



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2021

Release Date: June 22, 2022

FINDINGS THIS AUDIT: 9				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	1	1	2	2020	1	3, 6	
Category 2:	1	6	7	2018		8	
Category 3:	0	0	0	2016		4, 7	
TOTAL	2	7	9	2012		5	
FINDINGS LAST AUDIT: 11							

INTRODUCTION

This digest covers Western Illinois University’s (University) State compliance examination for the year ended June 30, 2021. Separate digests covering the University’s Financial Audit and Single Audit were separately released. In total, this report contains 9 findings, 3 of which were reported in the Financial Audit and Single Audit.

SYNOPSIS

- (21-04) The University did not adequately comply with the *University Guidelines* on remittance of excess funds.
- (21-07) The University had weaknesses in computer inventory controls.

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
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES	FY 2021	FY2020
INCOME FUND REVENUES		
Tuition.....	\$ 52,668,411	\$ 54,516,183
Fines and other student charges.....	1,875,283	1,919,204
Finance charges.....	295,208	245,862
Interest.....	13,896	92,955
Other.....	4,802,379	528,164
Total Revenues.....	59,655,177	57,302,368
INCOME FUND EXPENDITURES		
Personal Services.....	29,174,943	30,887,238
FICA/Medicare contributions.....	406,254	423,225
Contractual Services.....	8,053,240	6,146,338
Travel.....	22,202	134,571
Commodities.....	1,119,227	551,173
Library books and equipment.....	1,884,308	1,333,649
Telecommunications Services.....	86,563	55,506
Operation of Automotive Equipment.....	109,417	93,581
Permanent improvements.....	38,952	28,526
Awards, Grants and Matching Funds.....	12,081,137	8,217,228
Tuition and Fee Waivers.....	6,287,257	6,914,706
Employment security.....	15,322	25,034
Total Expenditures.....	59,278,822	54,810,775
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ 376,355	\$ 2,491,593
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2021	FY 2020
Employment Statistics		
Faculty and Administrative.....	575	612
Civil Service.....	587	623
Other.....	340	376
Total Employees.....	1,502	1,611
Enrollment Statistics		
Enrollment - Macomb Campus.....	3,016	5,548
Enrollment - Quad Cities Campus.....	473	805
Enrollment - Extension.....	4,884	1,954
Total.....	8,373	6,353
Cost Per Student		
Cost Per Full-Time Equivalent Student.....	\$ 13,716	\$ 11,480
PRESIDENT		
During Examination Period: Dr. Martin Abraham (through 12/31/20), Dr. Guiyou Huang (effective 1/1/21)		
Currently: Dr. Guiyou Huang		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

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

Western Illinois University (University) did not adequately comply with the *University Guidelines* on remittance of excess funds.

Excess funds were not remitted to the Income Fund

During our testing of the University's compliance with the *University Guidelines*, 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:

Indirect Cost	\$2,327,784
Public Service	1,376,775
Instructional Resources	732,195
University Publication	7,014
Sponsored Credit Programs	21,584
Parking Operations	659,796
Total	<u><u>\$5,125,148</u></u>

(Finding 4, pages 21-22) **This finding has been reported since 2016.**

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

The University agreed with the finding

The University agreed with the finding and stated it 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.

WEAKNESSES IN COMPUTER INVENTORY CONTROLS

The University had weaknesses in computer inventory controls.

Unable to locate 18 computers and other related computer equipment, totaling \$21,600

The University was unable to locate 18 computers and other related computer equipment during their annual inventory. The original cost of the missing items totaled \$21,600. The computers did not have encryption installed and the University could not determine if they contained confidential information at the time they were reported missing.

Unable to determine if confidential information was on missing computers

Although the University had installed encryption software on computers during fiscal year 2021, users were granted the ability to disable the encryption software. (Finding 7, pages 27-28)

This finding has been reported since 2016.

We recommend the University implement adequate controls to ensure confidential data is adequately protected with methods such as encryption. In addition, we recommended the University review their practices of allowing users the ability to disable the encryption software.

The University agreed with this finding

The University agreed with this finding and stated it will continue to review control measures and practices as it relates to the protection of confidential data on University computers.

OTHER FINDINGS

The remaining findings pertain to census data, financial reporting, noncompliance with the *University Guidelines* on Subsidies, inadequate internal audit function, lack of adequate controls over the review of internal controls over service providers, and weakness in cybersecurity programs and practices. We will review the University's progress towards the implementation of our recommendations in our next State compliance examination.

AUDITOR'S OPINIONS

The financial audit report was issued separately. The auditors stated the financial statements of the University as of and for the year ended June 30, 2021, are fairly stated in all material respects.

The single audit report was issued separately. The auditors 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, 2021.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants stated the University complied, in all material respects, with the requirements described in the report.

This State compliance examination 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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