



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

GOVERNORS STATE UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2022

Release Date: July 20, 2023

FINDINGS THIS AUDIT: 9	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2021		22-02, 22-07	
Category 2:	0	7	7			22-08, 22-09	
Category 3:	0	1	1	2020	22-01		
TOTAL	0	9	9	2019		22-05	
				2016		22-06	22-03
FINDINGS LAST AUDIT: 15				2005		22-04	

INTRODUCTION

This digest covers the Governors State University’s (University) Compliance Examination for the year ended June 30, 2022. Separate digests covering the University’s Financial Audit and Single Audit were previously released on March 30, 2023. In total, this report contains nine findings, three of which were reported in the Financial Audit and Single Audit collectively.

SYNOPSIS

- (22-07) The University did not obtain or conduct timely and adequate independent internal controls reviews over its service providers.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

LACK OF COMPLETE REVIEW OF INTERNAL CONTROLS OF SERVICE PROVIDERS

The University did not obtain or conduct timely and adequate independent internal controls reviews over its service providers.

The University maintains numerous cloud-based solutions with various service providers. These service providers maintain the hardware, software and the data for various applications regarding many sectors, such as campus news and events, student orientation, employment, photographs, student organizations, visitor tracking, course evaluations, and emergency notifications.

For 50% of the service providers tested, the University did not include review of relevant CUECs

We selected a sample of six service providers and requested the University to provide a) documentation of having obtained independent reviews assessing the reliability of controls in place, b) evidence of having reviewed the independent reviews obtained, and c) the University's internal evaluation of the controls related to service providers who did not provide an independent review report. The University was able to provide the System and Organization Control (SOC) reports for these service providers and the review documentation of these reports. We noted the following:

- Three (50%) SOC reviews performed did not include monitoring and documentation of the operation of the Complementary User Entity Controls (CUECs) relevant to the University's operations noted in the SOC reports.
- Two (33%) SOC reviews performed were not timely conducted.

The University is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced. (Finding 7, pages 24-25)

We recommended the University monitor and document the operation of the Complimentary User Entity Controls relevant to the University's operations noted in the SOC reports and timely review SOC reports from service providers in order to assess the risk of identified deviations.

University agreed with auditors

University officials agreed with the finding and stated they will work towards completing service providers' reviews.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the University. We will review the University's progress towards the implementation of our recommendations in our next engagement.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2022, are fairly stated in all material respects.

The auditors also conducted a Single Audit of the University as required by the Uniform Guidance. The auditors stated the University complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2022.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2022-001. Except for the noncompliance described in this finding, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Adelfia LLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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