

**State of Illinois  
State Universities Retirement System  
(a Component Unit of the State of Illinois)**

**Compliance Examinations of Census Data –  
University Pension and OPEB**

For the Year Ended June 30, 2024  
Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois

**State Universities Retirement System  
of the State of Illinois  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**State Universities Retirement System  
of the State of Illinois  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Chicago State University**

**State of Illinois  
Chicago State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President	Ms. Zaldwaynaka Scott, Esq.
Chief of Staff	Ms. Jimell Byrd-Reno
Provost and V.P. for Academic Affairs	Dr. Sonja Feist-Price
V.P., General Counsel, Chief Compliance Officer & V.P. of Legal Affairs	Ms. Sonya Miller, Esq.
CFO & V.P. of Financial Operations	Ms. Nicole Latimer-Williams
Executive Director/Controller	Ms. Evelyn Romero
Chief Internal Auditor	Vacant

**BOARD OF TRUSTEES**

Chair	Ms. Andrea Zopp, Esq.
Vice Chair	Ms. Angelique David
Secretary	Ms. Cheryl Watkins
Member	Mr. Jason Quiara
Member	Mr. Cory Thames
Student Member	Ms. Allison Bolden

**UNIVERSITY OFFICES**

The University's primary administrative offices are located at:

9501 S. King Drive  
Chicago, Illinois 60628



# CHICAGO STATE UNIVERSITY

## MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Chicago State University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Chicago State University

**SIGNED ORIGINAL ON FILE**

Ms. Zaldwaynaka Scott, J.D., President

**SIGNED ORIGINAL ON FILE**

Ms. Nicole Latimer-Williams, Chief Financial Officer & V.P. of Financial Operations

**SIGNED ORIGINAL ON FILE**

Ms. Sonya Miller, Esq., V.P., General Counsel, Chief Compliance Officer & V.P. of Legal Affairs

**State of Illinois  
Chicago State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Finding</b>				
2024-001	9	2023/2021	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**State of Illinois  
Chicago State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Exit Conference**

The finding and recommendation appearing in this report was discussed with University personnel at an exit conference on February 21, 2025.

Attending were:

**Chicago State University**

Latasha Larry, Associate Vice President of Human Resources & Chief Culture Officer  
Alberta Price, Benefits Manager

**Office of the Auditor General and Special Assistant Auditor**

Thomas Kizziah, Senior Audit Manager – Office of the Auditor General  
Bill Sarb, Partner – RSM US LLP  
Chad McCoy, Manager – RSM US LLP

The response to the recommendations was provided by Latasha Larry, Associate Vice President of Human Resources & Chief Culture Officer, in a correspondence dated March 17, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Chicago State University

Ms. Zaldwaynaka Scott  
President  
State of Illinois, Chicago State University

External Auditors  
State of Illinois, Chicago State University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Chicago 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Chicago State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Chicago State University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not developed a process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.
- During completeness testing of University faculty data, the auditors identified eight instructors were not reported as eligible to participate in the System and Plan by the University.
- During testing of System records to University records, the University was not able to provide supporting documentation for the significant elements of census data for two of sixty (3%) members selected for testing.
- During testing of University records to System records, the auditors identified one instructor was not reported as eligible to participate in the System and the Plan by the University. The auditors also noted the University was not able to provide supporting documentation for the significant elements of census data for six of sixty (10%) employees selected for testing.
- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in inaccurate member status (active or inactive) as of fiscal year-end.
  - o One new employee hire
  - o Twenty-two employee terminations

**State of Illinois  
Chicago State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The State Records Act (5 ILCS 160/8) requires the University to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the University's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

**State of Illinois  
Chicago State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University management indicated these exceptions were due to significant turnover in the Human Resources department, resulting in poor record management and inadequate internal control over census data.

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. Finally, failure to maintain adequate supporting documentation inhibits the auditor's ability to verify the accuracy of the data being provided to the actuaries. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001)

**Recommendation:**

We recommend the University continue to work with the System to establish the process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

In addition, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Further, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

Finally, we recommend the University maintain the relevant supporting documentation for all employees, especially documentation containing the significant elements of census data.

**University Response:**

The University agrees with the recommendations. The University will establish the process of annually obtaining the incremental changes recorded by the System in the census data, to reconcile these changes back to the University. The University will work to strengthen controls to ensure that all eligible employees are reported to the System, along with required employee and employer contributions. The University will develop processes to ensure all events occurring within a census data accumulation year are timely reported to the System. The University will maintain supporting documentation for elements of census testing.

**Eastern Illinois University**

**State of Illinois  
Eastern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President (7/1/23 – Present)	Dr. Jay D. Gatrell
President (7/1/21 – 6/30/23)	Dr. David M. Glassman
Provost and Vice President for Academic Affairs (2/14/24 – Present)	Dr. Ryan C. Hendrickson
Interim Provost and Vice President for Academic Affairs (7/1/23 – 2/13/24)	Dr. Ryan C. Hendrickson
Vice President for Business Affairs (7/6/22 – Present)	Mr. Matthew J. Bierman
Vice President for Student Affairs	Ms. Anne Flaherty
Vice President for University Advancement (2/5/24 – Present)	Ms. Miranda L. Spencer
Vice President for University Advancement (7/1/23 – 2/4/24)	Vacant
Vice President for University Advancement (7/1/21 – 6/30/23)	Mr. Kenneth A. Wetstein
Vice President of Enrollment Management	Mr. Josh L. Norman
Director of Business Services and Treasurer (5/1/23 – Present)	Mr. Michael Hutchinson, CPA
Director of Business Services and Treasurer (7/1/21 – 4/30/23)	Mr. Paul A. McCann
General Counsel (4/18/23 – Present)	Mr. Austin Hill
General Counsel (3/1/23 – 4/17/23)	Vacant
General Counsel (7/1/21 – 2/28/23)	Ms. Laura McLaughlin
Director of Internal Auditing (1/1/24 – Present)	Ms. Natalee Black, CPA
Director of Internal Auditing (5/1/23 – 12/31/23)	Vacant
Director of Internal Auditing (4/4/22 – 4/30/23)	Mr. Chifundo Biliwita, CIA, CFE

**BOARD OF TRUSTEES (as of 6/30/2024)**

Chairperson	Mr. C. Christopher Hicks
Vice Chairperson	Ms. Julie Everett
Secretary	Dr. Audrey Edwards
Member Pro-Tem	Ms. Barbara Baurer
Member	Ms. Joyce Madigan
Member	Dr. Timi Ngoboh
Member	Dr. Bernie C. Rancho
Student Member	Mr. August Biernbaum

**UNIVERSITY OFFICES**

The University's primary administrative offices are located at:

600 Lincoln Avenue  
Charleston, Illinois 61920



Office of the President

600 Lincoln Avenue  
Charleston, Illinois 61920-3099

Office: (217) 581-2011  
Fax: (217) 581-2490

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MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Eastern Illinois University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. Except as identified in the Schedule of Findings, all of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Eastern Illinois University

**SIGNED ORIGINAL ON FILE**

Dr. Jay D. Gatrell, President

**SIGNED ORIGINAL ON FILE**

M. [redacted] an, Vice President for Business Affairs

**SIGNED ORIGINAL ON FILE**

[redacted] ounsel

**State of Illinois  
Eastern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Finding</b>				
2024-001	19	2023/2021	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**Exit Conference**

The University waived an exit conference in correspondence from Michael Hutchinson, Director of Business Services and Treasurer, on March 17, 2025. The response to the recommendation was provided by Michael Hutchinson, Director of Business Services and Treasurer, on March 17, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Eastern Illinois University

Dr. Jay D. Gatrell  
President  
State of Illinois, Eastern Illinois University

External Auditors  
State of Illinois, Eastern Illinois University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Eastern Illinois 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Eastern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Eastern Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not fully developed a process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.
- During completeness testing of University faculty data, the auditors identified six instructors were not reported as eligible to participate in the System and the Plan by the University.
- During cut-off testing of data transmitted by the University to the System, the auditors identified fourteen employee termination events were reported to the System after the close of the fiscal year in which the event occurred, resulting in inaccurate member status (active or inactive) as of fiscal year-end.

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**State of Illinois  
Eastern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials stated that the exceptions were due to turnover within the Human Resources area and a lack of employee training. Many of the exceptions also involved employees with irregular contracts, such as adjunct instructors.

**State of Illinois  
Eastern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001)

**Recommendation:**

We recommend the University continue to work with the System to establish the process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Finally, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**University Response:**

The University agrees with the auditor's recommendation. We continue to work with the State Universities Retirement System to report on differences in the incremental changes for 2023 and 2024 between the University's and SURS' records. The University has also communicated the requirements in the Illinois Pension Code and SURS' regulations to Benefits staff and placed that information in a procedures book maintained by Benefits staff. We will continue to have differences in timely reporting due to employee benefit payouts unless SURS changes its procedures for when they will accept terminations.

**Governors State University**

**State of Illinois  
Governors State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

Interim President (3/1/25 to Present)	Dr. Corey S. Bradford, Sr.
President (through 2/28/25)	Dr. Cheryl F. Green
Vice President for Administration and Finance	Dr. Corey S. Bradford, Sr.
General Counsel and Vice President	Ms. Therese King Nohos
Chief Internal Auditor	Mr. Kristoffer Evangelista, CPA
Associate Vice President for Finance	Ms. Villalyn Baluga, CPA
Vice President for Human Resources	Mr. Joshua R. Allen, MPS, SHRM-SCP
Associate Vice President of Human Resources (7/16/23 to Present)	Ms. Sandra Marak, MA, PHR, SHRM-CP

**OFFICERS OF THE UNIVERSITY BOARD OF TRUSTEES**

Chairman (8/20/24 to Present)	Mr. James Kvedaras
Chairman (8/5/22 to 8/19/24)	Ms. Angela Sebastian
Chairman (7/1/22 to 8/4/22)	Ms. Lisa Harrell
Vice Chairman (8/20/24 to Present)	Ms. Stacy Crook
Vice Chairman (7/1/22 to 8/19/24)	Mr. Kevin Brookins
Secretary (8/20/24 to Present)	Ms. Karen Nunn
Secretary (7/1/22 to 8/19/24)	Mr. James Kvedaras

**UNIVERSITY BOARD OF TRUSTEES**

Trustee (11/27/23 to Present)	Ms. Karen Nunn
Trustee (January 2023 to 11/26/23)	Vacant
Trustee (10/20/23 to Present)	Ms. Stacy Crook
Trustee (1/14/23 to 10/19/23)	Vacant
Trustee (7/1/24 to Present)	Mr. Harish Rayalapati, Student
Trustee (7/1/22 to 6/30/24)	Ms. Lluvia Hernandez-Aguirre, Student
Trustee (7/1/22 to January 2023)	Ms. Lisa Harrell
Trustee (7/1/22 to 1/13/23)	Mr. Pedro Cevallos-Candau
Trustee (1/21/25 to Present)	Vacant
Trustee (7/1/22 to 1/20/25)	Mr. Kevin Brookins
Trustee (4/20/24 to Present)	Vacant
Trustee (7/1/22 to 4/19/24)	Mr. John Brudnak
Trustee (1/21/25 to Present)	Vacant
Trustee (7/1/22 to 1/20/25)	Ms. Angela Sebastian
Trustee	Mr. James Kvedaras
Trustee	Mr. Anibal Taboas

**UNIVERSITY OFFICE**

The University's primary administrative office is located at:

1 University Parkway  
University Park, Illinois 60484

MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Governors State University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Governors State University

**SIGNED ORIGINAL ON FILE**

Dr. Corey S. Bradford, Sr., Interim President

**SIGNED ORIGINAL ON FILE**

Villalyn Baluga, Associate Vice President for Finance

**SIGNED ORIGINAL ON FILE**

Therese King Nohos, General Counsel and Vice President

**State of Illinois  
Governors State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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**Current Finding**

2024-001	29	2023/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance
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**Exit Conference**

The University waived an exit conference in correspondence from Sandra Marak, Associate Vice President for Human Resources, on February 21, 2025. The response to the recommendations was provided by Sandra Marak, Associate Vice President for Human Resources, in a correspondence dated March 17, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Governors State University

Dr. Corey S. Bradford, Sr.  
Interim President  
State of Illinois, Governors State University

External Auditors  
State of Illinois, Governors State University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Governors 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
  - E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Governors State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Governors State University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
  - o Four new employee hires
  - o Thirty-three employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**State of Illinois  
Governors State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University management indicated the late reported events were due to the current process of hiring and compensating adjuncts.

**State of Illinois  
Governors State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001)

**Recommendation:**

We recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

**University Response:**

The University agrees with this finding and accepts the recommendation. The University will continue to establish procedures that will address timely and accurate reporting of census data events to SURS.

**Illinois State University**

**State of Illinois  
Illinois State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President (3/18/24 – Present)  
Interim President (2/17/23 – 3/17/24)  
President (7/1/22 – 2/14/23)

Dr. Andover Tarhule  
Dr. Andover Tarhule  
Dr. Terri Goss Kinzy

Vice President for Finance and Planning (1/6/25 – Present)  
Interim Vice President for Finance and Planning (1/1/24 – 12/31/24)  
Vice President for Finance and Planning (7/1/22 – 12/31/23)

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

Vice President for Academic Affairs and Provost (5/1/24 – Present)  
Acting Vice President for Academic Affairs and Provost  
(2/17/23 – 4/30/24)  
Vice President for Academic Affairs and Provost  
(7/1/22 – 2/17/23)

Dr. Ani Yazedjian

Dr. Ani Yazedjian

Dr. Andover Tarhule

Vice President for Student Affairs  
Vice President for University Advancement  
Comptroller (12/2/24 – Present)  
Comptroller (7/1/22 – 12/31/24)  
Legal Counsel  
Director – Internal Audit  
Associate Vice President – Human Resources

Dr. Levester Johnson  
Mr. Pat Vickerman  
Mr. Carlos Garcia  
Mr. Doug Schnittker  
Ms. Jeannie Barrett  
Mr. Robert Blemler  
Ms. Janice Bonneville

**BOARD OF TRUSTEES**

Chair of the Board (2/10/23 – Present)  
Chair of the Board (7/1/22 – 2/9/23)

Dr. Kathryn Bohn  
Dr. Mary Ann Louderback

Secretary of the Board (2/10/23 – Present)  
Secretary of the Board (7/1/22 – 2/9/23)

Dr. Robert Navarro  
Dr. Kathryn Bohn

Member  
Member  
Member  
Member (2/10/23 – Present)  
Member (7/1/22 – 2/9/23)  
Member (2/10/23 – Present)  
Member (7/1/22 – 2/9/23)  
Member (6/16/23 – Present)  
Member  
Student Member (7/1/24 – Present)  
Student Member (5/11/24 – 6/30/24)  
Student Member (7/1/23 – 5/10/24)

Dr. Kathryn Bohn  
Dr. Robert Navarro  
Ms. Julie Annette Jones  
Mr. Scott Jenkins  
Dr. Mary Ann Louderback  
Ms. Lia Meringa  
Mr. Robert Dowski  
Mr. Darren Tillis  
Vacant  
Mr. Ryan Russell  
Vacant  
Mr. Aselimhe Ebikhumi

**UNIVERSITY OFFICE**

The University's primary administrative office is located at:

Hovey Hall Campus  
Box 1100  
Normal, Illinois 61790-1100



MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Illinois State University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for, and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Illinois State University

**SIGNED ORIGINAL ON FILE**

Dr. Aondover Tarhule, President

**SIGNED ORIGINAL ON FILE**

Dr. Glen Nelson, Vice President for Finance and Planning

**SIGNED ORIGINAL ON FILE**

Jeannie Barrett, General Counsel

**State of Illinois  
 Illinois State University  
 Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	None
Repeated findings	None	None
Prior recommendations implemented or not repeated	N/A	1

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Finding</b>				
2024-001	40	New	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

**State of Illinois  
Illinois State University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Exit Conference**

The finding and recommendation appearing in this report was discussed with University personnel at an exit conference on February 13, 2025.

Attending were:

**Illinois State University**

Carlos Garcia, Comptroller  
Erika Jones, Assistant Comptroller  
Emily Duffield, Chief Accountant  
Janice Bonneville, Associate Vice President, Human Resources  
Kelly Walker, Director, Benefit Services, Human Resources  
Robert Blemler, Director, Internal Audit

**Office of the Auditor General and Special Assistant Auditor**

Thomas Kizziah, Senior Audit Manager – Office of the Auditor General  
Chad McCoy, Manager – RSM US LLP

The response to the recommendations was provided by Erika Jones, Assistant Comptroller, in a correspondence dated March 17, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Illinois State University

Dr. Andover Tarhule  
President  
State of Illinois, Illinois State University

External Auditors  
State of Illinois, Illinois State University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
  - E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Illinois State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Illinois State University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
  - o Two new employee hires
  - o Two employees returning from a leave of absence
  - o One hundred one employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**State of Illinois  
Illinois State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

---

**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials indicated that many of the exceptions occurred due to the absence of the necessary data needed to properly report events which occur near the end of the fiscal year to the System. Efforts are made to report as soon as administratively possible.

**State of Illinois  
Illinois State University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001)

**Recommendation:**

We recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

**University Response:**

The University continues to review and implement procedures to avoid inconsistencies between University records and SURS. The University currently utilizes several methods to ensure timeliness and accuracy of reporting but acknowledges that there is room for improvement in these processes. The University notes that many of the records identified in this finding as untimely are records that cannot be confidently reconciled prior to the end of the fiscal year without creating significant administrative work for both the University and SURS. Data not ordinarily received until August of the following year is required to fully reconcile these records. Such reconciliation is completed as expeditiously as possible once the necessary data is received.

Outside of the records noted above, the University finds no pattern to the delayed reporting. The University will review current queries and data sets to ensure they are extracting the correct information and reiterate to both the internal staff and University campus partners the necessity of timeliness in this process.

**Northeastern Illinois University**

**State of Illinois  
Northeastern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President (6/1/18 to 6/30/23)	Dr. Gloria Gibson
Interim President (7/1/23 to 7/31/24)	Dr. Katrina Bell-Jordan
President (8/1/24 to Present)	Dr. Katrina Bell-Jordan
Vice President for Finance and Administration/Treasurer (12/25/21 to 3/31/24)	Mr. Manish Kumar
Interim Vice President for Finance and Administration/Treasurer (4/1/24 to 3/16/25)	Ms. Beni Ortiz
Vice President for Finance and Administration/Treasurer (3/17/25 to Present)	Ms. Beni Ortiz
University General Counsel (9/20/21 to 10/3/23)	Mr. G.A. Finch
Interim University General Counsel (10/4/23 to Present)	Ms. Nicki Bazer
Director of Internal Audit (9/11/17 to 1/6/23)	Ms. Rita Moore
Director of Internal Audit (1/7/23 to 9/17/23)	Vacant
Director of Internal Audit (9/18/23 to Present)	Ms. Chrystal Temples

**BOARD OFFICERS**

Chair (Member expiration 1/16/23)	Mr. Jim Palos
Chair (Member since 1/17/23, 3/6/23 to 1/29/24)	Mr. Jose Rico
Chair (elected 2/15/24)	Mr. J. Todd Phillips
Vice Chair (Member expiration 1/16/23)	Ms. Sherry Eagle
Vice Chair (Member since 1/17/23, elected 3/6/23)	Mr. Marvin Garcia
Vice Chair (elected 5/28/24)	Ms. Michelle Morales
Secretary (Member expiration 1/16/23)	Mr. Jonathan Stein
Secretary (Member since 1/31/23, elected 3/6/23)	Mr. J. Todd Phillips
Secretary (elected 2/15/24)	Ms. Anna Meresidis

**BOARD MEMBERS**

Member (10/4/06 to 1/16/23)	Mr. Jim Palos
Member (1/17/23 to 1/29/24)	Mr. Jose Rico
Member (10/4/06 to 1/16/23)	Mr. Carlos Azcoitia
Member (1/17/23 to 1/30/23)	Vacant
Member (Appointed 1/31/23)	Dr. Paula Wolff
Member (2/27/17 to 1/16/23)	Ms. Sherry Eagle
Member (1/17/23 to 3/15/23)	Vacant
Member (Appointed 3/16/23)	Ms. Betty Fleurimond
Member (3/28/11 to 1/30/23)	Mr. Jonathon Stein

**State of Illinois  
Northeastern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**BOARD MEMBERS (Continued)**

Member (Appointed 1/31/23)	Mr. J. Todd Phillips
Member (5/16/19 to 1/31/23)	Mr. Charles Serrano
Member (2/1/23 to 8/6/23)	Vacant
Member (Appointed 8/7/23)	Mr. Anna Meresidis
Member (5/6/19 to 9/20/24)	Mr. Marvin Garcia
Member (10/18/24 to present)	Mr. Carlos Garcia
Member (5/6/19 to present)	Ms. Ann Kalayil
Member (7/1/22 to 3/15/23)	Vacant
Member (Appointed 3/16/23)	Ms. Michelle Morales
Member (7/1/22 to 5/21/23)	Vacant
Member (Appointed 5/22/23)	Mr. Jorge Leon
Member (1/30/24 to present)	Vacant
Student Member (7/1/22 to 6/30/23)	Ms. Shyrice Howell
Student Member (7/1/23 to 6/30/24)	Mr. Edwin Medina

**UNIVERSITY OFFICE**

The University's primary administrative office is located at:

5500 N. St. Louis Avenue  
Chicago, Illinois 60625

MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Northeastern Illinois University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

5500 North St. Louis Avenue  
Chicago, IL 60625-4699  
Phone: (773) 583-4050

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Northeastern Illinois University

**SIGNED ORIGINAL ON FILE**

Dr. Katrina Bell-Jordan, President

**SIGNED ORIGINAL ON FILE**

Beni Ortiz, Vice President for Finance and Administration/Treasurer

**SIGNED ORIGINAL ON FILE**

Nicki Bazer, Interim University General Counsel

**State of Illinois  
 Northeastern Illinois University  
 Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Finding</b>				
2024-001	51	2023/2021	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**Exit Conference**

The University waived an exit conference in correspondence from Christy Temples, Director of Internal Audit, on February 17, 2025. The response to the recommendations was provided by Christy Temples, Director of Internal Audit, in a correspondence dated March 13, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Northeastern Illinois University

Dr. Katrina Bell-Jordan  
President  
State of Illinois, Northeastern Illinois University

External Auditors  
State of Illinois, Northeastern Illinois University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Northeastern Illinois 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Northeastern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Northeastern Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by the System to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from System the incremental changes recorded by System in their census data records and reconcile these changes back to the University's internal supporting records.
- During completeness testing of University faculty data, the auditors identified twelve instructors were not reported as eligible to participate in the System and the Plan by the University.
- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
  - o Two new employee hires
  - o Forty-six employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

**State of Illinois  
Northeastern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University management indicated the errors were due to competing priorities during the implementation of Workday and the impact of staff turnover, resulting in delays.

**State of Illinois  
Northeastern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001)

**Recommendation:**

We recommend the University continue to work with the System to complete a base year reconciliation of complete and accurate census data. Once completed, establish the process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Finally, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**University Response:**

The University agrees with the recommendation.

**Northern Illinois University**

**State of Illinois  
Northern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President	Lisa C. Freeman
Executive Vice President and Provost	Laurie Elish-Piper
Vice President for Administration and Finance and Chief Financial Officer	George Middlemist
Vice President for Research and Innovation Partnerships (7/1/24 to Present)	Richard Mocarski
Vice President and General Counsel	Bryan Perry
Vice President for Enrollment Management, Marketing and Communications	Sol Jensen
Vice President for Outreach, Engagement, and Regional Development	Rena Cotsones
Vice President for University Advancement	Catherine Squires
Director of Internal Audit (7/1/23 to 8/31/24)	Danielle Schultz
Internal Audit Volunteer Agreement for Interim Period/ Assistant Director of Internal Audit (9/1/24 to 9/30/24)	Danielle Schultz/Natalie Hoyt
Director of Internal Audit (10/1/24 to Present)	Christine Monteiro

**FINANCIAL MANAGEMENT**

Associate Vice President for Finance and Treasury (through 1/1/25)	Shyree Sanan
Associate Vice President Finance and Budget (1/6/25 to Present)	Brian Caputo
Controller	Jason Askin
Deputy Controller	Greg Martyn
Financial Reporting Manager	Kathy Marshall

**BOARD OF TRUSTEES**

Chair	Montel Gayles
Vice Chair	John R. Butler
Secretary	Dennis L. Barsema
Trustee	Eric Wasowicz
Trustee	Rita Athas
Trustee	Veronica Herrero
Trustee	Leland Strom
Student Trustee	Aidan O'Brien

**UNIVERSITY OFFICE**

The University's primary administrative office is located at:

300 Altgeld Hall  
Dekalb, Illinois 60115



MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Northern Illinois University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

**Your Future. Our Focus.**

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Northern Illinois University

**SIGNED ORIGINAL ON FILE**

Dr. Lisa C. Freeman, President

**SIGNED ORIGINAL ON FILE**

George Middlemist, Vice President for Administration and Finance and Chief Financial Officer

**SIGNED ORIGINAL ON FILE**

Bryan Perry, Vice President and General Counsel

**State of Illinois  
Northern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Finding</b>				
2024-001	61	2023/2021	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**Exit Conference**

The University waived an exit conference in correspondence from Miriah Ranken, Interim Associate Director, Business Operations and Compliance, on January 27, 2025. The response to the recommendations was provided by Jason Askin, Controller, in a correspondence dated March 12, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Northern Illinois University

Lisa C. Freeman  
President  
State of Illinois, Northern Illinois University

External Auditors  
State of Illinois, Northern Illinois University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Northern Illinois 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
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  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Northern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Northern Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not fully developed a process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.
- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in inaccurate member status (active or inactive) as of fiscal year-end.
  - o Two new employee hires
  - o One employee going on a leave of absence
  - o Forty-nine employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**State of Illinois  
Northern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials indicated that the exceptions occurred due to untimely notification of an employee's separation to Human Resource Services. This resulted in delays in processing status changes for employees separating from the University at the end of the fiscal year. The reconciliation of incremental changes was a project initiated by the System. The University was asked to complete it without the ability to plan for the increased capacity and already has been operating with acute staffing constraints. Given these constraints, the project has taken longer than anticipated.

**State of Illinois  
Northern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001)

**Recommendation:**

We recommend the University continue to work with the System to establish the process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Further, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**University Response:**

Accepted. The University will incorporate the need for timely notifications of temporary employees not returning to work to Human Resources in upcoming supervisor training sessions and Human Resource Services' official reminders of business procedures. The University will also explore the option of automating the termination of temporary employees at the end of their contract period. While the University is still operating with acute staffing constraints and multiple priority projects, staffing has been identified and aligned to complete the reconciliations for FY22 – FY24. The University has also developed a systematic program to help aid in the reconciliation of pensionable earnings data going forward. The University will explore if additional programs/reports can be developed to expedite the review of demographic and status changes for future years reconciliation. The University recognizes that the delay in this reconciliation causes frustration but has been actively communicating our progress to SURS officials. The University plans to finalize the FY22 reconciliation on March 30, 2025; the FY23 reconciliation on April 30, 2025; the FY24 reconciliation on May 30, 2025.

**Southern Illinois University**

**State of Illinois  
Southern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President	Dr. Daniel Mahony
Senior Vice President for Financial and Administrative Affairs	Duane Stucky
General Counsel	Lucas Crater
Executive Director, Internal Audit (thru 12/31/24)	Kimberly Labonte
Interim Executive Director, Internal Audit (1/1/25 to Present)	Jamie Grapperhaus
SIUC Chancellor	Austin Lane
SIUE Chancellor	James T. Minor

**BOARD OFFICERS**

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary	Subhash Sharma
Secretary to the Board	Paula Keith

**GOVERNING BOARD MEMBERS**

Trustee	Edgar Curtis
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Sara Salger
Trustee	Subhash Sharma
Trustee	John Simmons
Trustee	Roger Tedrick
Student Trustee (7/1/24 to Present)	Hannah Connolly
Student Trustee (1/27/25 to Present)	Moayad Abuzaneh
Student Trustee (7/1/24 to 12/2/24)	Kaia Ford
Student Trustee (7/1/23 to 6/30/24)	Lauren Harris
Student Trustee (7/1/23 to 6/30/24)	Victor Ludwig

**UNIVERSITY OFFICE**

The University's primary administrative offices are located at:

Southern Illinois University Carbondale  
1263 Lincoln Dr.  
Carbondale, Illinois 62901

Southern Illinois University Edwardsville  
1 Hairpin Dr.  
Edwardsville, Illinois 62025



Southern Illinois University System  
ONE SYSTEM | MANY LOCATIONS | STATEWIDE IMPACT

MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Southern Illinois University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Southern Illinois University

**SIGNED ORIGINAL ON FILE**

267CCE7DFBE400  
Dr. Daniel Mahony, President

**SIGNED ORIGINAL ON FILE**

267CCE7DFBE400  
Duane Stucky, Senior Vice President for Financial and Administrative Affairs

**SIGNED ORIGINAL ON FILE**

267CCE7DFBE400  
Lucas Crater, General Counsel

**State of Illinois  
Southern Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	None
Repeated findings	None	None
Prior recommendations implemented or not repeated	N/A	1

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Finding</b>				
2024-001	71	New	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

**Exit Conference**

The University waived an exit conference in correspondence from Jamie Grapperhaus, Interim Executive Director, Internal Audit, on February 9, 2025. The response to the recommendations was provided by Jamie Grapperhaus, Interim Executive Director, Internal Audit, in a correspondence dated March 10, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Governing Board  
State of Illinois, Southern Illinois University

Dr. Daniel Mahony  
President  
State of Illinois, Southern Illinois University

External Auditors  
State of Illinois, Southern Illinois University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Southern Illinois 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
  - E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a material weakness.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Southern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

---

**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Southern Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- While the University had performed an initial complete reconciliation of its census data recorded by the System to its internal records, the University had not developed a University-wide process to annually obtain from the System the incremental changes recorded by the System in the census data records and reconcile these changes back to the University's internal supporting records.
- During completeness testing of University faculty data, the auditors identified eight instructors were not reported as eligible to participate in the System and the Plan by the University.
- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
  - o Three new employee hires
  - o Four employees going on a leave of absence
  - o One hundred sixty-five employee terminations

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

**State of Illinois  
Southern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials indicated that the exceptions occurred due to the difficulty in timely reporting events which occur near the end of the fiscal year to the System, while efforts are made to report as soon as administratively possible. Additionally, terminations of term faculty members are reported subsequent to the determination and review of reappointment status.

**State of Illinois  
Southern Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001)

**Recommendation:**

We recommend the University strengthen controls to ensure to establish a University-wide process of annually obtaining from the System the incremental changes recorded in the census data records and reconcile these changes back to the University's internal supporting records. If differences are noted between the University's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

Finally, we recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**University Response:**

Accepted. SIU complies with and has processes for the reporting, documentation, eligibility, and contribution requirements as soon as administratively possible. The University will continue strengthening efforts and controls to reconcile System data to University data. This includes using a monthly file provided by the System to ensure the accuracy of System data compared to University data. Differences will be reported promptly and rectified.

The University strives to report all events within the census data accumulation year. However, events that occur late in the fiscal year or are not reported to Human Resources by departments on time may result in reporting in the next fiscal year.

**University of Illinois**

**State of Illinois  
University of Illinois  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President	Timothy L. Killeen
Chancellor and Vice President, University of Illinois – Urbana-Champaign	Robert J. Jones
Chancellor and Vice President, University of Illinois – Chicago	Marie Lynn Miranda
Chancellor and Vice President, University of Illinois – Springfield	Janet L. Gooch
Associate Vice President for Business and Finance and Controller, Deputy Comptroller	Brent Rasmus
Executive Director of University Audits	Julie A. Zemaitis

**BOARD OF TRUSTEES**

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University Counsel	Paul N. Ellinger
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Member	Patricia Brown Holmes
Member	Wilbert C. Milhouse, III
Member	Sarah Phalen
Member	Jesse H. Ruiz
Member	Tami Craig Schilling
Student Member – University of Illinois – Urbana-Champaign	Sanchita Teeka
Student Member – University of Illinois – Chicago	Mohammed Haq
Student Member – University of Illinois – Springfield	Kyle Ingram



## MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the University of Illinois (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
  
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

University of Illinois

**SIGNED ORIGINAL ON FILE**

Timothy L. Killeen, President

**SIGNED ORIGINAL ON FILE**

Paul N. Ellinger, Vice President, Chief Financial Officer and Comptroller

**SIGNED ORIGINAL ON FILE**

Scott E. Rice, University Counsel

**State of Illinois  
University of Illinois  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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**Current Finding**

2024-001	81	2023/2021	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance
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**Exit Conference**

The University waived an exit conference in correspondence from Brent Rasmus, Controller and Associate Vice President for Business and Finance, on March 10, 2025. The response to the recommendations was provided by Brent Rasmus, Controller and Associate Vice President for Business and Finance, in a correspondence dated March 12, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, University of Illinois

Timothy L. Killeen  
President  
State of Illinois, University of Illinois

External Auditors  
State of Illinois, University of Illinois

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, University of Illinois (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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
University of Illinois  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The University of Illinois (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- During cut-off testing of data transmitted by the University to the System, the auditors identified the following events were reported to the System after the close of the fiscal year in which the event occurred, resulting in improper exclusion or inaccurate member status (active or inactive) as of fiscal year-end.
  - o Twenty-three new employee hires
  - o Four employees going on a leave of absence
  - o Fourteen employees returning from a leave of absence
  - o Two hundred seventy-seven employee terminations
- During completeness testing of University faculty data, the auditors identified one instructor was not reported as eligible to participate in the System and the Plan by the University.

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**State of Illinois  
University of Illinois  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Additionally, eligibility criteria for participation in the System under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in the System. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, and is:

1. Not a student employed on a less than full-time temporary basis;
2. Not receiving a retirement or disability annuity from the System;
3. Not on military leave;
4. Not eligible to participate in the Federal Civil Service Retirement System;
5. Not currently on a leave of absence without pay more than 60 days after the termination of the System's disability benefits;
6. Not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hire on or after July 1, 1979;
7. Not a patient in a hospital or home;
8. Not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
9. Not providing military courses pursuant to a federally funded contract where the University has filed a written notice with the System electing to exclude these persons from the definition of employee;
10. Currently on lay-off status of not more than 120 days after the lay-off date;
11. Not on an absence without pay of more than 30 days; and
12. A nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in the System, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to the System. Further, the Code (40 ILCS 5/15-155(b)) requires the University to remit employer contributions to the System reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, we noted participation in the OPEB is derivative of an employee's eligibility to participate in the System, as members of the System participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials indicated transactions impacting this census data accumulation period were not reported in a timely manner because many, but not all, of the census data processes are automated. The processes that must be reported manually are sometimes delayed due to significant workload at the unit level and labor-intensive manual reporting procedures.

**State of Illinois  
University of Illinois  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data, as well as employee and employer contributions are reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to the System and Plan may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001)

**Recommendation:**

We recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

Further, we recommend the University strengthen controls to ensure all eligible employees are reported to the System and State, along with any required employee and employer contributions.

**University Response:**

Accepted. The University has numerous controls which ensure census data provided to SURS is accurate and timely for the University's 34,000 employees eligible for SURS and OPEB benefits. However, the University acknowledges its controls over census data did not always operate as intended. The University will continue to enhance controls to improve the timeliness of reporting employee events impacting pension and OPEB census data.

**Western Illinois University**

**State of Illinois  
Western Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**UNIVERSITY OFFICIALS**

President (12/6/24 – Present)	Dr. Kristi Mindrup
Interim President (4/1/24 – 12/5/24)	Dr. Kristi Mindrup
President (7/1/23 – 3/31/24)	Dr. Guiyou Huang
Interim Provost and Academic Vice President (11/1/23 – Present)	Dr. Mark A. Mossman
Provost and Academic Vice President (7/1/22 – 10/31/23)	Dr. Manoochehr Zoghi
Vice President for Student Success, Interim (4/29/24 – Present)	Mr. Justin Schuch
Vice President for Student Success (8/1/22 – 4/28/24)	Mr. John Smith
Vice President for Finance and Administration (10/1/24 – Present)	Ms. Ketra M. Roselieb
Interim, Vice President for Finance and Administration (7/1/24 – 9/30/24)	Mr. John Smith
Vice President for Finance and Administration (7/1/23 – 6/30/24)	Mr. Paul Edwards
Vice President for Quad Cities Campus Operations (7/1/20 – 3/31/24) <i>(position discontinued 04/1/24)</i>	Dr. Kristi Mindrup
Executive Director of Financial Affairs <i>(position discontinued 10/1/24)</i>	Ms. Ketra M. Roselieb
Director of Financial Affairs, Controller	Ms. Jessica R. Dunn
Director of Internal Auditing (1/9/23 – Present)	Ms. Rita Moore
Interim General Counsel (9/16/23 – Present)	Ms. Victoria R. Smith
General Counsel (7/1/21 – 9/15/23)	Ms. Elizabeth Duvall

**BOARD OF TRUSTEES**

Chair	Carin Stutz, Chicago
Vice Chair	Polly Radosh, Good Hope
Secretary	Cody Cornell, Columbia
Member	Kisha M.J. Lang, Maywood
Member	Kirk Dillard, Hinsdale
Member	Doug Shaw, Peoria
Member	Derek Wise, Venice
Member	Erika Lowe Mullins, Chicago

**UNIVERSITY OFFICES**

The University's offices are located at:

Macomb Campus 1 University Circle Macomb, Illinois 61455-1390	Quad Cities Campus 3300 River Drive Moline, Illinois 61265-1746
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MANAGEMENT ASSERTION LETTER

March 26, 2025

RSM US LLP  
1450 American Lane, Suite 1400  
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Western Illinois University (University) and reporting their significant elements of census data and related employer and employee contributions within the State Universities Retirement System (System) and the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the University's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the University has materially complied with the specified requirements listed below.

- A. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System. The significant elements of census data of the System include each employee's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender;
  - plan choice;
  - pay for the year tested; and,
  - earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System. The significant elements of census data of the Plan include each member's:
  - social security number;
  - first and last name;
  - date of birth;
  - gender; and,
  - earned service credit.

**Vice President for Finance & Administration**

Sherman Hall 200, 1 University Circle, Macomb, IL 61455-1390  
Tel 309.298.2073

- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
- E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

**SIGNED ORIGINAL ON FILE**

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Dr. Kristi Mindrup, President

**SIGNED ORIGINAL ON FILE**

340456ED9081403...  
Ketra M. Roselieb, Vice President for Finance and Administration

**SIGNED ORIGINAL ON FILE**

9280521C377C43F...  
Victoria R. Smith, Interim General Counsel

**State of Illinois  
Western Illinois University  
Compliance Examination of Census Data**

**For the Year Ended June 30, 2024**

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**Compliance Report**

**Summary**

The 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*.

**Accountant’s Report**

The Independent Accountant’s Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

<b>Number of</b>	<b>Current Report</b>	<b>Prior Report</b>
Findings	1	None
Repeated findings	None	None
Prior recommendations implemented or not repeated	N/A	N/A

**Schedule of Findings**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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**Current Finding**

2024-001	91	New	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance
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**Exit Conference**

The University waived an exit conference in correspondence from Deanna Eden, Financial Reporting and Payroll Manager, Assistant Comptroller, on February 13, 2025. The response to the recommendation was provided by Deanna Eden, Financial Reporting and Payroll Manager, Assistant Comptroller, in a correspondence dated March 13, 2025.

**Independent Accountant's Report  
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Honorable Susana M. Mendoza  
Comptroller  
State of Illinois

Board of Trustees  
State of Illinois, Western Illinois University

Dr. Kristi Mindrup  
President  
State of Illinois, Western Illinois University

External Auditors  
State of Illinois, Western Illinois University

Board of Trustees  
State Universities Retirement System

Ms. Suzanne Mayer  
Executive Director  
State Universities Retirement System

Ms. Raven DeVaughn  
Director  
State of Illinois, Department of Central Management Services

External Auditors  
State of Illinois, Department of Central Management Services

**Report on Compliance**

As Special Assistant Auditors for the Auditor General of the State Universities Retirement System (System), we have examined compliance by management of the State of Illinois, Western Illinois 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:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the State Employees' Group Insurance Program (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan 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. All of the University's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender;
  - e. plan choice;
  - f. pay for the year tested; and,
  - g. earned service credit.
- C. The changes in significant elements of census data for employees required to be enrolled in the Plan, in accordance with the individual employee's election to participate, occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the University to CMS through the System.

The significant elements of census data of the Plan include each member's:

- a. social security number;
  - b. first and last name;
  - c. date of birth;
  - d. gender; and,
  - e. earned service credit.
- D. The employee contributions remitted by the University to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.
  - E. The employer group insurance contributions, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the University for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 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.

In our opinion, the University complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2023;
2. the proportionate share allocation year for the System ended June 30, 2024;
3. the census data accumulation year for the Plan administered by CMS ended June 30, 2023; and,
4. the proportionate share allocation year for the Plan ended June 30, 2024.

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 item 2024-001.

The University's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

*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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2024-001, that we consider to be a significant deficiency.

The University's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The University's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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**

Schaumburg, Illinois  
March 26, 2025

**State of Illinois  
Western Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data**

The Western Illinois University (University) did not have adequate internal control over reporting its census data to provide assurance that the census data submitted to the State Universities Retirement System (System) and State Employees' Group Insurance Program (Plan) was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the pension plan administered by the System and the Plan sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by the System, along with census data for other participating members provided by the State's four other pension systems, to prepare their projection of the liabilities of the Plan. Finally, the System's actuary and CMS' actuary used census data transmitted by the University during fiscal year 2023 to project pension and OPEB-related balances and activity at the plans during fiscal year 2024, which is incorporated into the University's fiscal year 2025 financial statements.

During the performance of the census examination, the auditors noted the following:

- During cut-off testing of data transmitted by the University to the System, we noted sixteen employee termination events were reported to the System after the close of the fiscal year in which the event occurred, resulting in inaccurate member status (active or inactive) at fiscal year-end.

The result of the errors above led to inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the errors immaterial to the plan level valuations as a whole.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

University management indicated the late reported events were due to the current process to delay termination reporting until it is evident that adjunct instructors are not returning for the next term.

**State of Illinois  
Western Illinois University  
Compliance Examination of Census Data  
Schedule of Findings**

**For the Year Ended June 30, 2024**

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**Finding No. 2024-001 Inadequate Internal Controls over Census Data (Continued)**

Failure to ensure that complete and accurate census data is reported to the System and the State reduces the overall reliability of the pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. (Finding Code No. 2024-001)

**Recommendation:**

We recommend the University strengthen controls to ensure all events occurring within the census data accumulation year are reported timely to the System so these events can be incorporated into the census data utilized in the annual actuarial valuation process.

**University Response:**

The University agrees with the finding. The Payroll department has improved controls to report termination of adjunct instructors in a timely manner.