



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

GOVERNORS STATE UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2023**

Release Date: March 28, 2024

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No repeated findings
Category 2:	1	0	1	
Category 3:	0	0	0	
TOTAL	1	0	1	
FINDINGS LAST AUDIT: 1				

INTRODUCTION

This digest covers the Governors State University’s (University) Financial Audit as of and for the year ended June 30, 2023. The University’s Single Audit covering the year ended June 30, 2023 was separately released. The University’s State Compliance Examination covering the year ended June 30, 2023, will be separately released at a later date.

SYNOPSIS

- (23-1) The University did not have adequate controls around its change control process and had not adequately controlled developer access to its production environment.

<p>Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).</p> <p>Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.</p> <p>Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.</p>

GOVERNORS STATE UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2023

STATEMENT OF NET POSITION	2023	2022
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 15,396,605	\$ 59,421,692
Accounts, grants, student loan, and other receivables and due from, net	10,175,735	11,206,396
Capital assets, net.....	116,871,494	115,466,293
Investments, Inventories, prepaid expenses, and other assets.....	43,233,834	7,981,908
Pension.....	267,959	237,831
Other postemployment benefits.....	3,747,546	915,091
Debt refunding.....	93,083	109,196
Total Assets and Deferred Outflows of Resources.....	189,786,256	195,338,407
Liabilities and Deferred Inflows of Resources		
Accounts payable and other accrued liabilities.....	9,079,447	10,758,631
Unearned revenues.....	5,280,758	2,716,516
Accrued compensated absences.....	4,634,737	4,337,994
Revenue bonds payable, net.....	20,073,200	21,131,093
Certificates of participation, net.....	15,510,412	17,646,599
Finance lease, Subscriptions and Intangible asset payable.....	2,065,010	758,077
Refundable grants.....	1,652,392	2,102,905
Other postemployment benefits, deferred.....	11,388,707	10,256,491
Debt refunding.....	3,709	4,451
Total Liabilities and Deferred Inflows of Resources.....	69,688,372	69,712,757
Net Position		
Net investment in capital assets.....	81,212,496	80,449,670
Restricted, expendable.....	2,277,196	2,341,795
Unrestricted.....	36,608,192	42,834,185
Total Net Position.....	\$ 120,097,884	\$ 125,625,650
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2023	2022
Revenues		
Tuition and fees, net.....	\$ 32,386,052	\$ 33,150,597
State appropriations.....	24,353,300	24,353,300
Federal grants and contracts	5,458,808	4,087,943
State and local grants or other grants.....	2,454,559	970,097
Nongovernmental grants and contracts or other grants.....	11,751,770	31,032,262
Non-operating grants or funding - Federal and State.....	18,148,520	26,722,337
Auxiliary enterprises.....	3,983,448	2,480,695
Capital appropriations and grants.....	1,421,257	2,429,185
Other revenues.....	4,132,943	1,998,017
Total	104,090,657	127,224,433
Expenses		
Instruction.....	40,907,370	49,464,551
Research.....	2,086,907	1,290,694
Public service.....	4,896,342	4,872,553
Academic support.....	7,425,636	8,896,422
Student services.....	10,798,887	11,609,981
Institutional support.....	17,497,272	19,880,765
Operation and maintenance of plant.....	8,846,485	9,945,099
Auxiliary enterprises.....	3,207,073	2,627,911
Student aid.....	6,804,995	10,996,154
Depreciation.....	5,939,996	4,991,581
Interest expense.....	1,207,460	1,361,915
Total	109,618,423	125,937,626
Change in net position.....	\$ (5,527,766)	\$ 1,286,807
PRESIDENT		
During Audit Period and Currently: Dr. Cheryl F. Green		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

WEAKNESSES IN CHANGE CONTROL PROCESSES

The University did not have adequate controls around its change control process and had not adequately controlled developer access to its production environment.

The University established a change management process describing the process from initiation until post-implementation review. However, during the review of the University's change control policies and procedures, we noted the following:

Change policy lacking requirements for some changes

- The change policy did not describe testing and documentation requirements for each type of change.
- One (2%) of 46 changes was deployed to the production environment prior to obtaining the Change Control Board's approval.

Inadequate segregation of duties noted

- Developers had access to the production environment, resulting in a segregation of duties weakness. (Finding 1, Pages 5-6)

We recommended the University update its policies and procedures to describe testing and documentation requirements for each type of change. Further, we recommended the University strengthen controls to ensure proper segregation of duties are established by restricting developers' access to the production environment and ensure Change Control Board's approval is obtained prior to deploying changes to the production environment.

University agreed with the auditors

University officials agreed with the finding and stated the University has been working to address the issues identified.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2023 are fairly stated in all material respects.

This financial audit 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

FJM:JGR