

UNIVERSITY OF ILLINOIS

A Component Unit of the State of Illinois

State Compliance Examination

Year Ended June 30, 2022

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

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

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April 6, 2023

RSM US LLP
Certified Public Accountants
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, regulations, contracts, or grant agreements that could have a material effect on the operations of the University of Illinois (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following specified requirements during the one-year period ended June 30, 2022. Based on this evaluation, we assert that during the year ended June 30, 2022, the University has materially complied with the specified requirements listed below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

University of Illinois

SIGNED ORIGINAL ON FILE

Timothy L. Killeen
President

SIGNED ORIGINAL ON FILE

Paul Ellinger
Vice President, Chief Financial Officer and Comptroller

SIGNED ORIGINAL ON FILE

Thomas R. Bearrows
University Counsel

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General.

ACCOUNTANT'S REPORT

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

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report(s)</u>
Findings	19	23
Repeated Findings	11	11
Prior Recommendations Implemented or Not Repeated	12	8

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	10	2021/2020	Inadequate Internal Controls over Census Data	Material Weakness and Material Noncompliance
2022-002	14	2021/2021	Inadequate Controls over Fiduciary Fund Accruals	Material Weakness and Material Noncompliance
2022-003	16	2021/2009	Inadequate Controls over Revenue and Expense Accruals	Material Weakness and Material Noncompliance
2022-004	19	New	Weaknesses in Controls over Electronic Health Record System	Material Weakness and Material Noncompliance
2022-005	21	2021/2021	Excess Cash - SFA	Significant Deficiency and Noncompliance
2022-006	22	2021/2020	Errors in Reporting for NSLDS	Significant Deficiency and Noncompliance
2022-007	24	New	Late Submission of Annual Reporting	Significant Deficiency and Noncompliance

UNIVERSITY OF ILLINOIS
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STATE COMPLIANCE REPORT

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-008	25	New	Timing of Subrecipient Payments	Significant Deficiency and Noncompliance
2022-009	27	New	Federal Funding Accountability and Transparency Act Reporting	Significant Deficiency and Noncompliance
2022-010	29	New	Inadequate Support for Procurement	Significant Deficiency and Noncompliance
2022-011	31	2021/2008	Inadequate Controls over University Procurement Card Transactions	Significant Deficiency and Noncompliance
2022-012	33	2021/2005	Failure to Follow Time Reporting Requirements	Significant Deficiency and Noncompliance
2022-013	35	2021/2020	Noncompliance with the Illinois Articulation Initiative	Significant Deficiency and Noncompliance
2022-014	36	2021/2021	Untimely Vehicle Accident Reporting	Significant Deficiency and Noncompliance
2022-015	38	New	Contracts and Lease Agreements Not Property Executed	Significant Deficiency and Noncompliance
2022-016	40	2021/2021	Inadequate Controls over Compliance with the State Officials and Employees Ethics Act	Significant Deficiency and Noncompliance
2022-017	41	2021/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2022-018	42	New	Inadequate Controls over Remote Access	Significant Deficiency and Noncompliance
2022-019	43	New	Weaknesses over Reviews of SOC Report Reviews	Significant Deficiency and Noncompliance

UNIVERSITY OF ILLINOIS
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STATE COMPLIANCE REPORT

SCHEDULE OF FINDINGS

Prior Findings Not Repeated

A	44	2021/2021	Blue Cross Managed Care Settlement Liability Reserves
B	44	2021/2021	Patient Accounts Receivable Allowances
C	44	2021/2021	Amortization of Premiums Related to Debt
D	44	2021/2020	Untimely Submission of HEERF Reporting
E	45	2021/2021	HEERF Student Aid Disbursements
F	45	2021/2021	Inadequate Documentation of Reconciliation Reviews-SFA
G	45	2021/2021	Perkins Loan Recordkeeping
H	45	2021/2017	Failure to Maintain Adequate Records Substantiating Written Notices
I	45	2021/2017	Noncompliance with the Illinois Health Policy Center Act
J	46	2021/2020	Weaknesses in Computer Security
K	46	2021/2021	Weakness in Disaster Recovery

EXIT CONFERENCE

The University waived an exit conference in correspondence from Jennifer Erikson, Senior Associate Director for Business and Finance, on March 28, 2023. The responses to the recommendations for findings 2022-001 through 2022-004 were provided by Ginger Velazquez, Executive Director for Business and Finance of the Office of Business and Financial Services, in a correspondence dated January 26, 2023. The responses to the recommendations for findings 2022-005 through 2022-019 were provided by Jennifer Erikson, Senior Associate Director for Business and Finance, in correspondences dated February 28, 2023 and March 30, 2023.

**Independent Accountant’s Report
on State Compliance and on Internal Control
over Compliance**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
University of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the 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 the year ended June 30, 2022. Management of the University is responsible for the University’s compliance with the specified requirements. Our responsibility is to express an opinion on the University’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirement applicable to the University during the year ended June 30, 2022. As described in the Schedule of Findings as items 2022-001 through 2022-004, the University has not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirement described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2022, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2022-005 through 2022-019.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-001 through 2022-004 to be material weaknesses.

A *significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-005 through 2022-019 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
April 6, 2023

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-001 Inadequate Internal Controls over Census Data

The University of Illinois (University) did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans 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 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 valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting the 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 the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program 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 SURS, along with census data for the other participating members provided by the State's four other pensions plans, to prepare their projection of the liabilities of CMS' plan. Finally, SURS' actuary and CMS' actuary used census data transmitted by the University during Fiscal Year 2020 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2021, which is incorporated into the University's Fiscal Year 2022 financial statements.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS 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 SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.
- During our cut-off testing of data transmitted by the University to SURS, we noted 126 instances of an active employee becoming inactive, 3 instances of an inactive employee becoming retired, 3 instances of an inactive employee becoming active, 2 instances of an active employee becoming retired, and 2 instances of a change in service credit were reported to SURS after the close of the fiscal year in which the event occurred. SURS determined the potential impact of each change in service credit was off between $\frac{1}{4}$ of a year to $2\frac{1}{4}$ year. There were also 10 instances previously reported that impacted the June 30, 2020 census data.
- We noted 5 employees were not reported as eligible to participate in SURS by the University until Fiscal Year 2021. SURS determined the total potential impact of this error was each employee's service credit was off between $\frac{3}{4}$ of a year to $1\frac{3}{4}$ year.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-001 Inadequate Internal Controls over Census Data (continued)

We provided SURS' actuary and CMS' actuary with the exceptions we identified during our testing, along with the results of census data testing at the State Employees Retirement System of Illinois, and determined the net effect of these errors, along with the errors of other plan participants, was immaterial to SURS' and CMS' pension and OPEB-related balances and activity at the plans during Fiscal Year 2021.

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

Additionally, eligibility criteria for participation in SURS 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 SURS. 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:

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 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 SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired 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 SURS electing to exclude these persons from the definition of an 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 SURS, 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 SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-001 Inadequate Internal Controls over Census Data (continued)

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

University officials indicated the base year reconciliation process was not established by SURS until Fiscal Year 2021, which was completed by the University in July 2022. Transactions impacting this census data accumulation period were not reported in a timely manner because of coding issues used in certain automated processes, significant workload at the unit level, and the impact of processing leave associated with the COVID-19 pandemic.

Failure to ensure complete and accurate census data was reported to SURS reduces the overall reliability of 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 SURS 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. 2022-001, 2021-001, 2020-001)

Recommendation

We recommend the University continue to work with SURS to complete the base year reconciliation of Fiscal Year 2021 active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Further, we recommend the University ensure all events occurring within a census data accumulation year are timely reported to SURS so these events can be incorporated into the census data provided to SURS' actuary and CMS' actuary.

Finally, we recommend the University ensure all eligible employees are reported to SURS, along with any required employee and employer contributions.

University Response

Accepted. With 69,000 employees, the University has numerous electronic and manual controls in place to ensure that employees who are eligible for SURS and OPEB are identified correctly. The University also has numerous controls over census data for the University's 30,000 employees eligible for SURS and OPEB benefits.

However, the University acknowledges its controls over census data did not always ensure timely reporting of employee events to SURS. Controls for determining pension and OPEB eligibility did not always operate as intended. In addition, the unprecedented nature of the COVID-19 pandemic significantly impacted the timeliness and volume of leave processing.

**UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois**

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-001 Inadequate Internal Controls over Census Data (continued)

The University will continue to enhance controls to improve the timeliness of reporting certain employee events impacting pension and OPEB census data, and will strengthen processes for determining pension and OPEB eligibility. The University has worked with SURS to complete its initial 2021 census data reconciliation and is eager to work with SURS to develop the annual reconciliation process for incremental census data changes.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-002 Inadequate Controls over Fiduciary Fund Accruals

The University of Illinois (the University) did not have controls in place to ensure that addition and deduction accruals were appropriately identified and recorded in the fiduciary fund statements.

The University implemented GASB Statement No. 84, *Fiduciary Activities* in Fiscal Year 2021. Implementing this statement required the University to analyze potential fiduciary activities and report full accrual financial statements for these activities. In Fiscal Year 2022, the University concluded that certain transactions relating to software licenses were not recorded properly in the prior year as amounts were being partially deferred when the entire transactions should be recorded when it occurs as the fiduciary fund does not own the license.

To correct this error, the University restated opening fiduciary net position for the software license additions and deductions that should have been recognized in the prior year. The restatement included reductions of \$12,115,000 of prepaid deductions and \$4,815,000 of unearned additions from the prior year, resulting in a reduction of opening net position of \$7,300,000.

In addition to the restatement noted above, during current year testing of 55 fiduciary deductions totaling \$38,192,194, we noted three transactions (5%), totaling \$800,471, were recorded as deductions in Fiscal Year 2022, but should have been partially recorded as deductions in Fiscal Year 2023 at an amount of \$752,082.

Upon discovery of these errors, the University re-analyzed the related fiduciary accruals and concluded that \$806,304 of expenses should have been recorded as prepaid expense in Fiscal Year 2023 and \$688,903 of additional expense should be accrued to Fiscal Year 2022. Management elected to record the adjusting entry for this error.

Generally accepted accounting principles require transactions to be reported in the period they are incurred. Additionally, 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 controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. The University's system of internal controls should include procedures to ensure expenses and revenues are recognized in the appropriate reporting period.

University officials indicated the processes to identify accrual transactions for fiduciary funds and prepare the fiduciary fund full accrual statements were not as robust as processes utilized for the University's financial statements during the first couple of years presenting fiduciary statements.

As a result of the lack of internal control in this area, the University's draft fiduciary fund financial statements were materially misstated. (Finding Code No. 2022-002, 2021-004)

Recommendation

We recommend the University review its process for fiduciary activity to assess the existence of current period accruals and consider changes necessary to ensure all accruals are accurately identified and recorded for presentation in the University's financial statements.

**UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois**

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-002 Inadequate Controls over Fiduciary Fund Accruals (continued)

University Response

Accepted. The University will further enhance controls related to accruals for its third-party fiduciary funds.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-003 Inadequate Controls over Revenue and Expense Accruals

The University of Illinois (the University) has not established adequate controls over accurately identifying and recording revenue and expense accrual transactions for financial reporting purposes.

During our audit, we noted the University's procedures to identify and record both revenue and expense accruals includes a review of cash receipts and disbursements, both during the year and after year-end through the issuance of the financial statements. This review includes coding transactions which pertain to multiple fiscal years within the general ledger system. University Accounting and Financial Reporting (UAFR) will then post year-end journal entries to appropriately defer the identified revenue and expense transactions. In addition to the review of receipts and disbursements, UAFR also requires individual units to identify and report known accrual and deferral transactions at fiscal year-end for certain fund types.

During our test work over 61 educational activity revenue transactions totaling \$156,880,550, we noted the following:

- Three transactions (5%), totaling \$7,502,740, that were recorded as revenues for Fiscal Year 2022, but should have been partially accrued as of Fiscal Year 2021 at an amount of \$3,205,340.

The estimated projected impact of these errors is an understatement of opening net position and an overstatement of revenue of \$12.2 million. Management elected not to record the adjusting entry for these errors.

During our test work over 41 medical service plan revenue transactions totaling \$3,102,304, we noted the following:

- Six transactions (15%), totaling \$366,978, were recorded as revenues for Fiscal Year 2022, but should have been partially accrued as of Fiscal Year 2021 at an amount of \$230,907.

Upon discovery of these cutoff errors, the University re-analyzed the medical service plan accruals and concluded that \$2,011,034 of revenue recorded in Fiscal Year 2022 should have been recorded in Fiscal Year 2021. Also, \$2,807,017 of revenue recorded in Fiscal Year 2023 should have been recorded in Fiscal Year 2022. Management elected not to record the adjusting entry for these errors.

During our test work over 14 other nonoperating revenue transactions totaling \$43,391,523, we noted the following:

- One transaction (7%), totaling \$24,924,672, that was recorded as revenue for Fiscal Year 2022, should have been partially accrued as of Fiscal Year 2021 at an amount of \$9,446,451.

The amount noted above is the expected total error for this account. Management elected not to record the adjusting entry for this error.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2022

Schedule of Findings

Finding 2022-003 Inadequate Controls over Revenue and Expense Accruals (continued)

During our test work over 13 auxiliary expense transactions (not under indenture) totaling \$33,896,880, we noted the following:

- One transaction (8%), totaling \$5,292,432, that was recorded as expense for Fiscal Year 2022, should have been partially accrued as of Fiscal Year 2021 at an amount of \$2,108,981.

The estimated projected impact of this error is an overstatement of opening net position and expense of \$5.7 million. Management elected not to record the adjusting entry for this error.

During our test work over 33 institutional support expense transactions totaling \$4,254,176, we noted the following:

- One transaction (3%), totaling \$50,000, that was recorded as expense for Fiscal Year 2022, should have been partially recorded as a prepaid expense at an amount of \$44,932.

The estimated projected impact of this error is an understatement of prepaid expenses and an overstatement of expense of \$2.8 million. Management elected not to record the adjusting entry for this error.

During our test work over 13 deferred grant accrual transactions totaling \$51,658,785, we noted the following:

- One transaction (8%), totaling \$1,829,840, that was recorded as unearned revenue for Fiscal Year 2022, should have been partially recognized as revenue as of Fiscal Year 2022 at an amount of \$1,438,520.

The estimated projected impact of this error is an overstatement of unearned revenue and an understatement of revenue of \$4.6 million. Management elected to record the adjusting entry for the estimated amount of the error.

During our test work over 24 grant receivable transactions totaling \$23,024,782, we noted the following:

- One transaction (4%), totaling \$1,250,000, that was recorded as a receivable and revenue for Fiscal Year 2022, should have been recorded as of Fiscal Year 2023 in its entirety.

The estimated projected impact of this error is an overstatement of grant revenue and receivables of \$10.2 million. Management elected to record the adjusting entry for the estimated amount of the error.

Generally accepted accounting principles require transactions to be reported in the period they are incurred. Additionally, 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 controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. The University's system of internal controls should include procedures to ensure expenses and revenues are recognized in the appropriate reporting period.

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Finding 2022-003 Inadequate Controls over Revenue and Expense Accruals (continued)

University officials indicated that in many of these instances, the units associated with the exceptions did not adequately follow established procedures to record the transactions in the proper period.

Failure to accurately analyze and record cash receipts and disbursements within the proper fiscal year may result in the misstatement of the University's financial statements. (Finding Code No. 2022-003, 2021-005, 2020-002, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, 12-01, 11-01, 10-03, 09-03)

Recommendation

We recommend the University continue to review its process to assess the existence of current period revenues and expenses and consider changes necessary to ensure they are accurately identified and recorded for presentation in the University's financial statements.

University Response

Accepted. The University has processes in place to ensure revenues and expenses are recognized in the correct fiscal year. However, those processes didn't always ensure all transactions were recognized correctly. Additionally, the highly decentralized environment with hundreds of units and large volumes of transactions presents challenges in identifying all errors. The University will continue to improve controls related to year-end cutoff.

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Finding 2022-004 Weaknesses in Controls over Electronic Health Record System

The University of Illinois (University) had not implemented adequate internal controls over their Electronic Health Record System (EHR).

The University maintains an EHR that contains patient medical records and data. Additionally, it supports billing and transaction workflows which feed into financial statements.

During our testing of the EHR, we noted:

- Systems Analysts were able to develop, test, and deploy changes to the production environment. Although a Change Advisory Board reviewed changes, there was not a reconciliation of the changes deployed into the production environment verses the approved changes.

Additionally, we noted one of seven (14%) emergency change requests was the result of a system analyst placing an unauthorized change into the production environment. The change did not result in any modification to the EHR data.

- Twenty-one of 25 (84%) EHR users' access were not timely terminated upon separation from the University. EHR user access were terminated three to 36 days after separation.
- A comprehensive review of EHR user access was not performed.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by National Institute of Standards and Technology (NIST), Configuration Change Control Section, promotes controls for ensuring mechanisms exist to prohibit unauthorized changes to systems within the organization. Additionally, the Access Control Section, promotes controls for ensuring access to system resources are appropriately authorized.

The University's Account Access Controls-Terminations and Disable Policy, Account Access Controls section, states separated employee's computer system access is to be revoked at the end of the employee's last day.

The University's Hospital Information Services management stated they felt their controls over EHR software changes were adequate, and that the one exception noted was an isolated incident.

Failure to maintain adequate controls over changes to the EHR resulted in an unauthorized change. Further, failure to terminate separated employees' access could result in unauthorized access to the EHR and data. (Finding Code No. 2022-004)

Recommendation

We recommend the University implement controls to restrict systems analysts' access to the production environment. In addition, we recommend the University terminate separated users' access on the last day of employment and conduct annual reviews of users' access.

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Finding 2022-004 Weaknesses in Controls over Electronic Health Record System (continued)

University Response

Accepted. It should be noted the system analyst that initiated the emergency change request obtained documentation of the needed approval after the change was implemented. Additionally, the University Hospital has already implemented a reconciliation procedure to ensure changes to the EHR production environment match changes approved through the established change management process.

The roles and responsibilities of EHR users rarely change, thus reducing the risk of access being misaligned with a user's access needs. However, the University will develop an annual access review process for EHR system users.

Regarding the timely termination of employee EHR system access upon separation from the University, the UI Hospital team removed system access within 24 hours after being informed by the University's notification processes. The University will review employee separation policies and processes to determine options for improvements in the timing of notifications to Hospital Information Services related to EHR users who no longer need access.

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Federal Agency: US Department of Education (ED)

Program Name: Student Financial Assistance Cluster: Federal Direct Student Loans

ALN #: 84.268

Award Numbers: N/A; Federal Award Year 2021 – 2022

Questioned Costs: None

2022-005. Finding: Excess Cash - SFA

The University of Illinois Chicago had one instance of excess cash for the Direct Loan program.

During our cash management testing, we identified that the University of Illinois Chicago had excess cash for the Direct Loan program ranging from \$113,662 to \$186,656 during the period of December 16, 2021 through January 4, 2022. In these situations, the excess cash did not exceed one percent of total prior year drawdowns, however, amounts were not returned within a seven-day period, as outlined below.

Uniform Grant Guidance (34 CFR 668.166) states the Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan program funds, that an institution does not disburse to students by the end of the third business day following the date the institution (1) received those funds from the Secretary; or (2) deposited or transferred to its depository account previously disbursed title IV, HEA program funds, such as those resulting from awards adjustments, recoveries, or cancellations. An institution may maintain for up to seven days an amount of excess cash that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Secretary any amount of excess cash over the one-percent tolerance and any amount of excess cash remaining in its account after the seven-day tolerance period.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure excess cash is properly handled.

University officials stated automated processes caused cash to accumulate over the holiday break. Due to the University's closure, staff were unavailable to recognize excess cash and return funds timely.

Excess cash is noncompliance with Federal regulation and could result in the loss of future funding. (Finding Code No. 2022-005, 2021-012).

Recommendation

We recommend the University of Illinois Chicago review current processes for monitoring cash management and implement procedures that eliminate excess cash.

University Response

Accepted. The University will take steps to address the recommendation in this finding.

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Schedule of Findings

Federal Agency: US Department of Education (ED)

Program Name: Student Financial Assistance Cluster: Federal Direct Student Loans

ALN #: 84.268

Award Numbers: N/A; Federal Award Year 2021 – 2022

Questioned Costs: None

2022-006. Finding: Errors in Reporting for NSLDS

The University of Illinois Urbana-Champaign did not properly report the student enrollment changes for certain students who received federal student aid to the National Student Loan Data System (NSLDS).

Out of the 24 students tested at the University of Illinois Urbana-Champaign, we noted two (8%) students with improper reporting which resulted in the following errors of the enrollment effective dates to NSLDS:

- For one student, the student's status change at the Campus-Level was reported after the 60-day reporting requirement and the student's enrollment status was not properly updated at the Program-Level in NSLDS.
- For one student, the University did not report the correct enrollment effective date to NSLDS at the Program Level.

The sample was not intended to be, and was not, a statistically valid sample.

The Code of Federal Regulations (34 CFR 685.309) requires enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status. Regulations require the status include an accurate effective date.

According to the NSLDS Enrollment Reporting Guide, a student's Program-Level enrollment status should be reported with the same enrollment status as that student's Campus-Level enrollment status for all programs the student is enrolled in at that location, even if the student is not currently taking coursework that applies to a particular program. If the student has withdrawn or graduated from an academic program, a "terminal enrollment status" of 'W' or 'G,' as appropriate, should be reported for that program, even if the student is still taking coursework applicable to other programs in which the student is enrolled.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure enrollment reporting is completed properly.

University officials stated both students were unofficial withdrawals. The enrollment reporting for unofficial withdrawal students is a manual process and the errors were due to human error.

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2022-006. Finding: Errors in Reporting for NSLDS (continued)

If the NSLDS system is not updated with the student information, overawards could occur should the student transfer to another institution and the student may not properly enter the repayment period. (Finding Code No. 2022-006; 2021-010; 2020-006)

Recommendation

We recommend the University of Illinois Urbana-Champaign review current processes for reporting to NSLDS and implement procedures to ensure submissions are reported timely and accurately.

University Response

Accepted. The University will take steps to address the recommendation in this finding.

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Federal Agency: US Department of Transportation (DOT): Federal Aviation Administration

Program Name: COVID19 – Airport Improvement Program

ALN #: 20.106

Award Numbers: DOT FAA 3-17-0016-041-2021 and DOT FAA 3-17-0016-039-2021; Federal Award Year 2021 – 2022

Questioned Costs: None

2022-007. Finding: Late Submission of Annual Reporting

The University of Illinois Urbana-Champaign did not have adequate procedures in place to ensure the proper Airport Improvement Program reporting requirements were submitted timely.

During our reporting testing, we identified the University of Illinois Urbana-Champaign did not timely submit two of the two annual reports required. The annual reports for the period ending September 30, 2021 were due by December 31, 2021, however, were submitted on January 6, 2022.

The Airport Improvement Program requires submission of a signed and dated SF-425 report annually, due 90 days after the end of federal fiscal year in which this grant is open (due December 31 of each year the grant is open).

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure reports are submitted timely.

University officials stated due to an administrative error, the reporting deadline was not properly recognized causing the reports to be submitted late.

Without proper program reporting policies and procedures, the submission of late reports results in noncompliance with Federal regulation and could result in the loss of future funding. (Finding Code No. 2022-007)

Recommendation

We recommend the University of Illinois Urbana-Champaign review current processes policies and procedures to ensure Airport Improvement Program reporting requirements are completed timely.

University Response

Accepted. The University will take steps to address the recommendation in this finding.

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Federal Agencies: US Department of Energy (DOE) and
US Department of Health and Human Services (HHS): Health Resources and
Service Administration (HRSA)

Program Names: Research & Development Cluster: Office of Science Financial Assistance Program;
and HIV-Related Training and Technical Assistance

ALN #s: 81.049 and 93.145

Award Numbers: DOE DE-SC0018420 and HRSA 6U1OHA29293-07; Federal Award Year
2021 – 2022

Questioned Costs: None

2022-008. Finding: Timing of Subrecipient Payments

The University of Illinois Urbana-Champaign did not make a subrecipient payment timely under the Research and Development Cluster: Office of Science Financial Assistance Program and the University of Illinois Chicago did not make a subrecipient payment timely under the HIV-Related Training and Technical Assistance program.

Out of six subrecipient payments made by the University of Illinois Urbana-Champaign, one payment (17%) was not submitted within 30 days after receipt of the billing from the subrecipient. The University of Illinois Urbana-Champaign made payment to the subrecipient 68 days after receipt of the billing from the subrecipient.

Out of fourteen subrecipient payments made by the University of Illinois Chicago, one payment (7%) was not submitted within 30 days after receipt of the billing from the subrecipient. The University of Illinois Chicago made payment to the subrecipient 85 days after receipt of the billing from the subrecipient.

Under Uniform Guidance (2 CFR 200.305(b)(3)), when the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure subrecipient payments are made timely.

University officials stated in the latter half of 2021, a high-volume unit at the University of Illinois Urbana-Champaign experienced a staffing shortage. The payment was not made in a timely manner due to the delay in receiving approvals.

University officials stated for the University of Illinois Chicago, a new fund code was established for the current budget period for expenditure tracking purposes. Delays occurred in associating the subaward to the new fund code.

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2022-008. Finding: Timing of Subrecipient Payments (continued)

Without proper program cash management policies and procedures, late subrecipient payments could result in the loss of future funding. (Finding Code No. 2022-008)

Recommendation

We recommend the University of Illinois of Urbana-Champaign and the University of Illinois Chicago review current processes, policies and procedures to ensure that payments to subrecipients minimize the time elapsing between the transfer of federal funds from the pass-through entity to the subrecipient.

University Response

Accepted. The University will take steps to address the recommendation in this finding.

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Federal Agency: US Department of Health and Human Services (HHS): Health Resources and Service Administration (HRSA)

Program Name: HIV-Related Training and Technical Assistance

ALN #: 93.145

Award Numbers: HRSA U1OHA29293-07-05 and HRSA 5 U1OHA32109-04; Federal Award Year 2021 – 2022

Questioned Costs: None

2022-009. Finding: Federal Funding Accountability and Transparency Act Reporting

University of Illinois Chicago did not timely report subaward data to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) under the HIV-Related Training and Technical Assistance program.

Five out five subaward obligations/modifications were not reported in FSRS within the last day of the month following the month in which the subaward/subaward amendment obligation was made.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
5	0	5	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$ 206,081	\$ 0	\$ 206,081	\$ 0	\$ 0

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by section 6202 of Public Law 110-252, hereafter referred as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the FSRS. The non-federal entity is required to report each obligating action to FSRS. The action must be reported in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment is made.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure reports are submitted timely.

University officials stated that as a result of staff shortages, there were delays in the submission of Federal Funding Accountability and Transparency Act reports.

Without proper program reporting policies and procedures, the submission of late reports is noncompliance with Federal regulation and could result in the loss of future funding. (Finding Code No. 2022-009)

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2022-009. Finding: Federal Funding Accountability and Transparency Act Reporting (continued)

Recommendation

We recommend the University of Illinois Chicago review current processes and procedures to ensure Federal Funding Accountability and Transparency Act reporting requirements are completed timely.

University Response

Accepted. The University will take steps to address the recommendation in this finding.

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Federal Agency: US Department of Health and Human Services (HHS): National Institute of General Medical Sciences (NIGMS) and Health Resources and Service Administration (HRSA)

Program Names: Research & Development Cluster: Biomedical Research and Research Training; and HIV-Related Training and Technical Assistance

ALN #s: 93.859 and 93.145

Award Numbers: SNAP 5 R35 GM137452-03 and HRSA 5 U1OHA29293-4; Federal Award Year 2021 – 2022

Questioned Costs: None

2022-010. Finding: Inadequate Support for Procurement

University of Illinois Chicago did not maintain adequate records for procurement transactions in the Research and Development Cluster and for procurement transactions in the HIV-Related Training and Technical Assistance program.

One out of 40 sampled expenditures in the Research and Development Cluster: Biomedical Research and Research Training did not contain proper supporting documentation for a small purchase procurement. The documentation did not contain evidence for the rationale of not obtaining price quotes, and the purchase order was approved after the services were rendered.

Two out of 40 sampled expenditures in the HIV-Related Training and Technical Assistance program did not contain proper supporting documentation for a small purchase procurement. The documentation did not contain evidence for the rationale of not obtaining price quotes, and the purchase orders were approved after the services were rendered.

The samples were not intended to be, and were not, statistically valid samples.

Uniform Grant Guidance (2 CFR 200.320(b)) states if small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. The University must also maintain records sufficient to detail the history of the procurement. These records will include but are not necessarily limited to the following: the rationale for the method of procurement, the selection of the contract type, the contractor selection or rejection, and the basis for the contract price.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure procurement procedures are properly followed and support is properly maintained.

University officials stated that the programmatic personnel did not engage their business office staff prior to initiating services, thus, the proper procurement documentation was not provided at the time of purchase order establishment.

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2022-010. Finding: Inadequate Support for Procurement (continued)

If the procurement procedures are not properly followed and documented, the University could approve payments of federal funds to vendors that do not meet federal regulations. (Finding Code No. 2022-010)

Recommendation

We recommend the University of Illinois Chicago retain proper supporting documentation within procurement files.

University Response

Accepted. The University will take steps to address the recommendation in this finding.

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Finding 2022-011 Inadequate Controls over University Procurement Card Transactions

The University of Illinois (the University) has not complied with University policies and internal controls over procurement card transactions.

The University operates a procurement card (P-Card) program which allows individuals throughout the University to make smaller purchases (defined as less than \$4,999) on a credit card which is directly paid by the University on a monthly basis. The University's policies require employees assigned a procurement card to complete training on policies and procedures, pass a test, and sign an agreement stipulating they will use the card in accordance with University policy. This agreement is also required to be authorized by the individual's supervisor or the department head. The University's policies require transactions incurred on the procurement card to be approved in the University's procurement card system by the individual cardholder and an assigned reviewer.

During our test work over 67 procurement card transactions totaling \$291,460, including 7 transactions noted for unusual activity, we noted the following:

- Eight (12%) transactions (totaling \$13,633) were for charges such as refreshments for a specific event, uniforms, pharmaceuticals, or contractual agreements, all of which were prohibited by the University's procurement card policies and no exception request forms were approved.
- Three (4%) transactions processed in the P-Card software (totaling \$22,920) were not reconciled within 25 days of appearance on the P-Card software, as required. The reconciliation were completed three to 15 days late.
- One (1%) transaction (totaling \$4,640) was for the purchase of equipment. The University was unable to provide documentation of receipt of the equipment. As a result, we were unable to determine if the transaction was recorded in the proper accounting period.
- Three (4%) transactions' (totaling \$9,905) charge codes were not approved within 3 business days after their associated reconciliations were completed, as required. The approvals were completed three to seven days late.

The University has approximately 4,557 procurement cards, with transactions totaling \$53,928,835 charged during the year ended June 30, 2022.

The University's policy states that all purchases on the P-Card must be in compliance with system procurement, allowable expenditure and funding, payroll, and tax-related policies, as well as with all applicable state and federal statutes. A P-Card Exception Request Form is used to obtain approval to use the P-Card for an expense that is normally prohibited by a policy or is above a cardholder's limit. Approval must be obtained prior to using the P-Card for the purchase.

Additionally, the University's policy requires the assigned reviewer of a cardholder's P-card transactions to review the expense report and the original, itemized receipts supporting the transactions within a specific timeframe. Prior to April 2022, this timeframe was 25 calendar days and starting in April 2022, this was decreased to 23 calendar days. Additionally, the University's policy requires that after an assigned reviewer approves P-card transactions the account coding to which those transactions will be recorded must be approved within 3 business days.

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**Finding 2022-011 Inadequate Controls over University Procurement Card Transactions
(continued)**

Further, the University's policy requires all documents related to a purchase such as packing slips be provided to appropriate unit personnel for retention.

Finally, 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 controls, to provide assurance that: (1) resources are utilized effectively, and in compliance with applicable law; (2) obligations and cost are in compliance with applicable law; (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; (4) revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and (5) funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist. The University's system of internal controls should include procedures to ensure procurement card transactions are in accordance with University policies and procedures and to ensure supporting documentation for receipt of transaction is maintained.

This finding was first noted during the examination of the year ended June 30, 2008. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials indicated the bulleted exceptions largely resulted from human error at the individual and/or unit level by not following procurement card policies and procedures.

Failure to properly review and approve procurement card transactions in accordance with University policies could result in erroneous or fraudulent transactions being recorded in the general ledger system. In addition, failure to maintain supporting documentation inhibits the auditors' ability to test the University's compliance with applicable laws and regulations. (Finding Code No. 2022-011, 2021-007, 2020-003, 2019-002, 2018-003, 2017-004, 2016-002, 2015-002, 2014-002, 2013-002, 12-02, 11-03, 10-02, 09-02, 08-03)

Recommendation

We recommend the University continue to review and improve its internal control over procurement card transactions to ensure compliance with University policies so that erroneous or fraudulent transactions are not recorded in the general ledger system.

University Response

Accepted. While the procurement card is an efficient purchasing mechanism, the University also recognizes the importance of procurement card process controls, training, and transaction monitoring. The University will continue to enforce the required training in place while working to implement additional controls to enhance training opportunities for cardholders.

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Finding 2022-012 Failure to Follow Time Reporting Requirements

The University of Illinois (University) does not require all employees to submit time reports as required by the State Officials and Employees Ethics Act (Act) and does not have adequate procedures to ensure accurate employee time reporting.

During testing of payroll, we selected 60 employees across all three campuses and noted the following:

- Two (3%) employees (one from the Chicago campus and one from the Urbana-Champaign campus) did not file time reports as required by the Act. University management stated faculty, postdoctoral employees, instructors, and lecturers continue to track their time using a “negative” timekeeping system whereby the employee is assumed to be working, unless noted otherwise.
- One (2%) employee from the Urbana-Champaign campus did not submit time reports as required by the Act. University management stated the employee was a monthly employee and was classified in the system as holding a non-exempt/hourly position however when asked for timecards to support the amounts paid to the employee, we were informed there was no timecard as the employee was paid a monthly salary.
- Two (3%) employees (one from the Chicago campus and one from the Springfield campus) did not complete a time report for their last pay period. Each employee worked only one day during that period according to other supporting information provided by the University.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/1-5) defines “State agency” to include “public institutions of higher learning...” and defines “State employee” to be “any employee of a State agency”. The Act required the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The Act (5 ILCS 430/5-5(c)) also states, “The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour; contractual State employees may satisfy the time sheets requirement by complying with the terms of their contract, which shall provide for a means of compliance with this requirement.” The IBHE adopted personnel policies for public universities on February 3, 2004 in accordance with the Act. The University has not incorporated these policies into the University’s policies.

The University Reporting Policy for the State Officials and Employees Ethics Act (SOEEA) requires all Academic Professional and Civil Service employees to document all hours worked while conducting official University business. Academic Professional and exempt Civil Service (not eligible for overtime) employees are to use the University’s Online Time Reporting (PTR) tool for this reporting.

This finding was first noted during the examination of the year ended June 30, 2005. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated they have not incorporated policies regarding time reporting for all employees as they are having continued dialogue with the academic leadership on this matter. In the meantime, the System has implemented several mechanisms to comply with the requirement for the majority of their employees such as training and weekly reminder emails; however, it has proven difficult to achieve full compliance due to the thousands of employees with competing priorities.

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Finding 2022-012 Failure to Follow Time Reporting Requirements (continued)

Failure to follow and ensure all employees comply with the time reporting requirements of the Act results in noncompliance with the Act. (Finding Code No. 2022-012, 2021-015, 2020-013, 2019-008, 2018-014, 2017-016, 2016-016, 2015-021, 2014-023, 2013-016, 12-19, 11-33, 10-37, 09-40, 08-11, 07-11, 06-06, 05-06)

Recommendation

We recommend the University implement procedures to ensure all employees submit time sheets as required by the Act.

University Response

Accepted. University of Illinois System leadership continues to initiate discussions related to regulatory relief in this area.

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Finding 2022-013 Noncompliance with the Illinois Articulation Initiative

The University of Illinois (University) did not submit a minimum of one course per major under the Illinois Articulation Initiative (Initiative) for some majors offered by the University.

The Initiative, through its itransfer.org website, exists to ease the transfer of students among the State's associate and baccalaureate degree granting institutions. The Initiative consists of both a General Education Core Curriculum package, where completion of the entire package at one institution is fully accepted by 108 institutions across the State, and an Initiative major, which are common courses at the lower-division level that can be used to ensure students are prepared for upper-division work at 57 institutions across the State.

During testing, we noted the University did not have a minimum of one course included within the related Initiative major for its:

- business and physics degree programs at the Urbana-Champaign campus;
- art degree program at the Chicago campus;
- art, biology, chemistry, mathematics, political science, psychology, and theater arts degree programs at the Springfield campus.

The Illinois Articulation Initiative Act (IAI) (110 ILCS 152/15) requires the University participate in the Initiative by maintaining a minimum of one course in the related Initiative major, if the University has an equivalent major and courses.

This finding was first noted during the examination of the year ended June 30, 2020. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated current noncompliance is due to the time needed to submit and have the course's host department's faculty and the Initiative approve University courses.

Failure to fully participate in the Initiative by submitting, at least, one course per Initiative major could hinder students looking to transfer to other institutions and represents noncompliance with State law. (Finding Code No. 2022-013, 2021-017, 2020-017)

Recommendation

We recommend the University comply with the requirements of the Illinois Articulation Initiative Act or seek legislative remedy.

University Response

Accepted. The University has had courses approved by the Initiative for three of the majors noted. We will continue to address the recommendations in this finding by submitting more courses during the next Spring and Fall 2023 IAI panel review cycle and seeking legislative remedy.

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Finding 2022-014 Untimely Vehicle Accident Reporting

The University of Illinois (University) did not report certain automobile accidents involving University vehicles to the Department of Central Management Services in a timely manner.

During our testing of the operation of University vehicles, we noted the University reported 171 accidents involving University vehicles to the Department of Central Management Services (CMS) during fiscal year 2022. The Urbana-Champaign campus reported 119 accidents, the Chicago campus reported 46 accidents and the Springfield campus reported six accidents.

- Of the 119 accidents reported by the Urbana-Champaign campus, 29 (24%) were not reported timely and ranged from one to 13 days late.
- Of the 46 accidents reported by the Chicago campus, twelve (26%) were not reported timely and ranged from one to 34 days late.

In addition, we noted the following:

- Of the 118 accidents reported to the Urbana-Champaign campus, 25 (21%) involving University vehicles were not reported timely to the Urbana-Champaign campus' motor pool and ranged from one to 10 days late.
- Of the 49 accidents reported to the Chicago campus, eleven (22%) were not reported timely to the Chicago campus' Transportation Office and ranged from one to 264 days late, and three (6%) lacked documentary evidence of when the accident was reported, thus the timeliness could not be determined.
- Upon further review of the University's listing of accidents, we noted the Urbana-Champaign campus and Chicago campus submitted one accident claim each to CMS but did not include them in the University's listing.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.520) requires a driver of any vehicle that is involved in an accident of any type within the scope or course of the employment to report such accident to the appropriate law enforcement agency and to CMS Auto Liability Unit by completing the Illinois Motorist Report (Form SR-1). For all accidents, the Form SR-1 is to be completed as soon as possible and submitted to the office of the current insurance carrier. In no case is this report to be completed later than three days following an accident. In all cases, the completed Form SR-1 must be received by CMS no later than seven calendar days following the accident or the driver and agency risk forfeiture of coverage under the State's auto liability plan.

According to the University's Campus Administrative Manual (Emergency Plans, Environmental Health and Safety, Security and Risk Management, Section V/C-6), an accident is defined as harm to state-owned property and/or harm to another party's person or property. This includes, but is not limited to: contact with another vehicle or object, backing into fixed objects, weather-related damage from hail or wind, as well as vandalism or damage found while vehicle was unattended.

Also, the University's policy to report an accident involving a University vehicle or commercial rental vehicle requires the employee to report the accident to the concerned campus motor pool (Urbana Champaign) or Transportation Office (Chicago), and the immediate supervisor within 24 hours, or the next business day after a weekend or University holiday.

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Finding 2022-014 Untimely Vehicle Accident Reporting (continued)

University officials stated exceptions were due to differing reasons, including failure of the employees to understand and/or follow policy, employees misunderstanding requirements, and some employees concerns with providing their social security number.

Failure to report automobile accidents to CMS in a timely manner may cause the University to be denied coverage and result in additional liabilities for the University and results in noncompliance with the Code. In addition, failure to report all accidents by employees to the University in a timely manner results in noncompliance with University policies. (Finding Code No. 2022-014, 2021-018)

Recommendation

We recommend the University implement procedures to ensure accidents are reported in a timely manner. We also recommend the University ensure policies and procedures are clearly understood and followed by all personnel responsible for the oversight of University vehicles within each department.

University Response

Accepted. UIC and UIUC Motor Pools continue to reinforce the policies and procedures related to prompt reporting of accidents. During FY22 some efforts were hindered due to staffing shortages and COVID related limited access. Alongside these efforts, UIC is in the process of reviewing and revising some current procedures to ensure that accidents are reported timely. UIC is also working with CMS to obtain access to a secure database through which to submit employee social security information. UIUC has reinstated the practice of notifying departments of late report submissions as part of the overall process. Administrative Information Technology Services (AITS) is developing an electronic reporting and tracking system for reportable vehicle accidents to improve the reporting process at all three universities.

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Finding 2022-015 Contracts and Lease Agreements Not Property Executed

The University of Illinois (University) did not establish adequate internal controls over contracts and leases to ensure all necessary approvals were received, all required forms were obtained, and the agreements were executed prior to performance.

During our review of 60 contracts, including purchase orders, executed during the fiscal year ended June 30, 2022, we noted the below:

- One (2%) contract (totaling \$99,999) disclosure of financial interest statement for the vendor was not submitted timely. The statement was submitted 11 days after the execution of the contract.
- Five (8%) contracts (totaling \$32,036,827) did not have timely disclosure of financial interest statements for subcontractors to be used. Specifically, we noted the disclosure of financial interest statements were submitted 12 to 104 days after the execution of the prime contract for eight subcontractors and the disclosure of financial interest statements were not submitted at all for two subcontractors.
- Two (3%) contracts (totaling \$7,662,116) were executed subsequent to the start date of services. The contract execution dates were 84 to 91 days after the commencement of services.
- Five (8%) contracts (totaling \$6,161,744) were filed with the Office of the Comptroller 56 days late.

During our review of 28 contracts which are considered leases of right to use assets executed during the year ended June 30, 2022, we noted the following:

- One (4%) contract (totaling \$651,498) did not have timely disclosure of financial interest statement. The disclosure of financial interest statement was submitted 350 days after the lease was executed.

The Illinois Procurement Code (Code) (30 ILCS 500/50-35) requires all contractor and subcontracts with an annual value of more than \$50,000 to be accompanied by disclosure of financial interests of the contractor and each subcontractor to be used.

The Code (30 ILCS 500/20-80) requires all contracts, except emergency purchases, to be reduced to writing before services are rendered or goods are received. Additionally, general good business practice would be to reduce all agreements to writing with signed agreement even when the procurement is not subject to the Code and it is not an emergency purchase.

The Code (30 ILCS 500/20-80) requires all contracts that do not obligate funds held in the State treasury to be submitted to the Comptroller in a form and manner prescribed by the Comptroller. Accounting Bulletin 251 issued by the Comptroller's Office specifies the quarterly report must include all contract activity during the reporting period of the report.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001), requires the University to establish and maintain a system, or systems, of internal controls to provide assurance obligations and costs are in compliance with applicable law. The University's system of internal controls should include procedures to ensure contracts, leases and interagency agreement contain all necessary provisions and disclosures, are executed timely, and filed in accordance with the State's statutes.

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Finding 2022-015 Contracts and Lease Agreements Not Property Executed (continued)

University officials stated given the high volume of contracts processed by the University and the various touchpoints required, there are occasions when certain State and University requirements and best practices are not met. University management indicated the bulleted exceptions largely resulted from human error, reliance on timely return of documents from other parties, misunderstanding of new process requirements, and oversight.

Failure to obtain all necessary disclosures from vendors and subcontractors and untimely filing of contracts results in noncompliance with State statutes and regulations. In addition, failure to have an approved written agreement in place prior to the start of services could leave the University vulnerable to unnecessary costs and potential legal issues. (Finding Code No. 2022-015)

Recommendation

We recommend the University establish appropriate procedures to ensure all agreements are properly executed prior to the start of services. Further, we recommend the University review procedures to ensure all disclosures and certifications are obtained prior to the execution of an agreement or seek legislative relief if it is not deemed feasible for certain types of agreements. Additionally, we recommend the University review its procedures for the filing of contracts to ensure they are in accordance with regulations.

University Response

Accepted. The University will address the recommendations in this finding.

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Schedule of Findings

Finding 2022-016 Inadequate Controls over Compliance with the State Officials and Employees Ethics Act

The University of Illinois (University) did not ensure employees completed their initial ethics and sexual harassment training in accordance with the requirement of the State Officials and Employees Ethics Act.

During our review of 60 employees, including 11 newly hired employees, required to complete ethics and sexual harassment training for the fiscal year ended June 30, 2022, we noted the following:

- Four of the 11 (36%) new employees did not timely complete the initial ethics training as required. Ethics trainings were completed 10 to 64 days late.
- Eight of the 11 (73%) new employees did not timely complete the initial sexual harassment training as required. Sexual harassment trainings were completed 16 to 219 days late.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-10) states a person employed in a position that requires training must complete his or her initial ethics and sexual harassment training within 30 days after commencement of his or her office or employment.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain an effective system, or systems, of internal control. Effective internal controls should ensure all employees are in compliance with mandated training requirements.

University officials stated the exceptions were due to oversight.

Failure to ensure employees complete their initial ethics and sexual harassment training within the required timeframe results in noncompliance with the Act. In addition, new employees may be unaware of specific ethical requirements for State employees without timely training. (Finding Code No. 2022-016, 2021-020)

Recommendation

We recommend the University strengthen its controls to ensure all employees complete their initial ethics and sexual harassment training in accordance with the requirements of the State Officials and Employee Ethics Act.

University Response

Accepted. The University is in the process of implementing additional controls to help ensure all new employees complete new hire training requirements within the time designated within state law.

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Schedule of Findings

Finding 2022-017 Weaknesses in Cybersecurity Programs and Practices

The University of Illinois (University) had weaknesses related to cybersecurity programs, practices and control of confidential information.

As a result of the University's mission to provide higher educational opportunities, the University maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, educational records, Social Security numbers, and health records.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs, practices and control of confidential information. During our examination of the University's cybersecurity program, practices, and control of confidential information, we noted the University had not developed a risk management framework, completed a comprehensive risk assessment, or implemented risk reducing controls.

Additionally, we noted 12 of 60 (20%) employees had not completed information security training.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Risk Assessment section, requires entities to develop a risk management framework, conduct risk assessments and implement controls based on the risk assessment.

The University's Information Security Policy and the Security Training Standards states University Community Members must complete the appropriate privacy and security training annually.

University management stated they believed the risk assessment process was adequate and comprehensive as it met the requirements of the Graham Leach Bliley Act requirements. University management indicated the weaknesses related to the cybersecurity training was the result of not having a mechanism in place to enforce and follow-up on noncompliance.

The lack of a risk assessment framework and comprehensive risk assessment could result in unknown vulnerabilities to the University's environment, applications, and data. Additionally, failure to ensure all Community Members complete security training could result in vulnerabilities to the University's applications and data. (Finding Code No. 2022-017, 2021-021, 2020-018)

Recommendation

We recommend the University developed a risk management framework, complete a comprehensive risk assessment, and implement risk reducing controls. In addition, we recommend the University ensure all Community Members complete the required information security training annually.

University Response

Accepted. The University will continue to conduct Information Security (IS) risk assessments to help determine the best use of resources to mitigate risks while working with University leadership to develop a plan to implement a formal IS risk management framework. The plan will also include options for a more comprehensive risk assessment as well as implementing reasonable and appropriate risk reducing controls based on the results of the assessment. Additionally, the University will continue to work to expand cybersecurity awareness training across the system.

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Finding 2022-018 Inadequate Controls over Remote Access

The University of Illinois (University) did not ensure adequate security controls over remote access to its environment, applications and data.

In order to continue its business activities, the University allowed users to access its environment, applications and data. During our review of the University's controls over remote access, we noted:

- The University-University of Illinois Urbana Champaign had not developed policies and procedures defining remote access requirements.
- The University-University of Illinois Medical Center did not maintain documentation of remote users' authorization for remote access.
- The University-University of Illinois Medical Center did not review users with remote access on a periodic basis.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control and System and Communication Protection sections, requires entities to implement adequate controls over access to its environment, applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University management stated they believed the existing policies and procedures were sufficient and system limitations did not maintain documentation of remote access authorization.

Without adequate controls over remote access, unauthorized individuals may have access, resulting in potential malicious activity. (Finding Code No. 2022-018)

Recommendation

We recommend the University develop detailed policies and procedures defining remote access requirements and maintain documentation authorizing remote users' access.

University Response

Accepted. Remote access requirements exist across multiple university policies and standards with most users enabled for remote access as part of their identity. Remote access to critical resources is protected with industry standard controls including multi-factor authentication. The University of Illinois Medical Center will address the authorization of remote access to their environment by working with their ticketing system vendor to enable search and extraction of authorization information.

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Finding 2022-019 Weaknesses over Reviews of SOC Report Reviews

The University of Illinois System (University) did not ensure adequate control over monitoring and evaluating risks of service providers.

We noted the University, for 5 of 5 samples, did not have a comprehensive review process in place to evaluate and monitor the risks and the complementary user entity controls, where applicable. Risks include ensuring resources and data are adequately protected from unauthorized or accidental disclosure, modification, or destruction.

The University relied on Bridge Letters, which were nine months after the date of the System and Organization Control (SOC) Report, to ensure the 5 service providers' internal controls were adequate.

The University utilized a 3rd party service to review and summarize SOC reports for the University. It was determined, the University did not have a process in place, documenting the additional steps/actions taken by the University to document its review and evaluation of the risks.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by National Institute of Standards and Technology (NIST), System and Services Acquisition Section, promotes controls in place to ensure external service providers comply with organization security and privacy requirements.

University management indicated they believed their controls were adequate.

Failure to monitor and evaluate risks of utilizing service providers could result in the unauthorized or accidental disclosure, modification, or destruction of data maintained by the service provider. (Finding Code No. 2022-019)

Recommendation

We recommend the University develop a comprehensive review process to evaluate and monitor its service providers' risk and conduct additional procedures in response to the service providers' Bridge Letters being older than six months.

University Response

Accepted. The University will evaluate options to review any residual risks identified for critical external service providers as part of the existing university third-party risk management process. This will also include reviewing the sufficiency of bridge letters for the critical external service providers.

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Schedule of Findings

Prior Findings Not Repeated

A. Finding: Blue Cross Managed Care Settlement Liability Reserves

During the prior audit, the University of Illinois Health Services Facilities System's (the System) analysis of required June 30, 2021 Blue Cross managed care settlement liability reserves contained errors resulting in a material overstatement of estimated third party settlement reserves and a material understatement of unrestricted net position at both June 30, 2021 and 2020.

During the current audit, our testing over Blue Cross managed care settlement liability reserves did not identify errors relating to the System. (Finding Code No. 2021-002)

B. Finding: Patient Accounts Receivable Allowances

During the prior audit, the University of Illinois Health Services Facilities System's (the System) analysis of required June 30, 2021 patient accounts receivable allowances contained multiple misstatements.

During the current audit, our testing over patient accounts receivable allowances did not identify errors relating to the System. (Finding Code No. 2021-003)

C. Finding: Amortization of Premiums Related to Debt

During the prior audit, the University of Illinois (the University) amortized premiums on the straight-line basis as opposed to the effective interest basis resulting in a material overstatement of the premium balance as of June 30, 2021.

During the current audit, the University correctly amortized premiums using the effective interest method. (Finding Code No. 2021-006)

D. Finding: Untimely Submission of HEERF Reporting

The University of Illinois at Springfield and the University of Illinois at Chicago did not have adequate procedures in place to ensure the proper Higher Education Emergency Relief Fund (HEERF) reporting requirements were submitted timely. Additionally, the University of Illinois at Springfield did not have sufficient controls documenting evidence of a formal review

In the current year, similar exceptions were not identified in the samples selected. (Finding Code No. 2021-008, 2020-010)

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Prior Findings Not Repeated (continued)

E. Finding: HEERF Student Aid Disbursements

The University of Illinois at Springfield (the University) did not have adequate procedures in place to ensure that disbursements of student aid through the Higher Education Emergency Relief Fund (HEERF) were made in accordance with the University's documented distribution plan.

In the current year, similar exceptions were not identified in the samples selected. (Finding Code No. 2021-009)

F. Finding: Inadequate Documentation of Reconciliation Reviews - SFA

The University of Illinois at Springfield's (the University) student financial aid department did not perform a documented independent review of certain monthly student financial aid award reconciliations. Additionally, reviews of certain award reconciliations were not performed timely.

In the current year, similar exceptions were not identified in the samples selected. (Finding Code No. 2021-011)

G. Finding: Perkins Loan Recordkeeping

The University of Illinois at Chicago had one instance where the original promissory note could not be located for a student who received a Federal Perkins Loan.

In the current year, similar exceptions were not identified in the samples selected. (Finding Code No. 2021-013)

H. Finding: Failure to Maintain Adequate Records Substantiating Written Notices

During the prior examination, the University of Illinois Hospital (Hospital) was unable to provide adequate records substantiating written notices were provided to patients within 24 hours after the patients admittance to the Hospital notifying the patients they were under observation status.

During the current examination period, Public Act 102-1071 was enacted which repealed the requirement to provide patients with written notices of observation status. (Finding Code No. 2021-014, 2020-012, 2019-017, 2018-013, 2017-015)

I. Finding: Noncompliance with the Illinois Health Policy Center Act

During the prior examination, the University of Illinois had not yet created the Illinois Health Policy Center required under the Illinois Health Policy Center Act (Act).

During the current examination period, Public Act 102-1071 was enacted which repealed the Act. (Finding Code No. 2021-016, 2020-015, 2019-010, 2018-016, 2017-018)

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Prior Findings Not Repeated (continued)

J. Finding: Weaknesses in Computer Security

In the prior year examination, the University of Illinois (University) did not maintain adequate controls over its environment and devices.

During the current examination, our sample testing of workstations and servers did not identify inadequate security controls. (Finding Code No. 2021-022, 2020-019)

K. Finding: Weakness in Disaster Recovery

In the prior year examination, the University's Technology Solutions disaster recovery plan had not been formalized, approved, and tested.

During the current examination, the Technology Solutions had formalized, approved and tested its disaster recovery plan. (Finding Code No. 2021-023)