



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

William G. Holland, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS COMMUNITY COLLEGE BOARD**

**Compliance Examination  
 For the Two Years Ended June 30, 2014**

**Release Date: June 30, 2015**

<b>FINDINGS THIS AUDIT: 7</b>				<b>AGING SCHEDULE OF REPEATED FINDINGS</b>			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<b>Repeated Since</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	2012		14-3, 14-4	
<b>Category 2:</b>	2	5	7	2008		14-1	
<b>Category 3:</b>	<u>0</u>	<u>0</u>	<u>0</u>	2006		14-5	
<b>TOTAL</b>	<b>2</b>	<b>5</b>	<b>7</b>	1996		14-2	
<b>FINDINGS LAST AUDIT: 10</b>							

**SYNOPSIS**

- (14-1) The Board exercised inadequate control over the recording and reporting of its State property and equipment.
- (14-2) The Board failed to enforce compliance with the Rules and Regulations over the timely submission of required informational reports and schedules.
- (14-5) The Board lacked adequate controls over its personal services function.

**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.}

**ILLINOIS COMMUNITY COLLEGE BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2014**

<b>EXPENDITURE STATISTICS</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Total Expenditures.....</b>	<b>\$ 382,610,985</b>	<b>\$ 382,402,123</b>	<b>\$ 404,368,260</b>
OPERATIONS TOTAL.....	\$ 9,734,455	\$ 12,258,573	\$ 12,742,430
% of Total Expenditures.....	2.5%	3.2%	3.2%
Personal Services.....	1,060,043	1,174,833	1,212,195
Other Payroll Costs (FICA, Retirement).....	14,006	15,801	16,333
All Other Operating Expenditures.....	8,660,406	11,067,939	11,513,902
AWARDS AND GRANTS.....	\$ 372,876,530	\$ 370,143,550	\$ 391,625,830
% of Total Expenditures.....	97.5%	96.8%	96.8%
<b>Total Receipts.....</b>	<b>\$ 40,903,960</b>	<b>\$ 43,142,826</b>	<b>\$ 44,326,410</b>
<b>Average Number of Employees (not examined)....</b>	<b>44</b>	<b>48</b>	<b>50</b>

<b>SELECTED ACTIVITY MEASURES (not examined)</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Fall Term Headcount Enrollment.....	351,570	358,562	372,566
Students Enrolled for Credit, Occupational and Vocational Programs.....	691,536	713,396	716,797
Students Enrolled in Non-Credit Courses.....	202,417	198,622	233,022
Percentage of Students Seeking a Degree or Certificate.....	54%	53%	54%
Pre-Baccalaureate Degree Completions, Male.....	30,711	28,184	26,625
Pre-Baccalaureate Degree Completions, Female.....	38,325	36,062	34,913

<b>AGENCY DIRECTOR</b>	
During Examination Period:	Geoffrey S. Obrzut, President (through 6/30/13) Dr. Karen Hunter Anderson, Executive President (effective 7/1/13)
Currently:	Dr. Karen Hunter Anderson, Executive President

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**PROPERTY CONTROL WEAKNESSES**

The Illinois Community College Board (Board) did not exercise adequate control over the recording and reporting of its State property and equipment. We noted the following:

**Equipment items totaling \$164,594 not added to property control records or C-15 report**

- The Board did not add \$164,594 in Electronic Data Processing (EDP) equipment additions to its property control records. Additionally, we noted these additions were not reported on the Board's Agency Report of State Property (C-15 report) submitted to the Office of the Comptroller.
- During our sample testing of 80 equipment items, we noted the following:
  - 24 (30%) equipment items, totaling \$96,560, were located in a different geographical location than reported on the Board's property listing;
  - Four (5%) equipment items, totaling \$16,884, could not be located; and
  - One (1%) equipment item was not included in the Board's property listing.
- The Board did not file Accounting for Leases-Lessee Forms (Form SCO-560) with the Office of the Comptroller for two (100%) leases in effect during the examination period totaling \$39,200. (Finding 1, pages 8-9) **This finding has been repeated since 2008.**

**Items found in different locations than on property listing**

**Form SCO-560 not filed with the Office of the Comptroller**

We recommended the Board strengthen controls over the recording and reporting of its State property and equipment by reviewing its inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements.

**Board agreed with auditors**

Board management agreed with the recommendation and stated they will undertake a full update/overhaul of the inventory system, procedures, and data. They also stated they would assign staff accordingly and make it a priority to submit reports timely. *(For the previous Board response, see Digest Footnote #1.)*

**STATE AND FEDERAL GRANT REPORTING BY ILLINOIS COMMUNITY COLLEGE DISTRICTS**

**Informational reports not submitted to Board timely**

The Board failed to enforce compliance with the Rules and Regulations over the timely submission of required informational reports and schedules. Informational reports and schedules are required to be prepared by the districts/colleges and submitted to the Board to provide data necessary to determine funding and to ensure the funds are being properly utilized. These reports are due at various times throughout the year.

We noted:

**Reports submitted late**

- 55 of 135 (41%) informational reports due in FY13 were submitted to the Board between 1 and 362 days late. Fifteen reports were not received by the end of our fieldwork.
- 45 of 135 (33%) informational reports due in FY14 were submitted to the Board between 1 and 154 days late. 22 reports were not received by the end of our fieldwork. (Finding 2, pages 10-11). **This finding has been repeated since 1996.**

We recommended the Board review the adequacy of its policies and procedures regarding the submission of required informational reports and schedules. We further recommended the Board continue to work with each district to ensure required reports are submitted timely.

**Board agreed with auditors**

Board management agreed with the recommendation and stated they are waiting for approval by the Joint Committee on Administrative Rules to eliminate some unnecessary reports and to change the due dates of some reports. Board management also stated they will continue to work with the colleges to remind them of necessary reporting deadlines. *(For the previous Board response, see Digest Footnote #2.)*

**INADEQUATE CONTROLS OVER PERSONAL SERVICES**

The Board did not have adequate controls over its personal services function. We noted:

**Leave time not preapproved**

- Seven (100%) employees tested did not have their employee absences for vacation, floating holidays or personal time approved prior to their absences. Approvals on the Board's Request for Planned Leave Form were granted 1 to 69 days after the date of absence.

**Sick leave time not approved timely**

- Three of 7 (43%) employees tested did not turn in their sick time forms and/or did not obtain approval for sick leave time taken within a reasonable amount of time after the time was taken. The auditors considered any leave slips turned in after 3 business days or more and approved after 7 or more business days after the employee's return as late. Auditors noted Board employees turned in sick time forms after their absence 10 to 58 days late and approvals were granted 2 to 54 days late.

**Request for Planned Leave Forms not signed and dated**

- One of 7 (14%) employees tested had Request for Planned Leave Forms that were not signed and dated by the employee or their supervisor. Therefore, the auditors were unable to determine if the leave time was turned in or approved timely.
- Seven (100%) employees tested did not have their semi-

**Timesheets not signed timely**

monthly timesheets timely signed by the employee and/or their supervisor. The auditors considered timesheets signed more than 5 business days (excluding holidays) after the end of the reporting period as late. Auditors noted the timesheets were signed 1 to 58 days late.

**Performance evaluations not completed timely**

- Five of 15 (33%) performance evaluations for employees tested were not completed timely by the Board. The employee evaluations were completed 2 to 105 days late. In addition, two of 7 (29%) employees in our sample did not receive either a probationary evaluation or an annual evaluation during the examination period. The auditors considered evaluations performed over 30 days after the end of the evaluation period to be untimely.

**Employee file did not contain Form W-4**

- One of 7 (14%) employees tested did not have accurate State and Federal withholding support in their personnel file. Specifically, one employee file did not contain a Withholdings Allowance Certification Card (Form W-4). (Finding 5, pages 16-18). **This finding has been repeated since 2006.**

We recommended the Board review and approve leave time in accordance with the Guidebook. In addition, we recommended the Board perform appraisals timely for all employees and maintain a system of record keeping to ensure personnel files contain supporting documentation for all payroll deductions.

**Board partially agreed with auditors**

Board management agreed with the recommendation regarding timely evaluations and stated staff will continue to communicate with management on the importance of timely evaluations and develop a process to inform management not in compliance with the evaluations.

Board management disagreed with the recommendation regarding timely approval of leave requests and stated all employees receive verbal approval by their supervisors for requested leave and then they are recorded on the Staff Scheduler as being out of the office. Board management also stated many supervisors are not located in the same city as staff, and others travel, so leave sheets cannot always be signed before leave is taken or immediately after and that the staff scheduler documents staff attendance daily and leave forms are signed by supervisors and semi-monthly or monthly with the timesheets. Lastly, Board management stated they do not believe that signing of leave slips monthly or semi-monthly limits their ability to disapprove time.

**Auditor's Comment**

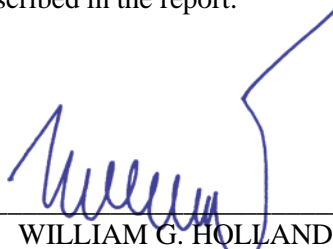
In an auditor's comment, we noted the Board's policy requires vacation and personal time be approved before the time is taken. The Board could not provide documentation to support leave was preapproved. *(For the previous Board response, see Digest Footnote #3.)*

## **OTHER FINDINGS**

The remaining findings pertain to: 1) noncompliance with grant agreements, 2) lack of controls over GAAP reporting, 3) noncompliance with the P-20 Longitudinal Education Data System Act, and 4) inadequate controls over Agency Workforce Reports. We will follow up on these findings during our next examination of the Board.

## **ACCOUNTANT'S OPINION**

We conducted a compliance examination of the Board as required by the Illinois State Auditing Act. The auditors stated the Board complied, in all material respects, with the requirements described in the report.



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WILLIAM G. HOLLAND  
Auditor General

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## **AUDITORS ASSIGNED**

This examination was performed by the Office of the Auditor General's staff.

## **DIGEST FOOTNOTES**

### **#1 - PROPERTY CONTROL WEAKNESSES – Previous Board Response**

2012: The Board concurs with the finding. The Board will add a new data element to the inventory records to include date inventory was tagged. The board will work with staff to develop a process to record equipment location changes when staff trade inventory items/equipment, and the Board will reallocate staff resources to ensure reports are submitted timely.

### **#2 – STATE AND FEDERAL GRANT REPORTING BY ILLINOIS COMMUNITY COLLEGE DISTRICTS – Previous Board Response**

2012: The Board concurs with the finding. The Board is currently preparing changes to be taken to the Joint Committee on Administrative Rules to eliminate some unnecessary reports and to change the due dates of some reports. The Board will also continue

to work with the colleges to remind them of necessary reporting deadlines.

**#3 – INADEQUATE CONTROLS OVER PERSONAL SERVICES – Previous Board Response**

2012: The Board concurs with the finding on timely evaluations. Staff will continue to communicate with management on the importance of timely evaluations and develop a process to inform management not in compliance with the evaluations.

The Board does not concur on the timely approval of leave requests. All employees receive verbal approval by their supervisors for requested leave and then they are recorded on the Staff Scheduler as being out of the office. Many supervisors are not located in the same city as staff, and others travel, so leave sheets cannot always be signed before leave is taken or immediately after. The staff scheduler documents staff attendance daily and leave forms are signed by supervisors semi-monthly or monthly with the time sheets. The Board does not believe that signing of leave slips monthly or semi-monthly limits their ability to disapprove time.