



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**UNIVERSITY OF ILLINOIS**

State Compliance Examination  
 For the Year Ended June 30, 2023

Release Date: May 7, 2024

FINDINGS THIS AUDIT: 22	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2022	23-2	23-4, 23-5, 23-6, 23-22	
Category 2:	8	12	20	2021		23-15, 23-17	
Category 3:	0	0	0	2020		23-7, 23-10, 23-14, 23-21	
<b>TOTAL</b>	<b>8</b>	<b>14</b>	<b>22</b>	2009	23-1		
				2008		23-12	
<b>FINDINGS LAST AUDIT: 19</b>				2005		23-13	

**INTRODUCTION**

This digest covers our State Compliance Examination of the University of Illinois for the year ended June 30, 2023. A separate Financial Audit as of and for the year ended June 30, 2023 was previously released on February 6, 2024. A separate Single Audit for the year ended June 30, 2023 was previously released on March 28, 2024. In total, this report contains 22 findings, 9 of which were reported in the Financial Audit and Single Audit collectively.

**SYNOPSIS**

- (23-11) The University did not comply with requirements applicable to its property and equipment.
- (23-15) The University did not report certain automobile accidents involving University vehicles to the Department of Central Management Services in a timely manner.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER PROPERTY AND  
EQUIPMENT**

**Need to improve controls over  
property and equipment**

The University of Illinois did not comply with requirements applicable to its property and equipment.

We tested a sample of 89 items from the University's equipment inventory listing to determine whether the equipment was in the correct location and properly recorded in the University's property records. As a result of our testing, we noted the following:

**Some items could not be verified as  
still being in the University's  
possession**

- Two pieces of data storing equipment (totaling \$78,674) could not be verified by us as still being in the University's possession and should have been located at the Springfield campus.
- Eight pieces of non-data storing equipment (totaling \$1,929,048) had been disposed of per the equipment custodians. The equipment was still included on the University's year-end equipment listing. Seven of these items (totaling \$175,148) should have been located at the Chicago campus and the remaining item (totaling \$1,753,900) should have been located at the Urbana-Champaign campus.
- Two items approved for off-campus use (totaling \$20,900) could not be found.
- Four items (totaling \$1,678,361) at the Urbana-Champaign campus were not properly tagged.

**University certification disclosed 95  
other items which could not be  
located totaling \$1,455,051**

Additionally, the University's certification of inventory as of June 30, 2023 which includes all equipment with an acquisition cost greater than \$2,500 and all high theft equipment disclosed 95 other items totaling \$1,455,051 which could not be located out of the University's \$2,185,940,753 equipment inventory.

We tested a sample of 60 items located at the University to determine whether the equipment was properly recorded in the University's property records and noted four pieces of equipment (7%) could not be found in the University's property records. Three of these items were located in Urbana-Champaign campus and one at the Chicago campus.

We tested a sample of 61 equipment acquisitions to determine whether items were added to the University's property records timely and for the correct amount and we noted:

**Equipment additions not added to  
inventory records timely**

- Eight (13%) equipment acquisitions (totaling \$1,033,153) were added to the University's equipment inventory records between 13 to 167 days late. Two of the items were acquisitions at the Urbana-

Champaign campus and the remaining six were acquisitions of the Chicago campus.

- Five (8%) equipment acquisitions, four at the Urbana-Champaign campus and one at the Chicago campus, were recorded at understated values. The understatements were caused by improperly reducing the acquisition value of two assets by trade-in allowances (totaling \$28,208), not including shipping fees (totaling \$2,150) for two of the assets, and missing one invoice (totaling \$6,500) when recording the value of an asset comprised of multiple invoiced amounts.

**Equipment deletions not removed from the University’s property records timely**

We tested a sample of 60 equipment deletions to determine whether items removed from the University’s property records timely, at the correct amount and properly approved and we noted ten (17%) equipment deletions were removed from the University’s equipment records between 17 to 426 days late. (Finding 11, Pages 25-26)

We recommended the University review its process for ensuring all equipment records are accurately maintained and updated in a timely manner. We also recommended the University strengthen its internal control over the accountability of University equipment.

**University accepted the finding**

University officials accepted the recommendation.

**UNTIMELY VEHICLE ACCIDENT REPORTING**

**Accidents were not being reported timely**

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 169 accidents involving University vehicles to the Department of Central Management Services (CMS) during fiscal year 2023. The Urbana-Champaign campus reported 136 accidents, the Chicago campus reported 32 accidents and the Springfield campus reported one accident.

- Of the 136 accidents reported by the Urbana-Champaign campus, 22 (16%) were not reported timely and ranged from one to 56 days late.
- Of the 32 accidents reported by the Chicago campus, twelve (38%) were not reported timely and ranged from one to 12 days late.

- Upon further review of the University's listing of accidents, we noted the Urbana-Champaign campus did not report one accident to CMS at all.

In addition, we noted the following:

- Of the 136 accidents reported to the Urbana-Champaign campus, 24 (18%) involving University vehicles were not reported timely to the Urbana-Champaign campus' motor pool and ranged from one to 42 days late.
- Of the 32 accidents reported to the Chicago campus, nine (28%) were not reported timely to the Chicago campus' Transportation Office and ranged from one to seven days late.
- Upon further review of the University's listing of accidents, we noted the Urbana-Champaign campus submitted one accident claim to CMS but did not include it on the University's listing. (Finding 15, Pages 34-35)

We recommended the University implement procedures to ensure accidents are reported in a timely manner. We also recommended 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 agreed with the auditors**

University officials accepted the recommendation.

**OTHER FINDINGS**

The remaining findings are reportedly being given attention by the University. We will review the University's progress towards the implementation of our recommendations in the next engagement.

**AUDITOR'S OPINIONS**

The financial audit was previously released. Our auditors stated the financial statements of the University of Illinois as of and for the year ended June 30, 2023 are fairly stated in all material respects.

The single audit was previously released. Our auditors also conducted a Single Audit of the University as required by the Uniform Guidance and stated the University complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2023.

**ACCOUNTANT'S OPINION**

The accountants conducted a State compliance examination of the University for the year ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001 and 2023-002. Except for the noncompliance described in these findings, the accountants stated the University complied, in all material respects, with the requirements described in the report.

The State Compliance Examination was conducted by RSM US LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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