



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

Single Audit and Compliance Examination
 For the Year Ended June 30, 2017

Release Date: March 29, 2018

FINDINGS THIS AUDIT: 6	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	2016		17-3, 17-5	
Category 2:	1	4	5	2014		17-2	
Category 3:	0	0	0	2012		17-4	
TOTAL	2	4	6				
FINDINGS LAST AUDIT: 7							

INTRODUCTION

This digest covers our federal Single Audit and Compliance Examination of Western Illinois University (University) for the year ended June 30, 2017. A separate Financial Audit as of and for the year ending June 30, 2017 was previously released on March 15, 2018. In total, this report contains 7 findings, one of which was reported in the Financial Audit.

SYNOPSIS

- (17-3) The University did not adequately comply with the *University Guidelines* on remittance of excess funds.
- (17-5) The University was unable to locate 44 computers during their annual inventory and did not always protect their computers and removable media with encryption methods.

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.

{Expenditures and Activity Measures are summarized on next page.}

WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION AND SINGLE AUDIT
For the Year Ended June 30, 2017

COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES	FY 2017	FY 2016
INCOME FUND REVENUES		
Tuition.....	\$ 74,340,216	\$ 78,653,450
Fines and other student charges.....	2,287,452	2,207,921
Finance charges.....	480,186	461,034
Interest.....	48,907	30,842
Other.....	294,063	624,389
Total Revenues.....	77,450,824	81,977,636
INCOME FUND EXPENDITURES		
Personal services.....	89,830,952	84,329,745
Contractual services.....	9,580,602	9,035,099
Travel.....	272,056	342,291
Commodities.....	890,732	749,344
Library books and equipment.....	1,385,810	1,321,217
Operation of automotive equipment.....	126,091	172,967
Telecommunications.....	327,328	368,065
Awards, grants, and matching funds.....	7,280,574	5,948,060
Social Security/Medicare and group insurance.....	2,937,649	2,863,438
Permanent improvements.....	28,895	16,082
Tuition and fees waived.....	7,711,758	7,430,770
Employment security.....	58,226	49,901
Total Expenditures.....	120,430,673	112,626,979
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ (42,979,849)	\$ (30,649,343)
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2017	FY 2016
Employment Statistics		
Faculty and Administrative.....	1,009	1,074
Civil Service.....	630	711
Student Employees.....	260	266
Total Employees.....	1,899	2,051
Enrollment Statistics		
Fall term enrollment - undergraduate.....	7,827	8,432
Fall term enrollment - graduate.....	1,256	1,402
Fall term enrollment - extension.....	1,290	1,260
Total.....	10,373	11,094
Cost Per Student		
Cost Per Full-Time Equivalent Student.....	\$ 11,981	\$ 12,140
AGENCY DIRECTOR		
During Examination Period: Dr. Jack Thomas		
Currently: Dr. Jack Thomas		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**NONCOMPLIANCE WITH THE *UNIVERSITY
GUIDELINES* ON EXCESS FUNDS**

The University did not adequately comply with the *University Guidelines* on remittance of excess funds.

Excess funds were not remitted to the Income Fund

We noted the University complied with the requirement to calculate excess funds on indirect cost, auxiliary enterprises and accounting entities but failed to remit amounts due to the Income Fund for the following funds (Finding 3, page 25):

Indirect Cost	\$ 848,948
Public Service	275,894
Instructional Resources	515,016
University Publication	2,839
Total	<u>\$ 1,642,697</u>

We recommended the University continue to monitor the activities of each accounting entity and ensure compliance with all the requirements of the *University Guidelines*.

University agrees with auditors

University officials agreed with the finding and stated they will continue to monitor the activities of each accounting entity and make a decision on remitting excess funds based on the University's current resources affected by the State budget impasse.

WEAKNESS IN COMPUTER INVENTORY CONTROLS

44 computers missing

The University was unable to locate 44 computers with an original cost of \$55,327 during their annual inventory.

Could not determine if missing computers contained confidential information

We also found the University does not always protect their computers and removable media with encryption methods. Although the University performs periodic scanning to identify social security numbers on University equipment, the University could not determine if the missing computers contained confidential information at the time they were reported missing. (Finding 5, pages 27-28)

We recommended the University review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers. We also recommended the University evaluate data maintained on computers and ensure those containing confidential information are adequately protected with methods such as encryption.

University agrees with auditors

The University agreed with the finding and stated they are taking measures to help locate equipment and are reviewing encryption options.

OTHER FINDINGS

The remaining findings pertain to federal compliance, subsidies between accounting entities, and expenditures in excess of license plate fees earned. We will review the University's progress towards the implementation of our recommendations in our next Single Audit and compliance examination.

AUDITOR'S OPINIONS

The financial audit report was previously released. The auditors stated the financial statements of the University as of and for the year ended June 30, 2017 are fairly stated in all material respects.

The auditors also conducted a Single Audit of the University as required by the Uniform Guidance. The auditors 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, 2017.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the University for the year ended June 30, 2017, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2017-001. Except for the noncompliance described in this finding, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This Single Audit and compliance examination were conducted by Adelfia LLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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