

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

For the Year Ended June 30, 2022

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

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2022

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SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2022

UNIVERSITY OFFICIALS

President	Dr. Daniel Mahony
Fiscal Officer	Duane Stucky
General Counsel	Lucas Crater
Executive Director, Internal Audit	Kimberly Labonte
SIUC Chancellor	Austin Lane
SIUE Chancellor	Randall Pembroke (until 2/28/22)
SIUE Chancellor	James Minor (eff. 3/1/22)

BOARD OFFICERS

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary	Roger Tedrick (until 2/10/22)
Board Secretary	Subhash Sharma (eff. 2/10/22)
Secretary to the Board	Misty Whittington (until 8/31/22)
Secretary to the Board	Paula Keith (eff. 9/1/22)

GOVERNING BOARD MEMBERS

Trustee	Edgar Curtis
Trustee (3/15/21 to 8/13/21)	Tonya Genovese
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Sara Salger
Trustee	Subhash Sharma
Trustee	John Simmons
Trustee	Roger Tedrick
Student Trustee (7/1/22 to present)	Dorcas Brou
Student Trustee (7/1/22 to present)	Hailee O'Dell
Student Trustee (7/1/21 to 6/30/22)	Shaylee Clinton
Student Trustee (7/1/21 to 6/30/22)	Maddie Walters

EX OFFICIO MEMBER

Superintendent of Public Instruction
(Eliminated legislatively on August 13, 2021)

State Superintendent	Dr. Carmen I. Ayala
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SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2022

BOARD OFFICES

The Agency's primary administrative offices are located at:

Southern Illinois University Carbondale
1263 Lincoln Dr.
Carbondale, Illinois 62901

Southern Illinois University Edwardsville
1 Hairpin Dr.
Edwardsville, Illinois 62025



Southern Illinois University System
ONE SYSTEM | MANY LOCATIONS | STATEWIDE IMPACT

June 30, 2023

Plante & Moran, PLLC
750 Trade Centre Way, Suite 300
Portage, MI 49002

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Southern Illinois University (the University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University’s compliance with the following specified requirements during the one-year period ended June 30, 2022. Based on this evaluation, we assert that during the year ended June 30, 2022, the University has materially complied with the specified requirements listed below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

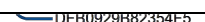
Yours truly,

Southern Illinois University

Signature on File


Dr. Daniel F. Mahony
University President

Signature on File


Dr. Duane Stucky
Senior VP for Financial and
Administrative Affairs

Signature on File

Mr. Lucas D. Crater
Chief Legal Counsel

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2022

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	21	16
Repeated Findings	13	13
Prior Recommendations Implemented or Not Repeated	3	5

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	12	2021/2020	Inadequate Internal Controls Over Census Data	Material Weakness and Material Noncompliance
2022-002	16	2021/2018	Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for the Student Support Services Program	Significant Deficiency and Noncompliance
2022-003	18	New	Sliding Fee Discount Not Applied to All Eligible Patients	Significant Deficiency and Noncompliance
2022-004	19	New	Insufficient Controls over Review and Approval of Cash Drawdowns	Significant Deficiency and Noncompliance
2022-005	20	New	Inadequate Procedures for Ensuring Retention of Eligibility Documentation for the Upward Bound Program	Significant Deficiency and Noncompliance

SOUTHERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
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 (continued)				
2022-006	22	New	Inaccurate Reporting of Student Verification Status	Significant Deficiency and Noncompliance
2022-007	24	2021/2017	Exit Counseling Not Completed	Significant Deficiency and Noncompliance
2002-008	26	New	Procurement Requirements Not Followed	Significant Deficiency and Noncompliance
2022-009	28	2021/2018	Lack of Adequate Controls over the Review of Internal Controls for Service Providers	Material Weakness and Material Noncompliance
2022-010	31	2021/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2022-011	34	2021/2020	Weaknesses with Payment Card Industry Data Security Standards	Material Weakness and Material Noncompliance
2022-012	36	2021/2020	Security Related Weaknesses	Significant Deficiency and Noncompliance
2022-013	38	New	Lack of Disaster Recovery Test	Significant Deficiency and Noncompliance
2022-014	39	New	Lack of Change Management Controls	Significant Deficiency and Noncompliance
2022-015	40	New	Lack of Access Reviews	Significant Deficiency and Noncompliance
2022-016	41	2021/2005	Failure to Require Faculty Timesheets	Significant Deficiency and Noncompliance
2022-017	43	2021/2012	Weakness in Computer Inventory Control	Significant Deficiency and Noncompliance

SOUTHERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
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 (Continued)				
2022-018	45	2021/2021	Forensic Psychiatry Fellowship Training Program	Significant Deficiency and Noncompliance
2022-019	46	2021/2021	Publications Filed with the State Library	Significant Deficiency and Noncompliance
2022-020	48	2021/2020	Noncompliance with Illinois Articulation Initiative	Significant Deficiency and Noncompliance
2022-021	51	2021/2015	Pilot Plant not Managed by the Illinois Ethanol Research Advisory Board	Significant Deficiency and Noncompliance
Prior Findings Not Repeated				
A	54	2021/2021	Information Technology Risk Assessment Not Performed	
B	54	2021/2019	Return of Title IV Aid	
C	54	2021/2020	Missing I-9 Forms	

SOUTHERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2022

EXIT CONFERENCE

The University waived an exit conference on Findings 2022-001 through 2022-008 and their associated recommendations in correspondences from Kim Labonte, Executive Director, Internal Audit, on February 22 and 26, 2023. The responses to the recommendations were provided by Kim Labonte in a correspondence dated February 26, 2023.

Findings 2022-009 through 2022-015 and their associated recommendations appearing in this report were discussed with University personnel at an exit conference on June 27, 2023.

Attending were:

Southern Illinois University

Mr. Jeffrey Laughlin-Smith	Chief Information Security Officer
Mr. Steven Huffstutler	SIUE Associate Vice Chancellor for Academic Computing
Ms. Kim Labonte	SIUE Executive Director, Internal Audit

Office of the Auditor General

Ms. Kathy Lovejoy	Principal of IS Audits
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Plante Moran

Ms. Vicki VanDenBerg	Partner
Mr. Furney Brown	Principal
Ms. Jennifer Zanone	Principal
Mr. Wale Oseni	Senior

The responses to the recommendations were provided by Kim Labonte, Executive Director, Internal Audit, in a correspondence dated June 29, 2023. The responses to the recommendations for findings 2022-016 through 2022-021 were provided by Kim Labonte, Executive Director, Internal Audit, in a correspondence dated June 27, 2023

INDEPENDENT ACCOUNTANT’S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

And

Board of Trustees
Southern Illinois University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by Southern Illinois University with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2022. Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law

Honorable Frank J. Mautino
Auditor General
State of Illinois

And

Board of Trustees
Southern Illinois University

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the University during the year ended June 30, 2022. As described in the accompanying Schedule of Findings as item 2022-001, 2022-009 and 2022-011, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2022, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2022-002 through 2022-008, 2022-010 and 2022-012 through 2022-021.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Honorable Frank J. Mautino
Auditor General
State of Illinois

And

Board of Trustees
Southern Illinois University

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-001, 2022-009 and 2022-011 to be material weaknesses.

A significant deficiency in internal control 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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-002 through 2022-008, 2022-010 and 2022-012 through 2022-021 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

Honorable Frank J. Mautino
Auditor General
State of Illinois

And

Board of Trustees
Southern Illinois University

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

Signature on File

Portage, MI
June 30, 2023

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2022

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

Southern 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 117 instances of an active employee becoming inactive or part-time, 2 instances of an inactive employee becoming active, 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. There were also 2 instances previously reported that impacted the June 30, 2020 census data.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

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

- During our testing of instructor eligibility testing, we noted 3 of 2,007 instructors tested was not reported as eligible to participate in SURS by the University. SURS determined the total potential impact of this error was each instructor's service credit was off between $\frac{3}{4}$ of a year to 1 year. There were also 10 instances previously reported that impacted the June 30, 2020 census data.

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.

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.

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less:

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;
- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

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

- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in SURS, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds

Finally, for CMS' OPEB plan, we noted participation in OPEB is derivative of an employee's eligibility to participate in SURS, as members of SURS participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

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. Finally, they indicated the three instructors were not reported to SURS due to oversight.

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. Further, failure to report all eligible employees to SURS may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (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 date 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.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

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

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.

Finally, we recommend the University ensure all eligible employees are reported to SURS, along with any required employee and employer contributions.

UNIVERSITY RESPONSE

We agree. SIU Carbondale and SIU Edwardsville have processes and procedures in place for processing certifications, changes, and terminations in the SURS and CMS systems as contracts are received from departments. However, the University had not completed a base year reconciliation of the census data with SURS and CMS during the fiscal year. The campuses have now completed the base year reconciliation and continue to work to automate the process going forward.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-002. Finding: Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for the Student Support Services Program

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.042
Program Expenditures: \$1,011,855
Program Name: TRIO – Student Support Services
Award Number(s): P042A201635
Questioned Costs: None

The Southern Illinois University (University) Carbondale campus did not have adequate procedures in place to ensure the earmarking requirements for the Student Support Services program were met during the fiscal year.

During our testing of earmarking requirements for TRIO Student Support Services at the University, we noted the program at the Carbondale campus served 160 students, of which 95 (59%) students met the criteria for being either low-income individuals who are first-generation college students or individuals with disabilities. The University has not implemented sufficient processes and controls over the past several years to ensure compliance with TRIO earmarking requirements.

The Student Support Services Program requires that, in addition to the eligibility criteria for individual students, not less than two-thirds of the program participants will be either low-income individuals who are first-generation college students or individuals with disabilities (34 CFR Section 646.11(a)(1)).

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure that all earmarking requirements are reviewed and monitored to ensure compliance.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

University officials stated the failure to meet the two-thirds requirement was due to a decreasing pool of students who qualify as first-generation and low income. In addition, officials stated the student recruiting plan was insufficient to ensure that the earmarking requirement was met. Management indicated in the current year, both of these conditions were still present and contributed to the University not meeting the earmarking requirement.

Without effective controls to review the participants and ensure compliance for TRIO Student Support Services, the University is at a greater risk of not meeting the minimum earmarking requirements, as well as increased likelihood of program reviews from oversight agencies. In addition, the University

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-002. Finding: Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for the Student Support Services Program (continued)

is at risk of being required to return funds to the Department of Education and/or becoming ineligible to administer the program. (Finding Code No. 2022-002, 2021-002, 2020-003, 2019-001, 2018-002)

RECOMMENDATION

We recommend the University establish processes and procedures, including plans for increasing participation in the program by targeted populations, to ensure it will meet the earmarking program requirements. We also recommend the University implement controls to identify likely disparities in expected and actual results throughout the year and take proactive corrective action as necessary.

UNIVERSITY RESPONSE

We agree and have implemented corrective actions. Ongoing changes at the university continue to impact the potential for enrollment growth of minority students, which directly impacts the success of the program. Realignment of support services has structured Trio programs in an area with other similar programs that serve students that meet the criteria of the program. This realignment of services is already producing positive results, and the Trio program currently meets earmarking requirements. The requirements will be documented in the upcoming Annual Performance Report once submitted to the US Department of Education for AY 2022-2023 (May 2023). We hope to sustain this progress as enrollment at the university continues to trend upward.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-003. Finding: Sliding Fee Discount Not Applied to All Eligible Patients

Federal Agency: U.S. Department of Health and Human Services
Assistance Listing Number: 93.224, 93.527
Program Expenditures: \$5,085,751
Program Name: Health Center Program Cluster
Award Number(s): H8FCS41336, H80CS24098
Questioned Costs: None

The Southern Illinois University (University) Springfield campus did not properly apply the sliding fee discount to all eligible patients.

During our testing of patients treated during the year under audit, we noted 3 of 26 (12%) patients treated did not have the sliding fee discount applied to their charges. The sample was not a statistically valid sample. The 3 patients' charges were partially paid for by Medicare, however, the sliding fee discount should have been applied to the remaining Medicare coinsurance.

Federal guidelines require health centers to prepare and apply a sliding fee discount schedule so amounts owed for health center services by eligible patients are adjusted (discounted) based on the patient's ability to pay (42 CFR 51c.303(f)).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

University management stated it was unable to provide patients with the sliding fee discount subsequent to a Medicare claim posting due to a turnover in key Patient Billing Services (PBS) staff members and a failure to educate new staff members on Federally qualified health center (FQHC) billing policies, which differ from SIU-Medicine billing policies.

Without effective controls to provide all eligible patients with the sliding fee discount, there is a risk a patient may be charged incorrectly for health center services provided. (Finding Code No. 2022-003)

RECOMMENDATION

We recommend the University establish processes and procedures to ensure sliding fee discounts are applied for all eligible patients.

UNIVERSITY RESPONSE

We agree. We did not provide the sliding fee discount to eligible patients after a Medicare claim posting. Now that we are aware of the weakness, we are committed and have developed a corrective action plan to address the matter.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-004. Finding: Insufficient Controls over Review and Approval of Cash Drawdowns

Federal Agency: Various
Assistance Listing Number: Various
Program Expenditures: \$16,320,119
Program Name: Research and Development Cluster
Award Number(s): Various
Questioned Costs: None

Southern Illinois University (University) Carbondale campus did not have procedures in place to consistently review cash drawdowns for the Research and Development Cluster.

During our testing of the University's Research and Development Cluster cash drawdowns, we noted 18 out of 40 (45%) drawdowns totaling \$1,090,049 had no evidence the drawdown had been reviewed. The sample was not a statistically valid sample.

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include review of drawdowns and appropriate supporting documentation should be retained.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

University officials indicated there was no formal process in place in place to review and approve drawdowns due to believing the informal process was adequate.

The failure to review drawdown requests increases the likelihood of noncompliance with laws and regulations. (Finding Code No. 2022-004)

RECOMMENDATION

We recommend the University establish processes and procedures to ensure all cash drawdowns are reviewed, approved, and documentation of the review and approval is maintained.

UNIVERSITY RESPONSE

We agree and have implemented corrective actions. We did not have a consistent procedure in place during the audit period. We have addressed the weakness by establishing segregation of duties in the performance of the drawdown procedure. Also, we have implemented measures to ensure approvals are now documented appropriately prior to processing drawdowns.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-005. Finding: Inadequate Procedures for Ensuring Retention of Eligibility Documentation for the Upward Bound Program

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.047M
Program Expenditures: \$1,990,376
Program Name: TRIO – Upward Bound
Award Number(s): P047M170568 - 21
Questioned Costs: None

The Southern Illinois University (University) Edwardsville campus did not have adequate procedures in place to ensure the required documentation was retained for all students who received stipends during the audit period.

During our testing of students who received stipends during the year under audit, we noted for 6 of 40 students (15%) students who received stipends totaling \$1,405, the University did not maintain appropriate records to determine the students were eligible for the stipend received. The sample was not a statistically valid sample. Additionally, we noted for 5 of 40 students (12.5%) who participated in Upward Bound, the University did not maintain appropriate records to determine the students were eligible to participate in the Upward Bound program. The 5 students for which documentation was not maintained for eligibility to participate in Upward Bound are also included in the 6 students for which documentation was not maintained for eligibility to receive stipends.

According to federal regulations (34 CFR 645.42), an Upward Bound project may provide stipends for full-time participants who show evidence of satisfactory participation in activities of the project.

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include the retention of documentation supporting participant eligibility.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

The State Records Act (5 ILCS 160/8) requires records to be made and preserved containing adequate and proper documentation of decisions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

According to University officials, the missing documentation relates to a grant that is no longer funded and those responsible for retaining the documentation are no longer with the University.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-005. Finding: Inadequate Procedures for Ensuring Retention of Eligibility Documentation for the Upward Bound Program (continued)

Without adequate documentation to support eligibility, there is a risk a student may improperly receive stipends or improperly be allowed to participate in the program. The University is also at risk of reduced funding in future years, as well as increased likelihood of program reviews from oversight agencies. (Finding Code No. 2022-005)

RECOMMENDATION

We recommend the University establish processes and procedures to ensure documentation is retained and retrievable when the parties responsible for the documentation leave the University.

UNIVERSITY RESPONSE

We agree we did not have adequate procedures to ensure the required documents were retained for all students who received stipends during the period tested. We will implement adequate controls to ensure document retention, including in instances where responsible staff have departed the University.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-006. Finding: Inaccurate Reporting of Student Verification Status

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.342
Program Expenditures: \$91,856,705
Program Name: Student Financial Assistance Cluster
Award Number(s): P007A211285, P033A211285, P063P200115, P063P210115, P268K220115, P379T220115, N/A
Questioned Costs: None

The Southern Illinois University (University) Carbondale campus incorrectly reported the verification status for a student to the Department of Education through the Common Origination and Disbursement (COD) website.

During our testing of students during the year under audit, we noted 1 of 40 students (2.5%) selected for verification was not correctly reported to the COD website. The sample was not a statistically valid sample.

The student qualified for a verification waiver, which the University utilized. The student was reported with verification code “V” indicating verification had been completed, although, the student should have been reported with verification code “S” meaning “Selected not verified”.

The U.S. Department of Education published Dear Colleague Letter GEN-21-05 on July 13, 2021. According to the letter, institutions were not required to verify students selected under Verification Tracking Flag “V1” as of the date of the letter. The letter instructed institutions to use Verification Status Code “S-Selected not verified” for students selected under V1 who qualified for a verification waiver under the guidance within the letter.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

Management indicated the University did not have adequate review procedures in place to ensure all students were accurately reported.

Without adequate controls over verification, the University may give false assurance over verification and has an increased likelihood of program review from oversight agencies. (Finding Code No. 2022-006)

RECOMMENDATION

We recommend the University establish processes and procedures to ensure student verification status is reported accurately to the Department of Education through the COD website.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-006. Finding: Inaccurate Reporting of Student Verification Status (continued)

UNIVERSITY RESPONSE

We agree and have implemented corrective actions. We did not correctly report the verification status for a student through the Common Origination and Disbursement website. We have implemented review procedures to ensure all students are reported accurately.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-007. Finding: Exit Counseling Not Completed

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.342
Program Expenditures: \$83,176,764
Program Name: Student Financial Assistance Cluster
Award Number(s): P033A191286, PO33A151286, P033A141286, P063P170116, P063P180116, P007A151286, P379T180116, P379T190116, N/A
Questioned Costs: None

The Southern Illinois University (University) Edwardsville campus did not complete exit counseling for all necessary students within the required time period.

During our testing of students who received title IV aid at the University, we noted 2 out of 25 (8%) students who received Direct Loans, did not complete exit counseling timely after leaving the Edwardsville campus. The sample was not a statistically valid sample. The University has not implemented sufficient processes and controls over the past several years to ensure compliance with exit counseling requirements.

The Edwardsville campus requires students to complete exit counseling when they leave the University after previously attending. During the year, two students attended the University, received direct loans, and withdrew during the semesters they attended, but had not completed exit counseling within 30 days of the withdraw date from the University. The exit interviews were never conducted.

According to 34 CFR 685.304(b), a school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

According to 34 CFR 682.604(a)(1), if a student borrower withdraws from school without the school's prior knowledge or fails to complete an exit counseling session as required, the school must, within 30 days after learning that the student borrower has withdrawn from school or failed to complete the exit counseling as required, ensure that exit counseling is provided through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials.

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 student exit counseling is completed appropriately.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-007. Finding: Exit Counseling Not Completed (continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation.

According to University officials, the students were improperly coded with an enrollment status of “Eligible to Register”. Banner initiates exit counseling for students with enrollment codes that have a withdrawal indicator and Eligible to Register does not have that indicator.

Exit counseling helps federal student loan borrowers understand how to repay their loans and reviews deferment and repayment plan options. Exit counseling also discusses borrower rights and responsibilities. Updated student contact information will also be collected at the end of the exit counseling session. Failure to complete exit counseling may increase the likelihood of default on student loans and lack of student understanding of loan repayment options, rights and responsibilities. (Finding Code No. 2022-007, 2021-003, 2020-004, 2019-002, 2018-005, 2017-004)

RECOMMENDATION

We recommend the University implement controls to identify all required exit counseling within the student financial aid department in addition to improving controls to identify exit counseling requirements within the information technology department. These controls should be monitored to ensure that all necessary students complete exit counseling within the required time frame.

UNIVERSITY RESPONSE

We agree and have implemented corrective actions. SIUE Student Financial Aid has reintroduced a Banner process which runs simultaneously with the current bi-monthly process, to notify students of exit counseling requirements as soon as possible. We will continue to work with the appropriate office for assistance on how to ensure the appropriate flag gets checked to ensure the proper results.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-008. Finding: Procurement Requirements Not Followed

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.425F
Program Expenditures: \$16,705,064
Program Name: Education Stabilization Fund
Award Number(s): P425F200234
Questioned Costs: None

The Southern Illinois University (University) Edwardsville campus did not follow procurement requirements for all purchases under the Higher Education Emergency Relief Fund (HEERF).

During our testing of purchases made using institutional HEERF funds, we noted 1 out of 5 (20%) of transactions tested for procurement, purchased for \$15,160, did not have documentation that procurement policies were followed. The sample was not a statistically valid sample.

According to Uniform Guidance (2 CFR 200.320), the University must have and use documented procurement procedures, consistent with federal standards. Additionally, per Uniform Guidance (2 CFR 200.320), if small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the University. The University's procurement policy defines small purchases as those ranging from \$10,001 to \$99,000. Uniform Guidance (2 CFR 200.320) also allows for noncompetitive procurement, in which price or rate quotations are not required to be obtained from an adequate number of qualified sources, if certain circumstances apply, including the purchased item being available only from a single source.

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 procurement policies are followed.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the establishment and maintenance of a system, or systems, of internal fiscal and administrative controls to safeguard funds against waste, loss, unauthorized use, and misappropriation. The State Records Act (5 ILCS 160/8) requires records to be made and preserved containing adequate and proper documentation of decisions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

According to University officials, the department making the purchase does not typically receive funding subject to federal procurement requirements and therefore was unaware of the rules and regulations specific to purchases made with federal funds.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-008. Finding: Procurement Requirements Not Followed (continued)

Compliance with procurement policies helps ensure prudent use of federal funding. Failure to follow federal procurement regulations increases the likelihood of expenses being disallowed upon review by a federal agency and increases the risk of reduced funding in future years. (Finding Code No. 2022-008)

RECOMMENDATION

We recommend the University provide training to all departments with access to federal funding, specifically on the topic of procurement.

UNIVERSITY RESPONSE

We agree that procurement requirements were not followed for the identified purchases. Steps will be taken to reduce the risk of noncompliance going forward in instances where the procuring department may not regularly utilize grants funds for procurements.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-009. FINDING: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers

Southern Illinois University (University) lacked adequate controls over the review of internal control of its service providers.

The University utilized over 100 service providers for various services including, but not limited to, banking, investment, and business services; debt financing; information technology hosting services; and software as a service.

The University is responsible for ensuring the design, implementation, and maintenance of internal controls related to information systems and operations to adequately protect resources and data from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

The University established a formal process for identifying and managing service providers and obtaining the System and Organization Controls (SOC) reports from the service providers on an annual basis. However, it was identified that multi-year contracts did not go through the procurement annually as such all multi-year contracts had not been reviewed as part of the formal process during the examination period.

We further noted the risk assessment questionnaire for onboarding vendors and service providers did not consistently document the sensitive data and related processing performed by the service providers. It also did not document alternate means of addressing service providers' risks beyond review of SOC reports, such as review of the service provider's internal controls or attestation reports. Also, University personnel lacked sufficient guidance for completing their assessments to identify risks related to service providers and the documentation required to determine when the entity should be classified as a vendor or service provider.

Due to the conditions noted above, we were unable to conclude the University's population of service providers were complete, accurate, and reliable under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36).

Even given these population limitations, we selected a sample of 22 service providers across the 3 campuses and noted the following:

- The School of Medicine (SOM) had not obtained SOC reports or documented an assessment of controls for 3 of 3 (100%) service providers.
- The University did not document mapping of internal controls at the University to the Complementary User Entity Controls (CUECs) noted in the SOC reports for 14 of 14 (100%) service providers.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-009. FINDING: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (continued)

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via SOC reports or independent reviews.

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

Weaknesses in the review of internal controls for service providers was first noted during the compliance examination for the year ended June 30, 2018. As such, the University has been unsuccessful in implementing corrective action to remedy the weaknesses.

University management indicated the conditions noted were due to the time needed to implement their new process, difficulties encountered in identifying and tracking service providers across each campus and department, and challenges in obtaining and documenting assurance of service providers' internal controls.

The lack of an accurate population of service providers makes it difficult to assess controls at the service provider, which may impact the integrity, availability, confidentiality, and security of its computer systems and data. Without having obtained and fully reviewed SOC reports or another form of independent internal control review, the University does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2022-009, 2021-010, 2020-015, 2019-010, 2018-012)

RECOMMENDATION

We recommend the University strengthen controls to identify and document all service providers utilized and determine and document if a review of controls is required. Where appropriate, we recommend the University:

- Obtain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and adequately document the operation of the CUECs related to the University's operations.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-009. FINDING: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (continued)

- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

UNIVERSITY RESPONSE

Agree. Implementation in process. During FY19, the University established a working group which developed a formal process for identifying and managing service providers. The process includes established criterion to be used to identify and review the controls of third-party service providers and their subservice organizations. The process also includes measures to document the CEUCs and is being enhanced to include mapping. The process includes a provision for including in service provider contracts the requirement for an independent review of internal controls as applicable and when possible. Continued efforts will be made to further refine the process, to provide additional guidance to personnel for the completion of the risk assessment and the SOC review checklist, and to achieve consistent application of the process across the system.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-010. Finding: Weakness in Cybersecurity Programs and Practices

Southern Illinois University (University) had not implemented adequate internal controls related to cybersecurity programs and practices.

The University carries out its mission through the use of Information Technology, including various applications, which contain confidential or personal information such as names, addresses, social security numbers and health information of its students.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the University's cybersecurity program, practices, and control of confidential information, we noted:

- The University's Carbondale campus had not performed a comprehensive risk assessment. The assessment performed had not taken decentralized systems into consideration to ensure a complete evaluation of inherent risk exposure.
- The University had not created a Strategic Risk Plan to document the roadmap to enhance cyber security controls as a response to the risk assessment.
- The University had not implemented a project management framework or a system development life cycle methodology for development and implementation of new systems.
- The University's Carbondale campus had not implemented a periodic cybersecurity training program and the Edwardsville campus did not enforce completion of cybersecurity training program for all staff and contractors.
- The University's School of Medicine (SOM) did not obtain annual acknowledgement of Acceptable Use Policy from 7 of 7 (100%) medical students and resident physicians.
- The University's SOM did not provide security awareness training for 1 of 25 (4%) employees.

The *Framework for Improving Critical Infrastructure Cybersecurity* published by the National Institute of Standards and Technology (NIST) requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-010. Finding: Weakness in Cybersecurity Programs and Practices (continued)

This finding was first reported in Fiscal Year 2020 and the University has been unsuccessful in establishing adequate controls related to Cybersecurity. As such, the University has been unsuccessful in implementing corrective action to remedy the weaknesses.

University management indicated that weaknesses were due to staffing resources.

The lack of an adequate cybersecurity program and practice could result in unmitigated risks and ineffective controls and ultimately lead to the University's computer systems and data being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2022-010, 2021-012, 2020-016).

RECOMMENDATION

We recommend the University strengthen controls related to cybersecurity programs and practices. Specifically, we recommend:

- The Carbondale campus perform a comprehensive risk assessment.
- The University develop a Strategic Risk Plan to document the plan for mitigating risks identified in the cyber security risk assessment.
- The University implement a project management framework or a system development life cycle methodology for the development and implementation of new systems.
- The Edwardsville and Carbondale campuses implement a security awareness program for all employees and contractors.
- The SOM obtain acknowledgement of Acceptable Use Policy for accessing the University's information systems for all users including medical students and resident physicians on an annual basis.
- The SOM provide security awareness training to all employees.

UNIVERSITY RESPONSE

We agree that steps could be taken to improve our cybersecurity posture. It is correct that the University did not develop a comprehensive risk assessment or strategic risk plan for mitigating cyber security risks system-wide. This is an enterprise level function that requires collaboration beyond ITS. However, our ITS functions continue to work closely with campus departments to provide them the resources and support to perform their own risk assessments, and we adopted the CIS framework based on best practices non-specific to the risk tolerance of the campuses. As such, SIUC takes exception to the comment that we: "*had not taken decentralized systems into consideration to ensure a complete evaluation of inherent risk exposure.*" When doing the risk assessment from the central IT perspective, we are aware that we have a blind spot in some areas, and we score that appropriately by assuming we are NOT meeting the factors in some locations.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-010. Finding: Weakness in Cybersecurity Programs and Practices (continued)

Additionally, while we may not have a formal strategic risk plan that meets the audit expectations, to say we have no plans in place is incorrect. Following the annual risk assessment process, ITS routinely identifies initiatives/improvements we'd like to make to better our security posture. ITS will continue to encourage and support the need for a comprehensive risk assessment strategy to address cybersecurity risks system-wide.

For SIUC, it is correct that for FY22, we were unable to procure cyber security training, or have the resources to develop our own. We have since provided security risk awareness training to all faculty, staff, and student employees for FY23. However, this training was not made mandatory for this fiscal year cycle. SIUE though had a security awareness training program in place during FY22. SOM also had a security awareness training program in place during FY22. Exceptions noted were isolated incidents.

Our campuses have not recently implemented any major systems. However, all campuses will consider the need to establish a formal project management framework or system development life cycle methodology for the development and implementation of new systems going forward.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-011. Finding: Weakness with Payment Card Industry Data Security Standards

The Southern Illinois University (University) had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Payment Card Industry (PCI) Security Council (Council) requires all members, merchants and service providers, who store, process, and/or transmit cardholder data to be PCI compliant.

In Fiscal Year 2022, the University handled approximately 568,417 transactions estimated at \$20,833,235. Although the University provided a population of service providers, the population was incomplete. Therefore, we were unable to conclude the University's population of service providers were complete, accurate, and reliable under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36). Even given the limitations noted, we conducted testing, noting:

- The Edwardsville's campus had not:
 - Completed a Self Assessment Questionnaire (SAQ) for any payment channels.
 - Ensured parking kiosks has been upgraded to Europay, Mastercard, and Visa (EMV) to enable acceptance of payment.
- The Carbondale School of Medicine had not ensured service providers were reviewed for compliance with PCI requirements.

PCI DSS was developed to detail security requirements for entities that store, process or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder.

To assist merchants in the assessments of their environment, the Council has established SAQs for validating compliance with PCI's core requirements. At a minimum, PCI DSS required completion of SAQ A; which highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for managing service providers. As additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions are introduced into the credit card environment being assessed, additional PCI DSS requirements apply.

Selection of the correct SAQs for completion is the first step to satisfy an organization's annual requirement to validate compliance with PCI. Validating compliance is required based on contractual obligations with an organization's payment processor and/or acquiring bank. Maintaining an accurate list of service providers with the description of services provided is required per requirement 12.8.1.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-011. Finding: Weakness with Payment Card Industry Data Security Standards (continued)

This finding was first reported in Fiscal Year 2020. As such, the University has been unsuccessful in implementing corrective action to remedy the weaknesses.

University management indicated these deficiencies were due to oversight and other priorities.

Failure to establish and maintain adequate procedures to handle and protect confidential and personally identifiable information could result in identity theft or other unintended use. (Finding Code: 2022-011, 2021-013, 2020-017)

RECOMMENDATION

We recommend the University strengthen its controls identifying all service providers. In addition, we recommend the University:

- At least annually, properly assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ.
- Ensure EMV is properly enabled.
- Ensure all service providers are evaluated for compliance with PCI requirements.

UNIVERSITY RESPONSE

We Agree. SIUE Office of the Bursar initiated efforts towards corrective actions by engaging in a consulting arrangement that began in FY23. During this engagement we reviewed our campus PCI environment, including equipment and processes, to determine the most appropriate SAQ for the SIUE campus. The review led to upgrading over 35 machines in April 2023, as well purchasing an online PCI compliance training to meet the annual training requirement. The training has been prepped for deployment to the campus personnel involved in our cardholder data environment by end of June 2023. SOM indicated that vendor compliance statements will be obtained, when required PCI compliance checks will be incorporated into the contracting process.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-012. Finding: Security Related Weaknesses

Southern Illinois University (University) did not maintain adequate security controls over its environment and devices.

The University maintains computer resources across its campuses for users to conduct University functions. During our examination, we selected a sample of servers and workstations to determine if appropriate security controls had been implemented, noting the University did not maintain adequate information security controls.

The *Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations* (Special Publication 800-171, Second Revision) published by the National Institute of Standards and Technology, Configuration Management and Maintenances sections requires entities to maintain adequate security controls over their environment and devices.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2020. As such, the University has been unsuccessful in implementing corrective action plan to remedy the weakness.

University management indicated the weaknesses were due to limited resources and additional time needed to implement corrective action.

Failure to implement adequate security controls over the environment exposes the University to increased danger of unauthorized access and the loss or corruption of critical and confidential data. (Finding Code No. 2022-012, 2021-014, 2020-018)

RECOMMENDATION

We recommend the University implement adequate security controls across the University's environment and devices.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-012. Finding: Security Related Weaknesses (continued)

UNIVERSITY RESPONSE

We disagree with the materiality of this finding. Exceptions provided during fieldwork regarding unsupported systems were immaterial in number. To strictly state that we did not maintain adequate security controls over our environment is misleading. SIU does have adequate security controls over its assets as evidenced by our CIS controls analysis which is documented and mapped directly to the relevant controls of NIST SP 800-171. We will continue to monitor our situation, with respect to unsupported systems and remedy or otherwise improve our posture when circumstances warrant.

ACCOUNTANT'S COMMENT

We believe the lack of adequate security controls in today's environment, given the events taken place, to be material to the security of the University's systems, data, and overall mission to provide educational opportunities. It is very concerning the University does not have the same apprehension as we do.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-013. Finding: Lack of Disaster Recovery Test

Southern Illinois University (University) had not performed disaster recovery testing.

During our testing, we noted the Edwardsville campus had not conducted disaster recovery testing during the examination period.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology requires entities to have a regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University management indicated limited resources contributed to the lack of disaster recovery testing.

Failure to perform a disaster recovery test exposes the University to increased risk of loss or corruption of critical and confidential data. (Finding Code No. 2022-013)

RECOMMENDATION

We recommend the Edwardsville campus perform disaster recovery testing at least annually to ensure the timely recovery of its applications and data.

UNIVERSITY RESPONSE

We agree with the recommendation that disaster recovery testing should be performed annually to ensure our ability to recover applications and data should a failure occur. Testing has been performed in recent years as follows: May 2019 (for FY20); we did not test in FY21, but had successful live usage of the plan following a security incident; March 2021 (for FY22); and March 2023 (for FY23). We believe this practice represents regular testing as prescribed by the Contingency Planning Guide for Information Technology Systems, but will strive to test on an annual basis going forward.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-014. Finding: Lack of Change Management Controls

Southern Illinois University (University) had not implemented a change management policy.

The University carries out its mission through the use of Information Technology (IT), including various applications. However, during our examination of the University's IT general controls, we noted the University's Edwardsville campus had not established a change management policy to control changes to the environment or applications.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Configuration Management section, requires entities to establish change management procedures to ensure changes are properly controlled.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Edwardsville campus management indicated their efforts to develop a change management policy and related procedures were due to staffing resources constraints.

The lack of adequate change management policies could result in unauthorized changes to the environment and applications. (Finding Code No. 2022-014)

RECOMMENDATION

We recommend the University's Edwardsville campus establish a change management policy and configuration management policy to ensure changes are adequately authorized, developed, tested and documented.

UNIVERSITY RESPONSE

We agree that we do not have a change management and configuration policy. Steps will be taken to establish such a policy.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-015. Finding: Lack of Access Reviews

Southern Illinois University (University) did not perform periodic review of access granted to users.

During our review, we noted the University had not implemented an access control policy requiring periodic user access reviews and had not conducted a review of users' access to ensure access rights were appropriate.

The National Institute of Standards and Technology publications *Security and Privacy Controls for Information Systems and Organizations* (NIST 800-53, Fifth Revision) and the *Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations* (Special Publication 800-171, Second Revision) Access Control sections, requires entities to develop access provisioning policies and establish controls to ensure authorized users only have needed access.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University management indicated an inability to perform periodic access reviews and implement an access control policy was due to limited resources.

Failure to periodically review users' access rights could result in inappropriate access and manipulation of the University's data. (Finding Code No. 2022-015).

RECOMMENDATION

We recommend the University implement an access control policy and ensure periodic access reviews are conducted.

UNIVERSITY RESPONSE

We agree that we did not always perform periodic reviews of access granted to users of our significant systems. While we believe our processes for granting system access to users are effective, and periodic reviews are performed in certain instances, we do recognize that this process can be improved in vary degrees on each campus. As we continue to improve these processes, we will consider whether the implementation of an access control policy and/or additional periodic reviews of access granted would add value.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-016. Finding: Failure to Require Faculty Timesheets

Southern Illinois University (University) did not have a policy during Fiscal Year 2022 that required all employees to periodically submit timesheets documenting the time spent each day on official University business to the nearest quarter hour as required by the State Officials and Employees Ethics Act (Act).

The Act required the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The IBHE adopted personnel policies for public universities on February 1, 2004, in accordance with the Act. However, after more than 15 years, the University had still not incorporated IBHE policies for employee timesheets into the University's policies.

We noted that the University's faculty did not submit timesheets in compliance with the Act. The process was effectively a "negative" timekeeping system for faculty whereby the employee was assumed to be working unless noted otherwise. No timesheets documenting the time spent each day on official State business to the nearest quarter hour were required for faculty. During Fiscal Year 2007, the University adopted a policy to require timesheets from all employees except faculty.

During FY2022, the Carbondale campus completed negotiations with the Faculty Association (FA) and the Non-Tenure Track Faculty Association (NTT) unions including reaching an agreement on time reporting, which became effective in Fiscal Year 2023. No policy changes were made by the Edwardsville campus during Fiscal Year 2022. The University's Edwardsville campus did not take sufficient measures to implement all appropriate and reasonable corrective actions to correct the underlying cause of this finding, which has been repeated since 2005. During Fiscal Year 2022, the University employed 2,318 faculty.

The Act (5 ILCS 430/5-5(c)) states, "The [University] policies shall require State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour."

This finding was first noted during the University's fiscal year June 30, 2005 State compliance examination. As such, the University has been unsuccessful in implementing corrective action to remedy this deficiency.

University management stated the University's Carbondale campus had not incorporated the requirement for faculty to submit timesheets on a periodic basis into their personnel policies or the union contract because time reporting had not been bargained with the union groups. Once the bargaining was completed and effective, the Spring 2022 Semester was underway, and the campus decided to roll out time reporting beginning with the Fall 2022 Semester.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-016. Finding: Failure to Require Faculty Timesheets (continued)

University management stated the University's Edwardsville campus had not yet incorporated the requirement for faculty to submit timesheets on a periodic basis into their personnel policies or the faculty union contracts because time reporting had not been bargained with the faculty unions as of the end of Fiscal Year 2022.

By not requiring legally mandated timesheets from all of its employees, the University does not ensure accountability for the time spent by faculty on official state business as contemplated by the Act for State university employees. Positive timekeeping by faculty could serve as a deterrent to misuse of State time, help detect discrepancies in time worked and reported, and provide documentation to assist with necessary administrative or legal actions. (Finding Code No. 2022-016, 2021-007, 2020-012, 2019-007, 2018-006, 2017-010, 2016-010, 2015-009, 2014-007, 2013-016, 12-10, 11-5, 10-4, 09-3, 08-5, 07-10, 06-4, 05-1)

RECOMMENDATION

We recommend the University continue to work on implementing procedures and systems to ensure terms of negotiated contracts are followed.

UNIVERSITY RESPONSE

We agree. Time reporting has been implemented at SIUC. At SIUE, agreements have been reached with both faculty unions, and faculty time reporting will be implemented in academic year 2023-2024.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-017. Finding: Weakness in Computer Inventory Control

Southern Illinois University (University) was unable to locate 61 computers from the Edwardsville campus, 32 computers from the Carbondale campus and 6 computers from the Springfield campus during their annual inventory.

During the University's annual inventory, they noted 99 computers were missing across three campuses. Although the University had established procedures for requiring encryption on computers that could have confidential information on them, the University could not determine if the missing computers were encrypted or contained confidential information. After computers were reported missing, the University requested responsible staff to determine if confidential information was maintained on those computers; however, no formal verification was conducted. Therefore, we could not determine if the computers had confidential information exposed.

The original cost of these items for the Edwardsville and Carbondale (including the Springfield campus) campuses totaled \$55,122 and \$47,443, respectively.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires every responsible officer of State government to be accountable to the administrator for the supervision, control and inventory of all property under its control. In addition, the University had the responsibility to ensure that confidential information was protected from disclosure and complied with the provisions of the Personal Information Protection Act (815 ILCS 530).

This finding was first noted during the University's fiscal year June 30, 2012 State compliance examination. As such, the University has been unsuccessful in implementing corrective action to remedy this deficiency.

University management stated corrective actions taken to date had not fully eliminated all weaknesses noted because budgetary constraints restrict the amount of manpower that can be allocated to this project.

Failure to maintain adequate controls over computer inventory has resulted in lost or stolen computer inventory and the potential for unintended exposure of confidential information. (Finding Code No. 2022-017, 2021-008, 2020-013, 2019-009, 2018-010, 2017-013, 2016-012, 2015-008, 2014-006, 2013-015, 12-11)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-017. Finding: Weakness in Computer Inventory Control (continued)

RECOMMENDATION

We recommend the University:

- Review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers.
- Evaluate and secure computers to ensure confidential information is protected.
- Perform and document an evaluation of data maintained on computers and ensure those containing confidential information are adequately tracked and protected with methods such as encryption.

Additionally, we recommend the University conduct an analysis to determine if confidential information was maintained on the unlocated computers. If so, we recommend the University comply with the notification requirements of the Personal Information Protection Act.

UNIVERSITY RESPONSE

We agree that continued efforts can be taken to further improve the control of computer inventory on our campuses. SIUC Property Control has adopted the use of a data aggregation tool as a mechanism to search for computer assets in multiple network logs. This tool has proven to be effective in enhancing the identification and tracking of computer assets within SIUC.

Each campus is forming working groups consisting of representation from various campus departments to address the issues from a broader perspective. These groups will continue to meet to discuss best practices and look for enhancements to current systems, including evaluating the potential adoption of available technologies.

Our Technology Offices (SIUC Office of Information Technology and SIUE Information Technology Services) continue to monitor data loss prevention practices and encryption of assets on the SIU domains. It is our hope that the combined efforts, including the continued use of the data aggregation tool at SIUC, will significantly reduce the loss of computer assets and data. However, given the size of our inventory, we acknowledge that complete elimination of loss is unlikely.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-018. Finding: Forensic Psychiatry Fellowship Training Program

Southern Illinois University (University) did not establish a forensic psychiatry fellowship training program as required by statute.

The Forensic Psychiatry Fellowship Training Act (Act) (110 ILCS 46/1 et seq.) requires the University to expand their focus on enrolling, training, and graduating forensic mental health professionals by creating a forensic psychiatry fellowship training program at their college of medicine. The Act granted the University the power to increase services and training commitments in order to provide mental health care to chronically mentally ill populations in Illinois; and to establish clinical and educational centers and to cooperate with other entities. The Act mandates the University to coordinate service, education, and research in mental health with other entities and requires the majority of fellows' clinical rotations be served in publicly supported programs in Illinois.

The University had not offered a forensic psychiatry fellowship training program at its School of Medicine since the mandate became effective in August 2007. Furthermore, the University had not sought funding of this mandate during Fiscal year 2022.

University management stated the University lacked funding to comply with this mandate.

Failure to create a fellowship training program inhibits the University's ability to provide students fellowship opportunities within forensic psychiatry and the ability to help meet mental health needs in Illinois as intended by the Act. (Finding Code No. 2022-018, 2021-009)

RECOMMENDATION

We recommend the University take measures to establish a forensic psychiatry fellowship training program and to request funding if needed, or to seek legislative change. We further recommend the University implement internal controls to monitor laws, assess applicability, and ensure compliance.

UNIVERSITY RESPONSE

We agree that a forensic psychiatry fellowship training program is not currently being offered. While the University does not want to see the requirement for this fellowship to be eliminated, it is seeking relief from this unfunded mandate by recommending the statute be amended to make the act subject to appropriation. Actions have been taken to have this matter addressed through an omnibus state government statute clean-up, House Bill 3856, which passed the General Assembly unanimously in both chambers and will be sent to the Governor soon for his signature. As this legislation was drafted by the administration, it is expected to be signed into law.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-019. Finding: Publications Filed With the State Library

Southern Illinois University (University) did not submit all required documents to the Illinois State Library as mandated by the State Library Act (Act).

The University did not have sufficient internal controls in place to ensure all of its publications were provided to the State Library. The most recent annual listing reported only 27 publications had been filed by the University with the State Library; the submitted publications consisted of four reports from the SIU Board of Trustees, three law journals, a volume of language and literature papers, and nineteen books.

The Act (15 ILCS 320/21) requires the University to provide and deposit with the Illinois State Library sufficient copies of all publications issued by such State agencies for its collection and for exchange purposes. The Act states “publications” means any document, report, directory, bibliography, rule, regulation, newsletter, pamphlet, brochure, periodical or other printed material paid for in whole or in part by funds appropriated by the General Assembly or issued at the request of a State agency, excepting however, correspondence, inter-office memoranda, and confidential publications.

The Illinois Administrative Code (Code) (23 Ill. Admin. Code 3020.120) states that within one week after a State university receives publications it intends to issue, the University shall deposit two physical copies and one electronic copy of all publications with the Government Documents Section.

University management indicated some of the University’s general publications were not submitted to the State Library due to a misunderstanding of the documents required to be filed. University management indicated internal controls and procedures to ensure compliance had not yet been developed during Fiscal Year 2022.

Failure to provide all required documents to the State Library prevents the availability of such documents at the designated State repository for its collection and exchange purposes as mandated by the State legislature. (Finding Code No. 2022-019, 2021-015)

RECOMMENDATION

We recommend the University inform staff of submission requirements and implement internal controls to ensure all required publications paid at least partially by appropriated funds are submitted to the State Library in accordance with the Act and the Code.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-019. Finding: Publications Filed With the State Library (continued)

UNIVERSITY RESPONSE

We agree. SIU did not have in place sufficient internal controls to collect and submit all required publications to the State Library in accordance with the broad language of the State Library Act. SIU was actively working with the Library through HB 3142 to narrow the language for required publications to include university-wide annual reports, maps, annual university press books and journals published by the University. HB 3142 was introduced in the Spring legislative session. However, after further discussion with Library staff, it appears the preferred approach is to clarify the language in the Rules vs. the Statute. SIU will continue to work with library staff to ensure this language clarification is finalized.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-020. Finding: Noncompliance with Illinois Articulation Initiative

Southern Illinois University (University) did not maintain a minimum of one approved course per major under the Illinois Articulation Initiative (Initiative or IAI) for some majors offered by the University.

The Initiative, through its itransfer.org website, exists to ease the transfer of students among the State's associate and baccalaureate degree granting institutions. The Initiative consists of both a General Education Core Curriculum package, where completion of the entire package at one institution is fully accepted by 108 institutions across the State, and an Initiative major, which provides guidance for students with uncertain transfer plans.

During testing, we noted the University did not have a minimum of one course approved by the Initiative panel included within the related Initiative major for its early childhood education, physics, and political science degree programs.

The Illinois Articulation Initiative Act (Act) (110 ILCS 152/15) requires the University participate in the Initiative by maintaining a minimum of one course in the related Initiative major, if the University has an equivalent major and courses. The University did submit potential equivalent courses to the Initiative for review during Fiscal Year 2022.

This finding was first noted during the University's fiscal year June 30, 2020 State compliance examination. As such, the University has been unsuccessful in implementing a corrective action plan during Fiscal year 2022 to remedy this deficiency.

University management further stated they disagreed with this finding due to a different interpretation of the Act's requirements. Management stated they do not believe they have, nor are required to offer, equivalent courses for these majors.

We noted the General Assembly required participation in the Initiative to enhance the ability of students to transfer to any of the participating institutions without having to retake courses similar to courses they took at their initial institution. We further noted the University's interpretation of the Act that any incongruence within a course descriptor means equivalent courses are not offered and do not require any modification or convergence among the participating institutions would frustrate the legislative purpose of the Act.

Failure to fully participate in the Initiative by maintaining at least one course approved by the IAI panel per Initiative major, when an equivalent major and courses exist, could hinder students looking to transfer to other institutions and represents noncompliance with State law. (Finding Code No. 2022-020, 2021-011, 2020-014)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-020. Finding: Noncompliance with Illinois Articulation Initiative (continued)

RECOMMENDATION

We recommend the University continue to monitor courses offered and approved for the identified majors and ensure courses meeting the major panel requirements are submitted for review.

UNIVERSITY RESPONSE

While we disagree with the finding, we agree with the recommendation. We continue to disagree with the finding on the basis of interpretation of the Act. We believe the language in the Act provides latitude for situations in which the University does not have any such majors or course, of which we do not for the exception areas noted. However, we will continue our effort to reconcile the differing interpretations, and as recommended will continue to monitor courses offered and approved for the identified majors and ensure courses meeting the major panel requirement are submitted for review.

ACCOUNTANT'S COMMENT

The University offered early childhood education, physics, and political science degree programs, but did not have any courses approved by the Initiative panel for the related Initiative majors.

The General Assembly required participation in the Initiative by the State's public universities to enhance the ability of students, after completing their lower-division coursework, to transfer to any of the 78 four-year institutions participating in the Initiative without having to retake courses similar to the courses they took at their initial institution.

For majors, the Initiative has major categories (such as early childhood education) which each have several course descriptors (such as (1) child growth and development, (2) the exceptional child, and (3) child, family, and community for early childhood education) that then have underlying elements that must be in a course under the course descriptor (such as (1) understanding the interrelationship between children's holistic well-being and development, (2) developmental domains, their interrelationship, and factors contributing to variations in development, (3) comprehension of the stages and variations across the developmental domains, (4) application of early care and education practices, (5) recognition of the consequences of stress, trauma, protective factors, and resilience, and (6) understanding of child development within a socio-cultural context for child growth and development). Each campus of the State's public universities, as a separate institution within the Initiative, is responsible for identifying if their campus offers an equivalent course within the definition of the Initiative's underlying course descriptors for each major offered in the Initiative. Then, each institution must select, at least, one course that meets one of the course descriptors within an Initiative major and get this course accepted into the Initiative by ensuring the selected course meets the course descriptor's underlying elements.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-020. Finding: Noncompliance with Illinois Articulation Initiative (continued)

If the interpretation of the Act was solely for a campus to review its courses and conclude any incongruence with the underlying elements within a course descriptor, no matter how minor, meant the institution did not offer an equivalent course, then the legislative purpose of the Act would be frustrated. In this scenario, it is highly unlikely any of the 78 participating institutions would have had complete alignment between the syllabi and content of their courses without some modification and convergence through the Initiative.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-021. Finding: Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board

Southern Illinois University (University) managed the National Corn-to-Ethanol Research Pilot Plant (“the Pilot Plant”) under the review and guidance of a combined group of stakeholders it identified and Illinois Ethanol Research Advisory Board (Advisory Board) members rather than just the Advisory Board mandated by law.

During Fiscal Year 2022, the University held a joint meeting of the Advisory Board and stakeholders in order to perform the Advisory Board’s duties of providing review and guidance to the University Board of Trustees to assist in operating and managing the Pilot Plant as required by the State statute. However, a quorum of members on the Advisory Board was not achieved during the annual meeting. Six of 14 (43%) Advisory Board positions remained vacant during Fiscal Year 2022. In addition, three ex officio members were not present, although management representatives from each of their organizations did attend. Furthermore, a total of 32 stakeholders and other individuals, including five Advisory Board members, attended and participated in the meeting. University management stated feedback from meeting participants was being used to update the strategic plan and analysis. Since Advisory Board members constituted a minority of meeting participants, the Pilot Plant was, in essence, managed under the review and guidance of stakeholders identified by the University rather than the Advisory Board members mandated by State law.

The Southern Illinois University Management Act (Act) (110 ILCS 520/6.5) requires the SIU Board of Trustees to operate and manage the Pilot Plant for the purpose of reducing the costs of producing ethanol through the development and commercialization of new production technologies, equipment, processes, feedstocks, and new valueadded co-products and by-products. The Act states this work shall be conducted under the review and guidance of the Advisory Board.

The Act (110 ILCS 520/6.6) requires the Advisory Board to be composed of 14 members including: the President of Southern Illinois University who shall be Chairman; the Director of Commerce and Economic Opportunity; the Director of Agriculture; the President of the Illinois Corn Growers Association; the President of the National Corn Growers Association; the President of the Renewable Fuels Association; the Dean of the College of Agricultural, Consumer, and Environmental Science, University of Illinois at Champaign-Urbana; the Dean of the College of Agricultural, Life, and Physical Sciences, Southern Illinois University at Carbondale, and 6 at-large members appointed by the Governor representing the ethanol industry, growers, suppliers, and universities. The Act states seven members of the Advisory Board shall constitute a quorum.

The Act states the Advisory Board shall meet at least annually and have the following duties:

- Review of annual operating plans and budget of the Pilot Plant;
- Advise on research and development priorities and projects to be carried out at the Pilot Plant;
- Advise on policies and procedures regarding the management and operation of the Pilot Plant, which may include contracts, project selection, and personnel issues;

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-021. Finding: Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board (continued)

- Develop bylaws;
- Submit a final report to the Governor and General Assembly outlining the progress and accomplishments made during the year along with a financial report for the year; and
- Establish and operate the National Corn-to-Ethanol Research Center of Excellence with purposes and goals including conducting research, providing training, consulting, developing demonstration projects, and service as an independent resource to the ethanol industry.

This finding was first noted during the University’s fiscal year June 30, 2015 State compliance examination. As such, the University has been unsuccessful in implementing corrective action to remedy this deficiency.

University management indicated they thought they were compliant with the Act. Management further stated they believed a quorum had been achieved because they had concluded it was acceptable for ex officio members to send delegates in their place even though the Act does not explicitly allow delegates. However, we noted ex officio Board members hold their positions on the Board by virtue of their particular position as the officers designated in statute, and the same authority is not conveyed to representatives without statutory authority for designees.

Failure to comply with all provisions of the Act prohibits the University’s ability to manage the Pilot Plant as envisioned by the General Assembly. Managing the Pilot Plant by a group other than the Advisory Board required by statute undermines the authority of the legislature. (Finding Code No. 2022-021, 2021-006, 2020-011, 2019-006, 2018-008, 2017-011, 2016-001, 2015-011)

RECOMMENDATION

We recommend the University work to hold an annual meeting of the Advisory Board members to conduct the required duties of the Board. In addition, we recommend the University ensure that at least 7 members of the Advisory Board attends the meeting ensuring a quorum is met. We further recommend the University work with the Governor’s Office of Executive Appointments to fill the six vacancies on the Advisory Board.

UNIVERSITY RESPONSE

We disagree with the interpretation of the act in this finding, but we agree to take action seeking legislative change to remedy the situation. SIU is pursuing a legislative solution for amending the act that will allow for ex-officio appointments to send appropriate delegates to the advisory board meetings.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2022

2022-021. Finding: Pilot Plant Not Managed by the Illinois Ethanol Research Advisory Board (continued)

ACCOUNTANT'S COMMENT

As noted above, ex officio Board members hold their positions on the Board by virtue of their particular position as the officers designated in statute, and the same authority is not conveyed to representatives without statutory authority for designees. The University did not provide any evidence they had conducted a legal analysis or sought a legal opinion to support their position.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS - PRIOR FINDINGS NOT REPEATED
For the Years Ended June 30, 2022

A. **FINDING** - Information Technology Risk Assessment Not Performed

During the prior engagement period, Southern Illinois University Edwardsville Campus did not document required risk assessments related to student information security.

Status: Not Repeated

During the current year engagement period, our testing indicated the required risk assessments related to student information security were performed. (Finding Code No. 2021-004, 2020-005, 2019-004)

B. **FINDING** - Return of Title IV Aid

During the prior engagement period, Southern Illinois University Edwardsville Campus did not complete the return of Title IV aid within the required timeframe for one student.

Status: Not Repeated

During the current engagement period, our sample testing did not identify any instances of returns of Title IV aid outside the required time frame. (Finding Code No. 2021-005, 2020-007)

C. **FINDING** - Missing I-9 Forms

During the prior engagement period, Southern Illinois University Edwardsville Campus was unable to locate Employment Eligibility Verification Forms (Form I-9) for two personnel files tested.

Status: Not Repeated

During the current engagement period, our sample testing noted improvement in maintenance of I-9 forms. As such, this matter was reported in the University's Report of Immaterial Findings. (Finding Code No. 2021-016)