



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2020**

Release Date: June 16, 2021

FINDINGS THIS AUDIT: 1	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers the Western Illinois University's Financial Audit as of and for the year ended June 30, 2020. The Western Illinois University's Compliance Examination (including the Single Audit) covering the year ended June 30, 2020 will be issued at a later date.

SYNOPSIS

- **(20-01)** The 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.

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.

WESTERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2020

STATEMENT OF NET POSITION	2020	2019
Assets		
Cash and cash equivalents.....	\$ 40,737,746	\$ 47,860,512
Accounts and student loans receivable, net.....	8,779,537	10,614,540
Due from primary government.....	10,861,854	2,170,888
Capital assets, net.....	194,077,102	204,921,905
Other.....	2,934,015	2,591,353
Total Assets.....	257,390,254	268,159,198
Deferred Outflow of Resources.....	2,985,803	1,330,068
Liabilities		
Accounts payable, accrued liabilities, accrued payroll.....	13,799,521	15,118,846
Compensated absences.....	8,074,286	8,024,188
Revenue bonds, certificates of participation.....	61,996,625	68,428,051
Other.....	24,959,730	21,239,339
Total Liabilities.....	108,830,162	112,810,424
Deferred Inflow of Resources.....	3,721,665	5,012,196
Net Position		
Net investment in capital assets.....	132,535,824	136,921,071
Restricted.....	27,980,625	27,985,687
Unrestricted.....	(12,692,219)	(13,240,112)
Total Net Position.....	\$ 147,824,230	\$ 151,666,646
REVENUES, EXPENSES AND CHANGES IN NET POSITION	2020	2019
Revenues		
State appropriations and on-behalf payments.....	\$ 61,030,243	\$ 64,196,032
Tuition and fees, net.....	44,389,454	51,531,872
Auxiliary enterprises.....	22,958,782	29,723,755
Special funding situation for pension and OPEB.....	39,878,990	32,961,521
Grants and other contracts.....	43,061,425	40,362,825
Sales and services of educational departments.....	3,304,672	4,287,203
Other.....	4,855,763	6,499,214
Total Revenues.....	219,479,329	229,562,422
Expenses		
Instruction.....	76,466,024	82,232,408
Public service.....	12,690,574	13,654,810
Academic support.....	15,726,456	17,760,047
Student services.....	20,376,779	22,439,097
Institutional support.....	16,894,483	18,131,905
Operation and maintenance of plant.....	15,161,762	16,800,279
Scholarships and fellowships.....	17,116,570	11,375,575
Auxiliary enterprises.....	29,084,352	34,292,482
Other.....	21,605,276	22,704,182
Total Expenses.....	225,122,276	239,390,785
Income (Loss) Before Capital Items.....	(5,642,947)	(9,828,363)
Capital State appropriations.....	1,800,531	112,663
Increase (Decrease) in net position.....	(3,842,416)	(9,715,700)
Net Position, Beginning of Year as previously reported.....	151,666,646	161,382,346
Net Position, End of Year.....	\$ 147,824,230	\$ 151,666,646
PRESIDENT		
During Audit Period: Dr. Martin Abraham		
Currently: Dr. Guiyou Huang		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS OVER
CENSUS DATA**

The University did not have a reconciliation process to provide assurance that census data submitted to pension and OPEB plans was complete and accurate

The Western Illinois University (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.

During testing, some of the more significant issues we noted included the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS and CMS to its internal records to establish a base year of complete and accurate data.
- The University did not have a process to ensure its employees who worked between 4 to 4.5 months were enrolled in SURS.
- As of the end of the census data accumulation year on June 30, 2018, we identified 14 employees where each employee's associated termination or rehire date(s) had been untimely reported to SURS. While these employees were all associated with the University at June 30, 2018, some or all of these untimely reports may have occurred at other public universities and community colleges across the State. SURS determined these errors resulted in the employees being misclassified between the active, retired, and inactive member categories within SURS. The total potential impact to each former employee's total service credit was it could be off between 0.0 and 1.75 years. (Finding 1, pages 61-65)

No process to ensure its employees who worked between 4 to 4.5 months were enrolled in SURS

We recommended the University implement controls to ensure census data events are timely and accurately reported to SURS and CMS. Further, we recommended the University work with SURS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary.

University agreed with the finding

Management agrees with the finding and plans to implement multiple controls to correct the audit finding. WIU Human Resource functions have been consolidated in Fiscal Year 2020, creating greater accountability for employee communication and following internal policies. In addition, as the State provides information, the University team will work diligently to establish a new baseline of census data related to SURS and

CMS. Once this baseline is established, an annual reconciliation process will be created and enacted moving forward.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2020, are fairly stated in all material respects.

This financial audit was 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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