general IT controls over the environments and applications. (Finding Code No. 2024-001, 2023-001, 2022-002, 2021-002, 2020-003, 2019-001, 2018-002)

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-001 Information Security Weaknesses (continued)

Recommendation

We recommend 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 processes and new systems.

Additionally, we recommend 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, and ensure all security operations are properly configured.

University Response

The University agrees with the observations reported in this finding. With the successful resolution of technical issues included in prior year audit findings, we are now prioritizing the formalization of policies that reflect established process and procedure. We believe that finalizing, publishing, and communicating detailed policies will not only evidence the University's Information Security Program effectiveness, but provide a culture of resiliency across the institution's members.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

**Finding 2024-002 Lack of Adequate Controls over the Review of Internal Controls over
Service Providers**

The Illinois State University (University) did not implement adequate internal controls over its service providers.

We requested the University provide a population of their service providers utilized in order to determine if the University had reviewed the internal controls of its service providers. However, the University was not able to provide such a population. Additionally, we noted the University had not fully developed policies and procedures to ensure their due diligence and monitoring of their service providers. Furthermore, the University did not obtain System and Organization Control (SOC) reports to ensure the internal controls at the service providers had been implemented and were operating effectively. Finally, the University had not conducted a review of the Complementary User Entity Controls (CUEC) and the University's related controls.

Due to these conditions, we were unable to determine if the internal controls of the service providers were adequate, and we were required to perform alternative procedures.

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), Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance 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 officials indicated that the various functions for holistic service provider management are distributed across various departments without a unifying strategy at this time.

Without having obtained and reviewed SOC reports or another form of independent internal control review, the University does not have assurance the service providers' internal controls are adequate and operating effectively. (Finding Code No. 2024-002, 2023-002)

Recommendation

We recommend the University implement controls to maintain a list of all of their service providers and determine and document if a review of the service providers' internal controls were performed, if required.

Additionally, we recommend the University:

- Obtain SOC reports or perform independent reviews of internal controls for all service providers.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

**Finding 2024-002 Lack of Adequate Controls over the Review of Internal Controls over
Service Providers (continued)**

- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the University, and any compensating controls.

University Response

The University agrees and understands that our current approach, primarily focused on sensitive data, does not fully address all considerations and potential risks when utilizing service providers. The University is in the process of developing corrective actions that will improve controls over the review of service providers.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-003 Weaknesses in Change Control

The Illinois State University (University) did not maintain adequate internal controls over changes to its environment, applications and data.

The University had not fully developed a change management policy documenting the internal controls over changes to its environment, applications and data. In addition, the University had not fully implemented a formal Change Management Board.

Further, the approval for changes, including emergency changes, prior to being implemented into production was not maintained.

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), Configuration Management section, require entities to maintain proper internal controls over the changes to the environment, applications and data.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance 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 officials indicated the lack of recent review and assessment of change management procedures and practices resulted in the noted gaps developing.

Inadequate controls over changes to the University's environment, applications and data could lead to unauthorized access, unauthorized changes and security risks to its environments, applications and related data. Also, due to the severity of the weaknesses noted, we were unable to rely upon the general IT control over the environments and applications. (Finding Code No. 2024-003, 2023-003)

Recommendation

We recommend the University implement adequate policies and procedures over changes to the University's environment, applications and data. We also recommend the University maintain documentation that changes are properly approved prior to implementation.

University Response

The University agrees with the observations reported in this finding. While a few items have been addressed, a formal policy was not able to be published in the period between the original delivery of this finding and the end of the review period. We expect to have this finding resolved within the new review period.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-004 Finding – Weakness in Cybersecurity Programs and Practices

The Illinois State University (University) had not fully implemented adequate internal controls related to cybersecurity programs and practices and control of confidential information.

The University utilizes various applications which contain a significant amount of critical and confidential data, such as names, addresses, Social Security numbers, banking information, etc.

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:

- Developed policies regarding configuration management, system development, training, on-boarding, and backup verification and offsite storage.
- Formally reviewed the Policy on Appropriate Use of Information Technology Resources and Systems (Appropriate Use Policy) since 2011.
- Conducted security awareness training.
- Conducted a comprehensive risk assessment or implemented risk reducing controls within the examination period.
- Reviewed their Data Classification Policy since 2015.
- Classified their data in accordance with the data classification methodology.
- Documented the security solutions utilized to monitor the security of their assets.
- Developed a comprehensive cybersecurity plan.

It was also noted the University could not provide a population of vulnerabilities identified during the examination period.

This finding was first identified in the June 30, 2019, Compliance Examination. Since then, the University has not implemented corrective actions.

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) requires 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 all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance 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 officials stated work has begun addressing the items outlined in the finding, however they have not been completed as approvals are still in process as of June 30, 2024.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-004 Finding – Weakness in Cybersecurity Programs and Practices (continued)

The lack of an adequate cybersecurity program and adequate cybersecurity practices could result in unidentified risks and vulnerabilities, which could ultimately lead to the University's confidential and personal information being susceptible to cyberattacks and unauthorized disclosure. (Finding Code No. 2024-004, 2023-005, 2022-004, 2021-003, 2020-007, 2019-005)

Recommendation

We recommend the University:

- Develop policies regarding configuration management, system development, training, onboarding, and backup verification and offsite storage.
- Conduct security awareness training.
- Conduct a comprehensive risk assessment and implement risk reducing controls.
- Review the Appropriate Use Policy and the Data Classification Policy at least annually.
- Classify their data in accordance with the data classification methodology.
- Document the security solutions utilized to monitor the security of their assets.
- Develop a comprehensive cybersecurity plan.
- Strengthen controls to identify the population of vulnerabilities.

University Response

The University acknowledges the weaknesses, underlying causes, and potential risks outlined in the audit finding. The University agrees that the statements are accurate and relevant for the audit review period. We recognize the importance of strengthening our cybersecurity program and are committed to addressing these deficiencies in alignment with regulatory requirements.

The University has made significant strides in closing documentation gaps and implementing critical control improvements, while also prioritizing resource allocation to maximize impact. While competing priorities have influenced our progress, we are actively advancing initiatives to enhance our cybersecurity posture.

The following outlines our current status and corrective actions:

- *Developed policies regarding configuration management, system development, training, onboarding, and backup verification and offsite storage.*
 - The University is formalizing existing IT governance structures to ensure standardized policies are documented and enforced.
- *Formally reviewed the Acceptable Use Policy since 2011*
 - The review process has been initiated, and a revised Acceptable Use Policy is expected to be finalized and approved by the Academic Senate by the end of their FY25 session.
- *Conducted security awareness training.*
 - The security awareness program has been expanded, incorporating updated training modules and interactive phishing simulations. The University is tracking participation rates to determine the best method of distribution for completion.
- *Conducted a comprehensive risk assessment or implemented risk-reducing controls within the examination period.*
 - The University is organizing resources and establishing scope to conduct a comprehensive risk assessment to expand update existing information risk assessments previously conducted.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-004 Finding – Weakness in Cybersecurity Programs and Practices (continued)

- *Reviewed the Data Classification Policy since 2015.*
 - The Data Classification Procedure is under active review by the Data Governance Committee. Proposed revisions are currently undergoing stakeholder review for alignment with institutional data governance initiatives.
- *Classified data in accordance with the data classification methodology.*
 - The review of the Data Governance Procedure has identified improvements to clarify how the default Restricted classification of any new data is to be updated to a final classification under the procedure.
- *Documented the security solutions utilized to monitor the security of their assets.*
 - An inventory of security-related tools and technologies is being compiled, ensuring transparency and accountability of solutions in use.
- *Developed a comprehensive cybersecurity plan.*
 - The University has incorporated cybersecurity references into its existing Information Security Program plan that is based on national standards to more completely communicate the unified strategy.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-005 Finding – Inadequate Business Continuity and Disaster Recovery Planning

The Illinois State University (University) needs to improve its business continuity and disaster recovery planning process.

The University relies on its computing environment for maintaining several critical, financially sensitive, and/or confidential systems used to meet the University's needs.

During testing, we noted:

- The University's business continuity plan did not define specific departmental procedures, recovery point objectives, and recovery time objectives. Additionally, the University had not conducted testing of the business continuity plan.
- The University did not ensure all administrative units had developed and tested contingency plans.

This finding was first identified in the June 30, 2019, Compliance Examination. Since then, the University has not fully implemented corrective actions.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administration controls to provide assurance that University property and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Further 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 Planning section, requires entities to develop and document a business continuity plan addressing roles, responsibilities, and coordination among entities, keeping the plan up to date, and testing the plan.

University officials indicated given both the University's decentralized structure where various units across the campus establish their individual business continuity and disaster recovery plans with the coordination of these plans into one overall plan set by the University's Emergency Management Department and the shared governance process, additional time and resources will be needed to correct these long-standing problems.

Inadequate disaster recovery practices could result in the University not being able to timely recovery its environment, applications, and data. (Finding Code No. 2024-005, 2023-006, 2022-005, 2021-004, 2020-008, 2019-006)

Recommendation

We recommend the University continue working on establishing adequate and tested contingency plans to ensure all critical operations can be recovered within the required timeframe. At a minimum, the plans should reflect the current environment, identify a prioritized list of critical applications and minimum recovery times, outline recovery team responsibilities and contact information, and discuss alternative recovery locations and off-site storage facilities.

In addition, we recommend the plan be tested annually and updated where necessary based upon the test results.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

**Finding 2024-005 Finding – Inadequate Business Continuity and Disaster Recovery Planning
(continued)**

University Response

The University agrees with the auditors' finding and recommendation, and the following actions are being taken to address the finding. In December 2024, the University convened a University Continuity Steering Team which held its first meeting to oversee all University departments developing continuity plans. We have communicated with every department lead on campus and are seeking a point-of-contact to serve as their lead for plan development. The program timeline calls for pilot departments to develop and finalize plans in 2025 and for every other University department to start their plans in 2025, finishing in 2026, at which time the Cabinet will be presented with a summary of efforts. Once plans are adopted, formal exercises will be developed, facilitated, and delivered to validate (and update, if necessary) the continuity plans.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

**Finding 2024-006 Finding – Failure to Run the Illinois Institute for Entrepreneurship
Education**

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

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

The Illinois State University Law (110 ILCS 675/20-115) requires the University run the IIEE to “foster the growth and development of entrepreneurship education in the State of Illinois” and to “help remedy the deficiencies in the preparation of entrepreneurship education teachers, increase the quality and quantity of entrepreneurship education programs, improve instructional materials, and prepare personnel to serve as leaders and consultants in the field of entrepreneurship education and economic development.”

This finding was first identified in the June 30, 2021, Compliance Examination. Since then, the University has not fully implemented corrective actions.

University officials state they came to an agreement with CSU to develop and plan the IIEE. To date, the Board of Trustees of the University and the Board of Trustees of CSU have been unable to enact a change in legislation to reflect this change in responsibility.

Failure to run the IIEE limits the ability of the University's students who become teachers from learning about entrepreneurship education, limits the ability of those teachers to teach their future students about entrepreneurship, and represents noncompliance with State law. (Finding Code No. 2024-006, 2023-007, 2022-007, 2021-007)

Recommendation

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

University Response

The University agrees with the auditors' finding and recommendation and will continue to seek legislative support to eliminate this law.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-007 Finding – Inadequate Control over Training

The Illinois State University (University) did not consistently ensure its employees completed statutory training requirements.

During testing of 40 employees, we noted 5 (13%) new hires within the employee sample had not completed their initial ethics training and sexual harassment prevention training.

The State Officials and Employee Ethics Act (Act) (5 ILCS 430/5-10(c)) requires new employees complete their initial ethics training within 30 days after commencing employment. Further, the Act (5 ILCS 430/5-10.5(a)) requires new employees complete their initial sexual harassment prevention training within 30 days after commencing employment.

University officials stated failure to complete the training was due to the lack of a system to enforce employee compliance for all training courses and employment classifications, as well as oversight by employees and direct supervisors.

Further, this finding was first noted during the University's Fiscal Year 2019 State Compliance Examination. As such, University management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

Good internal controls over compliance include establishing and maintaining a system, or systems, of internal administrative controls to provide assurance the University's operations comply with applicable laws, rules, and regulations.

Failure to ensure employees timely complete ethics and sexual harassment prevention training represents noncompliance with the Act, may hinder efforts to increase awareness of ethics laws and sexual harassment prevention, and could result in employees being unaware of their responsibilities. (Finding Code No. 2024-007, 2023-008, 2022-009, 2021-009, 2020-010, 2019-007)

Recommendation

We recommend the University implement controls to provide assurance employees timely complete training in accordance with applicable State law and retain evidence of their completion of mandated training events.

University Response

The University trained approximately 9,400 employees in calendar year 2024 for the Ethics and Harassment and Discrimination Prevention Training. These training courses, Annual and New Hire, cover all employee classifications. Four of the five exceptions noted were classified as student-workers. In an effort to maintain an effective and efficient training system, the University utilizes an online learning management system to train all employees for both the Annual and New Hire training courses. The University works to ensure employees complete the required training courses. Employees who have not completed the required training courses, and their supervisors, are sent weekly e-mail reminders. The University has procedures in place to train employees and maintain an effective and efficient training system in compliance with the applicable requirements. The University will continue to work to ensure employees are trained timely and in compliance with applicable training requirements.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-008 Finding – 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 and University policies regarding outside employment.

During Fiscal Year 2024, faculty members reported 74 instances of outside employment to the University Provost.

During testing, the auditors noted the following:

- 28 of 74 (38%) instances had the Request for Approval of Secondary/ Outside Employment Form (Form PERS 927) submitted by the faculty member for approval by the University's Provost between 1 to 119 days late.
- 38 of 74 (51%) instances had Form PERS 927 approved by the University's Provost between 1 to 482 days late.
- 24 of 74 (32%) instances did not have the Annual Report of Secondary/Outside Employment (PERS 928) submitted by the faculty member.
- 2 of 74 (3%) instances had the Form 928 submitted by the faculty member to the University's Provost approved between 10 to 27 days late.

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.

The Act (110 ILCS 100/1) prohibits full-time University faculty members from undertaking, contracting for, or accepting anything of value in return for research or consulting services for any person other than the University unless the faculty member:

- 1) has submitted a request to the University President, or designee, which includes an estimate of the amount of time involved;
- 2) received the prior written approval of the University President, or designee, to perform the outside research or consulting services; and,
- 3) submits to the University President, or designee, an annual statement of the amount of time actually spent on outside research or consulting services.

The University President has designated the University's Provost as his designee for approvals and recordkeeping.

In accordance with University Policy 3.3.7, all forms of secondary/outside employment by a faculty member require the prior written approval of the faculty member's department chairperson, dean, and the University Provost before the faculty member can accept outside employment. Further, the instructions for the Form PERS 928 require faculty members with secondary/outside employment submit the Form PERS 928 "no later than August 31 of the following fiscal year for timely routing to the Office of the Provost."

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-008 Finding – Noncompliance with the University Faculty Research and Consulting Act (continued)

In addition, good internal controls over compliance include establishing and maintaining a system, or systems, of internal administrative controls to provide assurance the University's operations comply with applicable laws, rules, and regulations.

University officials indicated these conditions were due to the lack of a system to enforce employee compliance.

Failure to ensure faculty members with outside research, consulting services, or employment obtain written pre-approval from the University's Provost and file annual reports with the University's Provost about the amount of time spent during the preceding fiscal year on outside research, consulting services, or employment represents noncompliance with State law and University Policy 3.3.7 and hinders the oversight of outside activities by the University as intended by the General Assembly. (Finding Code No. 2024-008, 2023-009, 2022-010, 2021-010, 2020-011, 2019-008, 2018-007, 2017-005, 2016-003, 2015-002, 2014-003, 2013-005, 12-5)

Recommendation

We recommend 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 Response

The University agrees with the auditors' finding and recommendation. The University continues to inform faculty of the reporting obligation and will continue to evaluate processes to improve compliance.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-009 Finding–Noncompliance with the State Officials and Employees Ethics Act

The Illinois State University (University) did not require positive time reporting for all employees in compliance with the State Officials and Employees Ethics Act (Act).

During testing, we noted University Policy 1.12 only requires positive time reporting for the University's non-faculty employees. The faculty and graduate students within academic positions, academic/professional employees, and some civil service employees do not report actual hours worked and are only required to report benefit usage time (vacation, sick, etc.) used to the nearest quarter hour.

Further, this finding was first noted during the University's Fiscal Year 2005 State compliance examination. As such, University management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Act requires the Board of Higher Education (Board), with respect to State employees of public universities, to adopt and implement personnel policies. The Act (5 ILCS 430/5-5(c)) states, "The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour." The Board adopted personnel policies for public universities on February 3, 2004, in accordance with the Act. The University has not fully incorporated these policies into the University's policies.

In addition, good internal controls over compliance include establishing and maintaining a system, or systems of internal administrative controls to provide assurance the University's operations comply with applicable laws, rules, and regulations.

University officials stated, as they did in prior years, that the University continues to work with the faculty to bring the University into compliance with the Act.

By not requiring time sheets from all of its employees, the University does not have complete documentation of time spent by employees on official State business as contemplated by the Act. (Finding Code No. 2024-009, 2023-010, 2022-011, 2021-014, 2020-014, 2019-013, 2018-009, 2017-007, 2016-004, 2015-003, 2014-005, 2013-007, 12-6, 11-5, 10-2, 09-1, 08-1, 07-1, 06-2, 05-4)

Recommendation

We recommend the University revise its policy and require all employees to submit time sheets in compliance with State law.

University Response

The University agrees with the auditors' finding and recommendation and will continue to work towards a feasible solution to incorporate compliance. The University will work towards reviewing and revising the policy as needed.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-010 Finding—Inadequate Controls over Travel Voucher Processing

The Illinois State University (University) did not have adequate internal control over its voucher processing function.

During testing of 40 travel vouchers, totaling \$24,192, we noted the following:

- Three (8%) of the tested vouchers, totaling \$373, were approved 1 to 77 days late
- Two (5%), totaling \$311 were paid between 19 and 23 days late
- Five (13%), totaling \$4,953 were submitted by the traveler 1 to 46 days after the last day travel occurred without providing a reasonable cause for the delay.

Good internal controls over compliance include approving or denying a travel voucher within 30 days after receiving and then paying the approved travel voucher within 90 days of receiving.

Internal Revenue Service (IRS) Publication 463, Travel, Gift and Car Expenses, notes employees receiving travel reimbursements must have paid or incurred deductible expenses while performing employment services, adequately accounted for the expenses within a reasonable period of time, generally defined by Publication 463 as within 60 days after the expenses were paid or incurred, and returned any excess reimbursements within 120 days.

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

In addition, good internal controls over compliance include establishing and maintaining a system, or systems, of internal administrative controls to provide assurance the University's operations comply with applicable laws, rules, and regulations.

University officials indicated these exceptions were due to processing delays attributable to staffing levels and required training.

Failure to establish and maintain adequate internal control over voucher processing increases the likelihood errors or other irregularities could occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties, increases the risk liabilities and expenses could be misstated on the University's financial statements, and could result in vendor dissatisfaction. Further, failure to require the timely submission of travel vouchers could result in additional efforts by the University's staff to allocate income to employees who are subject to a nonaccountable plan and represents noncompliance with IRS Publication 535. (Finding Code No. 2024-010, 2023-011)

Recommendation

We recommend the University review its voucher processing function to identify and mitigate processing areas or steps causing delays in the University's approval and payment process. In addition, the University should ensure all travel vouchers are promptly submitted by its travelers in strict adherence with Publication 535 or allocate income to the traveler under a nonaccountable plan.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-010 Finding—Inadequate Controls over Travel Voucher Processing (continued)

University Response

The University acknowledges that continuous staff training is needed to identify when invoices are received to ensure they are approved for payment within 30 days. In addition to training, communications are being sent when invoices that exceed the 30-day mark are reviewed. Additional processes will be developed to engage university departments to ensure invoices are approved in a timely manner.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-011 Finding—Noncompliance with University Guidelines

The Illinois State University (University) is not in compliance with the University Guidelines.

During testing, we noted that the University did not have a policy regarding reserves that is made publicly available.

Section IV A1 of the University Guidelines states that reserves must be established pursuant to publicly available University policies.

University officials indicated they did not create a publicly available policy related to reserve due to oversight.

Failure to make a reserves policy publicly available is in violation of the University Guidelines. (Finding Code No. 2024-011)

Recommendation

We recommend the University create a policy in accordance with the University Guidelines and publish it on their website.

University Response

The University agrees with the auditors' finding and recommendation. To address the finding a policy will be published related to the establishment of reserves that aligns with the bond covenants.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-012 Finding—Noncompliance with the State Comptroller's Act

The Illinois State University (University) is not in compliance with the State Comptroller's Act.

During testing, we noted the University had not submitted payroll warrant information to the Office of the Secretary of State during fiscal year 2024.

The State Comptroller's Act (15 ILCS 405/13.1) requires the University to submit the total number of payroll warrants drawn by the University to be paid from funds retained in their own treasuries with the Office of the Secretary of State.

University officials indicated they were not aware of this requirement.

Failure to provide the required information to the Office of the Secretary of State represents noncompliance with State law. (Finding Code No. 2024-012)

Recommendation

We recommend the University provide the payroll warrant information to the Office of the Secretary of State annually as required.

University Response

The University agrees with the auditors' finding and recommendation. To address the finding the University will add the required payroll information to the report when providing it to the Office of the Secretary of State.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Finding 2024-013 Finding—Noncompliance with the Credit Card Marketing Act

The Illinois State University (University) is not in compliance with the Credit Card Marketing Act.

The University does not have a policy prohibiting it and the University's agents, employees, student groups, alumni organizations, or any affiliates from providing certain student information to a business organization or financial institution for purposes of marketing credit cards.

The Credit Card Marketing Act (110 ILCS 26/25) states Institutions of higher education, including their agents, employees, student groups, alumni organizations, or any affiliates may not provide to a business organization or financial institution for purposes of marketing credit cards the following information about students pursuing an undergraduate education: (i) name, (ii) address, (iii) telephone number, (iv) social security number, (v) e-mail address, or (vi) other personally identifying information.

University officials stated the current policy is not in full compliance with the Credit Card Marketing Act.

Failure to have a policy to specifically prohibit the disclosure of this information represents noncompliance with State law. (Finding Code No. 2024-013)

Recommendation

We recommend the University develop a policy that will cover the requirements listed in the Credit Card Marketing Act.

University Response

The University agrees with the auditors' finding and recommendation. To address the finding the University will work towards creating a policy that specifically addresses the Credit Card Marketing Act.

**State of Illinois
Illinois State University**

**Schedule of Findings
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Prior Findings Not Repeated

A. Finding – Inaccurate Reporting of Federal Expenditures on the Schedule of Expenditures of Federal Awards

During the prior engagement, the Illinois State University (University) did have an adequate process in place to prepare and review its Schedule of Expenditures of Federal Awards prior to providing it to the auditors. (Finding Code No. 2023-004)

Status: Implemented

During the current engagement, the Schedule of Expenditures of Federal Awards was properly reviewed and no errors were noted in the testing of its completeness and accuracy.