

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT

(In Accordance with the Single Audit Act
and Applicable Federal Regulations)

For the Year Ended June 30, 2022

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
University Officials	1
Compliance Report	
Summary	3
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and the Schedule of Federal and Nonfederal Financial Activity	7
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	12
Current Finding – <i>Government Auditing Standards</i>	13
Current Finding – Federal Compliance and Questioned Costs	15
Prior Finding Not Repeated	17
Supplementary Information	
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards	22
Schedule of Federal and Nonfederal Financial Activity	23

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For the Year Ended June 30, 2022

University Officials

President	Dr. Guiyou Huang
Provost and Academic Vice President	Mr. William Clow, Interim
Vice President for Student Success	Dr. David Braverman
Vice President for Finance and Administration	Ms. Shannon Sutton, Interim
Vice President of Enrollment Management	Dr. Amber Schultz (08/01/21 – Present)
Vice President of Quad Cities Campus Operations	Dr. Kristi Mindrup (02/01/22 – Present)
Interim Administrator in Charge, Quad Cities Campus*	Dr. Kristi Mindrup (07/01/20 – 01/31/22)
Associate Vice President of Enrollment Management**	Mr. Gary Swegan (07/01/20 - 08/06/21)
Executive Director of Financial Affairs	Ms. Ketra Roselieb
Director of Internal Auditing	Mr. Michael Sowinski
General Counsel	Ms. Elizabeth Duvall

*Position renamed Vice President of Quad Cities Campus Operations on 08/01/21

**Position renamed Vice President of Enrollment Management on 08/01/21

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For the Year Ended June 30, 2022

Board of Trustees (as of June 30, 2022)

Chair	Doug Shaw, Peoria
Vice Chair	Erik Dolieslager, Quincy
Secretary	Kisha M.J. Lang, Maywood
Member	Greg Aguilar, East Moline
Member	Polly Radosh, Good Hope
Member	Carin Stutz, Chicago
Member	Patrick M. Twomey, Macomb
Student Member	Kinsey Tiemann, LaGrange

University offices are located at:

Macomb Campus
1 University Circle
Macomb, Illinois 61455-1390

Quad Cities Campus
3300 River Drive
Moline, Illinois 61265-588

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For the Year Ended June 30, 2022

FEDERAL COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this audit of the Western Illinois University (University) was conducted in accordance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *Government Auditing Standards*.

AUDITOR’S REPORT

The Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards, and the Schedule of Federal and Nonfederal Activity does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	2	3
Repeated Findings	1	2
Prior Recommendations Implemented or Not Repeated	2	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings – <i>Government Auditing Standards</i>				
2022-001	13	2022/2020	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

WESTERN ILLINOIS UNIVERSITY
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FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings – Federal Compliance				
2022-002	15	New	Enrollment Reporting	Material Weakness and Noncompliance
Prior Findings Not Repeated				
A	17	2021	Failure to Apply Appropriate Generally Accepted Accounting Principles	
B	17	2021/2020	Information Technology Risk Assessment Not Performed	

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Ms. Ketra Roselieb, Executive Director of Financial Affairs, on March 17, 2023. The responses to the recommendations were provided by Ms. Ketra Roselieb, Executive Director of Financial Affairs, in a correspondence dated March 17, 2023.

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Western Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Western Illinois University (the "University"), a component unit of the State of Illinois, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated March 2, 2023.

Our report includes a reference to another auditor who audited the financial statements of the Western Illinois University Foundation, the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Honorable Frank J. Mautino
Auditor General
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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2022-001.

The University's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Original Signature on File

Plante & Moran, PLLC

Cincinnati, Ohio
March 2, 2023

INDEPENDENT AUDITOR'S
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND,
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE AND
THE SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY

Honorable Frank J. Mautino
Auditor General
State of Illinois

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The Board of Trustees
Western Illinois University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by Western Illinois University (University) with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

Honorable Frank J. Mautino
Auditor General
State of Illinois

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The Board of Trustees
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We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Western Illinois University

on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies

Honorable Frank J. Mautino
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State of Illinois

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in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Federal and Nonfederal Financial Activity

We have audited the financial statements of the business-type activities, fiduciary activities and the discretely presented component unit of the University as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, dated March 2, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including

Honorable Frank J. Mautino
Auditor General
State of Illinois

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The Board of Trustees
Western Illinois University

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Federal and Nonfederal Financial Activity is fairly stated in all material respects in relation to the basic financial statements as a whole.

Original Signature on File

Plante & Moran, PLLC

Cincinnati, Ohio

March 20, 2023, except for our report on the Schedule of Expenditures of Federal Awards and the Schedule of Federal and Nonfederal Financial Activity, for which the date is March 2, 2023

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2022

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 C.F.R. § 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
Various	Research and Development Cluster
84.425C, 84.425E, 84.425F, 84.425M	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: **\$2,369,804**

Auditee qualified as a low-risk auditee? Yes No

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDING
For the Year Ended June 30, 2022

2022-001. FINDING: Inadequate Internal Controls over Census Data

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.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting the data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple- employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by SURS, along with census data for the other participating members provided by the State's four other pensions plans, to prepare their projection of the liabilities of CMS' plan. Finally, SURS' actuary and CMS' actuary used census data transmitted by the University during Fiscal Year 2020 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2021, which is incorporated into the University's Fiscal Year 2022 financial statements.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.
- During our cut-off testing of data transmitted by the University to SURS, we noted 8 instances of an active employee becoming inactive or part-time and 1 instance of an inactive employee becoming retired were reported to SURS after the close of the fiscal year in which the event occurred.

We provided SURS' actuary and CMS' actuary with the exceptions we identified during our testing, along with the results of census data testing at the State Employees Retirement System of Illinois, and determined the net effect of these errors, along with the errors of other plan participants, was immaterial to SURS' and CMS' pension and OPEB-related balances and activity at the plans during Fiscal Year 2021.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDING
(CONTINUED)
For the Year Ended June 30, 2022

2022-001. FINDING: Inadequate Internal Controls over Census Data (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over the State's resources.

University officials indicated the base year reconciliation process was not established until Fiscal Year 2021, which is currently being performed by University staff. In addition, they indicated the late reported events were due to the difficulty in timely reporting events which occur near the end of the fiscal year to SURS.

Failure to ensure complete and accurate census data was reported to SURS reduces the overall reliability of pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. (Finding Code No. 2022-001, 2021-001, 2020-001)

RECOMMENDATION

We recommend the University continue to work with SURS to complete the base year reconciliation of Fiscal Year 2021 active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Further, we recommend the University ensure all events occurring within a census data accumulation year are timely reported to SURS so these events can be incorporated into the census data provided to SURS' actuary and CMS' actuary.

UNIVERSITY RESPONSE

The University agrees with the finding and has submitted all data to SURS as part of a baseline reconciliation process. Once this baseline is established and complete, an annual reconciliation process will be created and enacted moving forward.

Western Illinois University
(A Component Unit of the State of Illinois)
Current Findings – Federal and Questioned Costs
For the Year Ended June 30, 2022

2022-002. Finding: Inadequate Internal Control over Student Enrollment Reporting

Federal Agency: U.S. Department of Education

Assistance Listing Number: 84.063, 84.268

Program Expenditures: \$42,889,579

Program Name: Federal Pell Grant Program, Federal Direct Student Loans

Award Number(s): P063P201391, P063P211391, P063P221391, P268K201391, P268K211391, and P268K221391

Questioned Costs: None

Western Illinois University (University) did not have adequate procedures in place to complete accurate and timely enrollment reporting for all students within the required time period.

During our testing of Pell or Direct Loan borrowers that had a reduction or increase in attendance levels at the University, we noted 4 out of 40 (10%) students whose program-level record was not updated to reflect student's program enrollment status. Additionally, we noted 29 out of 40 (73%) students whose campus-level record and program-level record were not updated within the required time frame, ranging from 6-40 days late. The sample was not a statistically valid sample.

The University is required to accurately report significant data elements under the program level-record that the Department of Education considers high risk, including program enrollment status. The University is also required to report enrollment reporting changes no less than every 60 days. During the year, there were underlying problems with how program-level data was being submitted to the National Student Clearinghouse (NSC), resulting in program enrollment status changes not being reported for 4 students. Noted, while the University had a policy in place to ensure enrollment reporting for degree confirmations was being submitted to the NSC at least every 30 days, there was a flaw in the University's process that caused degree confirmations submitted to the NSC to be overridden with other student enrollment information, prior to information being reported from the NSC to National Student Loan Data System (NSLDS), resulting in enrollment reporting changes to be reported greater than 60 days after program enrollment effective date.

For the Federal Pell Grant Program, 34 CFR Section 690.83(b)(2) requires an institution to submit in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct.

For the Federal Direct Student Loans, 34 CFR Section 685.309(b) requires changes in student status to be reported to the NSLDS within 30 days of the change or included in a Student Status Confirmation Report (SSCR) sent to the NSLDS within 60 days of the status change.

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure enrollment reporting is accurate and timely.

University officials indicated the University did not have adequate procedures in place to ensure all required program-level data was being reported to NSLDS via NSC due to a flaw in their process causing degree confirmations to be overridden with other enrollment information prior to submission. The University did not have an appropriate enrollment reporting timeline to ensure student status changes were reported in the required time frame.

Western Illinois University
(A Component Unit of the State of Illinois)
Current Findings – Federal and Questioned Costs
For the Year Ended June 30, 2022

2022-002. Finding: Inadequate Internal Control over Student Enrollment Reporting (Continued)

Without sufficient controls around enrollment reporting there is a greater risk that student enrollment data will not be reported accurately or timely. Inaccurate or untimely reporting of student enrollment data can result in inconsistencies between the University's records and the National Students Loan Data System as well as potential delays in the repayment of federal loans. (Finding Code No. 2022-002)

RECOMMENDATION

We recommend the University implement controls to ensure that all program level detail is being appropriately reported through NSC to NSLDS and that submissions of degree confirmations to NSC are appropriate to ensure enrollment status changes are reported at least every 60 days. We also recommend these controls be monitored to ensure that all necessary information is reported within the required time frame.

UNIVERSITY RESPONSE

The University agrees with the finding. The University's procedures between multiple departments lacked a collaboration on the timing of reports to NSLDS via NSC for degree confirmations. This procedural change has been identified and will be implemented moving forward. In addition, adequate procedure changes have also been identified as it relates to program-level reporting and will be implemented to ensure compliance.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2022

A. **FINDING** (Failure to Apply Appropriate Generally Accepted Accounting Principles)

During the previous audit period, the University did not properly record several transactions and, as a result, did not properly apply the appropriate generally accepted accounting principles (GAAP) to their financial statement reporting process.

During the current audit period, our sampling and testing did not identify transactions in which the University did not properly apply generally accepted accounting principles (Finding Code No. 2021-002).

B. **FINDING** (Information Technology Risk Assessment Not Performed)

During the previous audit period, the University did not document the Gramm-Leach-Bliley Act (GLBA) required risk assessments related to student information security.

During the current audit period, our testing indicated the University completed the required risk assessments (Finding Code No. 2021-003, 2020-002).

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	Amount Provided to Subrecipients	FY 2022 Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Education Opportunity Grants	84.007	P007A201313	\$ -	\$ (480)
Federal Supplemental Education Opportunity Grants	84.007	P007A211313	-	324,061
				323,581
Federal Work-Study Program				
<i>Federal Work-Study Program - 2021-2022</i>	84.033	P033A181313	-	90,417
<i>Federal Work-Study Program - 2022-2023</i>	84.033	P033A211313	-	397,543
			-	487,960
Federal Perkins Loan Program Federal Capital Contributions	84.038	P038A071313	-	1,135,172
Federal Pell Grant Program				
<i>Federal Pell - 2020-2021</i>	84.063	P063P201391	-	4,140
<i>Federal Pell - 2021-2022</i>	84.063	P063P211391	-	12,299,980
<i>Federal Pell - 2022-2023</i>	84.063	P063P221391	-	4,694
			-	12,308,814
Federal Direct Student Loans				
<i>Federal Direct Student Loans - FY20</i>	84.268	P268K201391	-	(8)
<i>Federal Direct Student Loans - FY21</i>	84.268	P268K211391	-	69,260
<i>Federal Direct Student Loans - FY22</i>	84.268	P268K221391	-	30,511,513
			-	30,580,765
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)				
<i>Teach Grant - 2021-2022</i>	84.379	P379T221391	-	90,535
TOTAL DEPARTMENT OF EDUCATION			\$ -	\$ 44,926,827
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			\$ -	\$ 44,926,827
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Specialty Crop Block Grant Program - Farm Bill Passed-Through Illinois Department of Agriculture <i>Utilizing Hyperspectral Reflectance Imagery to Improve Fertilizer Efficiency and Sustainability of Hydroponic Lettuce</i>	10.170	SC-20-18	-	\$ 183
			-	183
Agriculture and Food Research Initiative <i>Oilseed Pennycress: A New Cash Cover-Crop for the Midwest</i>	10.310	2019-69012-29851	1,361,303	1,635,410
Passed-Through Illinois State University <i>Advancing Field Pennycress as a New Oils Feed Biodiesel Feedstock That Does Not Require New Land Commitments</i>	10.310	A180071S001	-	4,928
			1,361,303	1,640,338
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA) <i>Improving Access to Locally Produced, Health Food in IL Food Deserts</i>	10.326	20207000131290	-	6,709
Passed-Through Illinois State University <i>A Research Agenda for Cooperatives</i>	10.326	A200062S001	-	2,002
			-	8,711
TOTAL DEPARTMENT OF AGRICULTURE			\$ 1,361,303	\$ 1,649,232
<u>DEPARTMENT OF DEFENSE</u>				
Basic Scientific Research Passed-Through University of North Texas <i>Tech Proposal for Advanced Ballistic Tech: A Mechanism Based Approach to Design</i>	12.431	GF70037-1	\$ 269,141	\$ 1,983,241
TOTAL DEPARTMENT OF DEFENSE			\$ 269,141	\$ 1,983,241
<u>DEPARTMENT OF INTERIOR</u>				
Wildlife Restoration Passed-Through Illinois Department of Natural Resources <i>Waterfowl and Large River Ecology</i>	15.611	RC19W200R1	\$ -	\$ 7,550

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	Amount Provided to Subrecipients	FY 2022 Expenditures
TOTAL DEPARTMENT OF INTERIOR			\$ -	\$ 7,550
<u>DEPARTMENT OF JUSTICE</u>				
National Institute of Justice Research, Evaluation, and Development Project Grants <i>Validation of a LC-DAD-ESI/MS/MS Method for the Accurate Measurement of THC</i>	16.560	2020DBQB0021	\$ -	\$ 46,552
TOTAL DEPARTMENT OF JUSTICE			\$ -	\$ 46,552
<u>NATIONAL SCIENCE FOUNDATION</u>				
Mathematical and Physical Sciences <i>Multiscale Approach to Understand Outflows During High Mass Star Formation</i>	47.049	1814063	\$ -	\$ 37,329
TOTAL NATIONAL SCIENCE FOUNDATION			\$ -	\$ 37,329
<u>DEPARTMENT OF ENERGY</u>				
Office of Science Financial Assistance Program Passed-Through Illinois State University <i>Interrogating Pennycress Natural and Induced Variation to Improve Abiotic Stress</i>	81.049	A210036S005	\$ -	\$ 153,324
TOTAL DEPARTMENT OF ENERGY			\$ -	\$ 153,324
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 1,630,444	\$ 3,877,228
SPECIAL EDUCATION CLUSTER (IDEA):				
<u>DEPARTMENT OF EDUCATION</u>				
Special Education Preschool Grants Passed-Through Illinois State Board of Education <i>Fed-Sp Ed-Preschool Discretionary Illinois Starnet - 2022</i>	84.173A	2022-4605-00-26-062-5440-51	\$ -	\$ 961,700
TOTAL DEPARTMENT OF EDUCATION			\$ -	\$ 961,700
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			\$ -	\$ 961,700
OTHER PROGRAMS:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Agriculture and Food Research Initiative Passed-Through University of Illinois <i>Illinois Beef Experiential Learning and Industry Exposure Fellowship</i>	10.310	1076511884	\$ -	\$ 2,584
Rural Cooperative Development Grants <i>Rural Cooperative Development Grant Program 2020</i>	10.771	GLSX0002424154	-	76,156
TOTAL DEPARTMENT OF AGRICULTURE			\$ -	\$ 78,740
<u>DEPARTMENT OF DEFENSE</u>				
Procurement Technical Assistance For Business Firms Passed-Through Illinois Department of Commerce and Economic Opportunity <i>IL Procurement Technical Assistance Center FY21</i>	12.002	21-601104	\$ -	\$ 2,390
<i>IL Procurement Technical Assistance Center FY22</i>	12.002	22-601104	-	74,684
TOTAL DEPARTMENT OF DEFENSE			\$ -	\$ 77,074
<u>DEPARTMENT OF JUSTICE</u>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Passed-Through Illinois Criminal Justice Information Authority <i>Arrest Grant-Improve Criminal Justice Response to Domestic/Date Violence Sex Assault Stalking</i>	16.590	389003	\$ -	\$ 3,892

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	Amount Provided to Subrecipients	FY 2022 Expenditures
Passed-Through Illinois Law Enforcement Training and Standards Board <i>Attorney General First Responder Online Training</i>	16,590	None	-	(51)
TOTAL DEPARTMENT OF JUSTICE			\$ -	\$ 3,841
DEPARTMENT OF TRANSPORTATION				
Formula Grants for Rural Areas and Tribal Transit Program Passed-Through Illinois Department of Transportation <i>Rural Transit Assistance Center FY19-21</i>	20,509	5012	\$ -	\$ 69,689
<i>Rural Transit Assistance Center FY22-24</i>	20,509	1177-2021-03	-	277,374
TOTAL DEPARTMENT OF TRANSPORTATION			\$ -	\$ 347,063
DEPARTMENT OF THE TREASURY				
Coronavirus Relief Fund Passed-Through Illinois Network of Child Care Resource & Referral Agencies <i>COVID-19: Child Care Restoration Grant</i>	21,019	None	\$ -	\$ 12,769
Coronavirus State and Local Fiscal Recovery Funds Passed-Through Department of Commerce & Economic Opportunity <i>COVID-19: Collaborative Strategies for Small Business Development in West Central Illinois</i>	21,027	21-483002	40,621	154,658
TOTAL DEPARTMENT OF THE TREASURY			\$ 40,621	\$ 167,427
SMALL BUSINESS ADMINISTRATION				
Small Business Development Centers Passed-Through Illinois Department of Commerce & Economic Opportunity <i>SBDC CY21</i>	59,037	21-181127	-	89,502
<i>SBDC CARES Act Supplemental Funding</i>	59,037	20-543127	-	50,918
<i>SBDC CY22 Federal</i>	59,037	22-181127	-	22,592
TOTAL SMALL BUSINESS ADMINISTRATION			\$ -	\$ 163,012
DEPARTMENT OF EDUCATION				
Adult Education - Basic Grants to States Passed-Through Illinois Community College Board <i>Central Illinois Adult Education Service Center/Curriculum Publications Clearing 2022</i>	84,002	WIU-LEAD-22	\$ -	\$ 399,050
<i>DAISI Project FY 22</i>	84,002	WIU-DAISI-22	-	159,273
<i>I-Pathways IL FY22</i>	84,002	WIU-IPATH-22	-	183,317
			-	741,640
Education Stabilization Fund <i>COVID-19: Governor's Emergency Education Relief Funding (GEER)</i>	84,425C	21GEERWIU	-	1,226,649
<i>COVID-19: Governor's Emergency Education Relief Funding II (GEER)</i>	84,425C	601GEE2200WIU	-	7,111
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Student Aid Portion</i>	84,425E	P425E200622	-	11,808,909
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Institutional Portion</i>	84,425F	P425F201169	-	12,507,015
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Strengthening Institutions Programs</i>	84,425M	P425M200132	-	264,510
			-	25,814,194
TOTAL DEPARTMENT OF EDUCATION			\$ -	\$ 26,555,834
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Every Student Succeeds Act/Preschool Development Grants Passed-Through Illinois Board of Higher Education <i>Quality Matters: Preparing and Supporting the Early Childhood Workforce</i>	93,434	21EC405	\$ -	\$ 119,782
Temporary Assistance for Needy Families Passed-Through Illinois Department of Human Services <i>Low Income Degree Scholarship Program FY21</i>	93,558	FCSZG03648	-	554
<i>Low Income Degree Scholarship Program FY22</i>	93,558	FCSAG05316	-	30,730
			-	31,284
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ -	\$ 151,066

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	Amount Provided to Subrecipients	FY 2022 Expenditures
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
AmeriCorps				
Passed-Through Illinois Department of Public Health				
<i>AmeriCorps Project 18-19</i>	94.006	97380023G	\$ -	\$ 217
<i>AmeriCorps Project 20-21</i>	94.006	17380023H	29,551	61,953
<i>AmeriCorps Project 21-22</i>	94.006	27380023H	-	141,830
			<u>29,551</u>	<u>204,000</u>
Volunteers in Service to America				
<i>Vista Community Outreach</i>	94.013	13VSNIL001	-	42,233
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 29,551	\$ 246,233
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Homeland Security Grant Program				
Passed-Through Illinois Emergency Management Agency				
<i>Jail and Cyber Intelligence Officers Shsp FFY18</i>	97.067	18WIUCYBJL	-	\$ 85,910
<i>Jail and Cyber Intelligence Officers Shsp FFY19</i>	97.067	19WIUCYBJL	-	49,046
<i>FFY17 Homeland Security Preparedness Projects & Program Management 17WIU</i>	97.067	17WIU	-	31
<i>FFY18 Homeland Security Preparedness Projects & Program Management 18WIU</i>	97.067	18WIU	-	44
<i>FFY18 Homeland Security 18 SWIUTRG</i>	97.067	18SWIUTRG	-	125,757
<i>FFY19 Homeland Security 19 SWIUTRG</i>	97.067	19SWIUTRG	-	129,193
<i>FFY19 Homeland Security Preparedness Projects & Program Management 19WIU</i>	97.067	19WIU	-	428,166
<i>FFY19 Law Enforcement Office Analyst Program ISPS</i>	97.067	196WIUISPS	-	194
<i>FFY19 Homeland Security 19WIUILETSB Shsp</i>	97.067	19WIUILETSB/19UAWIULET	-	302,587
<i>FFY20 Homeland Security Preparedness Projects & Program Management 20WIU</i>	97.067	20WIU	-	271,786
			<u>-</u>	<u>1,392,714</u>
Passed-Through Illinois Law Enforcement Training and Standards Board				
<i>FFY17 Homeland Security State Homeland Security Program</i>	97.067	NONE	-	12
<i>FFY18 Homeland Security Intelligence Gathering and Information Sharing Shsp</i>	97.067	NONE	-	44,688
			<u>-</u>	<u>44,700</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ -	\$ 1,437,414
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,700,616	\$ 78,993,459

WESTERN ILLINOIS UNIVERSITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

NOTE 1 – BACKGROUND

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the University. The SEFA includes all federal awards received directly from federal agencies as well as federal financial awards passed through other agencies.

Summary of Significant Accounting Policies – Basis of Presentation

The SEFA includes the federal awards activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Because the SEFA presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

NOTE 2 – FEDERAL STUDENT LOAN PROGRAMS

During the fiscal year ended June 30, 2022, the University issued new loans to students under the Federal Direct Student Loan Program. The loan amounts issued during the year are disclosed on the SEFA. The University is responsible only for the performance of certain administrative duties with the respect to federally guaranteed student loan programs and accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the University at June 30, 2022.

In addition, the University participates in the Federal Perkins Loan Program. The Loan program is directly administered by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year, loans made during the year and administrative cost allowance are included in the federal expenditures presented in the SEFA. The outstanding balance at June 30, 2022 was \$826,384. There were no new loans issued through the Federal Perkins Program during the year ended June 30, 2022.

NOTE 3 – NON-CASH ASSISTANCE

The University did not receive any federal non-cash assistance during the fiscal year ended June 30, 2022.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2022

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA ¹	\$ 78,993,459
Total Schedule A	<u>\$ 78,993,459</u>

Schedule B - Total Financial Component

Total operating expenses ²	\$ 250,784,871
Total nonoperating expenses ²	1,659,643
Federal loan balances: ^{1,4}	
Perkins Loan Program	1,351,391
Total value of new federal loans: ^{1,5}	
Federal Direct Student Loans	30,580,765
Other noncash federal award expenditures ³	<u>-</u>
Total Schedule B	<u>\$ 284,376,670</u>

Schedule C

Total Schedule B	\$ 284,376,670	100.000%
Total Schedule A	<u>78,993,459</u>	<u>27.778%</u>
Total nonfederal expenses	<u>\$ 205,383,211</u>	<u>72.222%</u>

¹ Obtained from the Schedule of Expenditures of Federal Awards

² Obtained from the Statement of Revenues, Expenses, and Changes in Net Position

³ Obtained from the Notes to the Schedule of Expenditures of Federal Awards

⁴ Balance at the beginning of the fiscal year with continuing compliance requirements

⁵ Balance of loans issued during the fiscal year