



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

Compliance Examination and Single Audit
 For the Year Ended June 30, 2015

Release Date: March 3, 2016

FINDINGS THIS AUDIT: 8	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2014		15-2, 15-5, 15-6	
Category 2:	1	7	8	2013		15-1	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2012		15-3, 15-7	
TOTAL	1	7	8	2010		15-4	
FINDINGS LAST AUDIT: 9							

INTRODUCTION

This digest covers the Western Illinois University Compliance Examination and federal Single Audit as of and for the year ended June 30, 2015. Western Illinois University's Financial Audit covering the year ended June 30, 2015 was issued in a separate report on January 14, 2016. In total, this report contains 8 findings, one of which was reported in the Financial Audit.

SYNOPSIS

- (15-3) The University did not identify security sensitive positions in written policy or conduct timely pre-employment background checks of applicants hired for such positions.
- (15-7) The University subsidized operations of University activities between accounting entities.

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.

{Financial information is summarized on next page.}

WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION AND SINGLE AUDIT
For the Year Ended June 30, 2015

COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES (Amounts in Thousands)	FY 2015	FY 2014
INCOME FUND REVENUES		
Tuition.....	\$ 80,206	\$ 78,132
Fines and other student charges.....	1,913	1,715
Finance charges.....	494	407
Interest.....	69	60
Other.....	491	546
Total Revenues.....	83,173	80,860
INCOME FUND EXPENDITURES		
Personal services.....	56,383	55,053
Contractual services.....	7,774	8,030
Travel.....	674	555
Commodities.....	829	798
Library books and equipment.....	1,802	1,842
Operation of automotive equipment.....	99	115
Telecommunications.....	326	314
Awards, grants, and matching funds.....	4,850	2,936
Social Security/Medicare and group insurance.....	606	538
Permanent improvements.....	431	67
Tuition and fees waived.....	7,641	7,424
Employment security.....	32	24
Total Expenditures.....	81,447	77,696
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ 1,726	\$ 3,164
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2015	FY 2014
Employment Statistics		
Faculty and Administrative.....	1,119	1,122
Civil Service.....	775	790
Student Employees.....	286	302
Total Employees.....	2,180	2,214
Enrollment Statistics		
Fall term enrollment - undergraduate.....	8,980	9,251
Fall term enrollment - graduate.....	1,438	1,450
Fall term enrollment - extension.....	1,040	1,006
Total.....	11,458	11,707
Cost Per Student		
Cost Per Full-Time Equivalent Student.....	\$ 12,214	\$ 11,925
AGENCY DIRECTOR		
During Examination Period: Dr. Jack Thomas		
Currently: Dr. Jack Thomas		

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

**NONCOMPLIANCE WITH THE CAMPUS SECURITY
ENHANCEMENT ACT**

The University did not have adequate policies and procedures to identify security sensitive positions and conduct pre-employment background checks.

Background checks for security sensitive positions were performed 12-31 days after employment

The University did not have an adequate process to identify security sensitive positions for all employee classifications. Further, background checks were performed 12-31 days after employment for 2 of 4 (50%) security sensitive positions tested. (Finding 3, pages 23-24) **This finding was first reported in 2012.**

We recommended the University adopt written policies and procedures to establish processes to identify security sensitive positions for all employee classifications and perform background checks in accordance with the Act.

University agrees with auditors

University officials agreed with the finding and stated they implemented a new background investigation policy requiring all new employees be subject to a pre-employment background investigation. (*For the previous University response, see Digest footnote #1.*)

SUBSIDIES BETWEEN ACCOUNTING ENTITIES

The University subsidized operations of University activities between accounting entities.

Subsidies totaled \$1.6 million and \$1.8 million

The University Stores and Service Centers accounting entity had negative cash balances at the beginning and the end of the fiscal year totaling \$1.6 million and \$1.8 million, respectively. A negative cash balance is, in effect, an unrecorded interfund payable/receivable, thereby causing a subsidy between funds to occur. (Finding 7, pages 32-33) **This finding was first reported in 2012.**

We recommended the University continue to annually review the activities of each accounting entity, ensure that fees charged for services are sufficient to cover expenditures, and take corrective action so subsidies do not continue.

University agrees with auditors

University officials agreed with the finding and responded they restructured a service center to offload expenses and maintain a cash positive operation. Officials also stated they will continue to monitor all accounting entities for negative trends and make necessary adjustments. (*For the previous University response, see Digest footnote #2.*)

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 our next audit.

AUDITOR'S OPINION

The financial audit report was previously released. The auditors stated the financial statements of the Western Illinois University as of and for the year ended June 30, 2015, are fairly stated in all material respects.

The auditors also conducted a Single Audit of the University as required by OMB Circular A-133. Our auditors stated the University complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2015.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the University for the year ended June 30, 2015, as required by the Illinois State Auditing Act. The auditors stated the University complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:lkw

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this engagement were E.C. Ortiz & Co., LLP.

DIGEST FOOTNOTES

#1 NONCOMPLIANCE WITH THE CAMPUS SECURITY ENHANCEMENT ACT - Previous University Response

2014 - The University agrees with the finding. The University will implement procedures to become compliant with regulation. Additional training has occurred for staff completing crime reports and they are now using consistent source data.

#2 SUBSIDIES BETWEEN ACCOUNTING ENTITIES - Previous University Response

2014 - The University agrees with the finding. The University will review and modify existing procedures to monitor accounts and entities that do not have sufficient revenues to cover planned expenses.