



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS COMMUNITY COLLEGE BOARD

State Compliance Examination
 For the Two Years Ended June 30, 2023

Release Date: July 16, 2024

FINDINGS THIS AUDIT: 12	AGING SCHEDULE OF REPEATED FINDINGS																							
	Repeated Since	Category 1	Category 2	Category 3																				
<table border="0"> <tr> <td></td> <td><u>New</u></td> <td><u>Repeat</u></td> <td><u>Total</u></td> </tr> <tr> <td>Category 1:</td> <td>3</td> <td>0</td> <td>3</td> </tr> <tr> <td>Category 2:</td> <td>8</td> <td>0</td> <td>8</td> </tr> <tr> <td>Category 3:</td> <td><u>1</u></td> <td><u>0</u></td> <td><u>1</u></td> </tr> <tr> <td>TOTAL</td> <td>12</td> <td>0</td> <td>12</td> </tr> </table>		<u>New</u>	<u>Repeat</u>	<u>Total</u>	Category 1:	3	0	3	Category 2:	8	0	8	Category 3:	<u>1</u>	<u>0</u>	<u>1</u>	TOTAL	12	0	12	No Repeat Findings			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>																					
Category 1:	3	0	3																					
Category 2:	8	0	8																					
Category 3:	<u>1</u>	<u>0</u>	<u>1</u>																					
TOTAL	12	0	12																					
FINDINGS LAST AUDIT: 1																								

SYNOPSIS

- **(23-1)** The Illinois Community College Board (Board) did not exercise adequate controls over initiating and monitoring grant agreements.
- **(23-2)** The Board’s internal controls over its voucher processing function were not operating effectively during the examination period.
- **(23-3)** The Board did not maintain adequate controls over monthly reconciliations.

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**

**INADEQUATE CONTROLS OVER INITIATING AND
MONITORING GRANTS**

The Board did not exercise adequate controls over initiating and monitoring grant agreements.

We tested 60 grant agreements from 24 of the Board's grant programs active during Fiscal Years 2022 and 2023 and noted the following weaknesses:

Agreements signed up to 446 days late

Agreements lacked required certification and documentation

- For 53 of 60 (88%) grant agreements tested, the agreements were signed between two and 446 days late.
- For two of 24 (8%) grant programs tested, the reports did not contain the certification required by the grant agreement.
- For 20 of 24 (83%) grant programs tested, the grantees either did not provide required documentation to the Board, required reporting did not meet the timeframes and/or specifications outlined in the grant agreement, or documentation was not retained by the Board to demonstrate the required documentation was received and met all related requirements. (Finding 1, pages 10-16)

We recommended the Board implement and enforce internal controls to ensure all reporting requirements are adhered to. We further recommended the Board ensure grant application and budget deadlines and agreement start dates allow sufficient time for approval of grant agreements by all parties prior to the effective date.

Board agreed

The Board concurred with the finding and stated the Board is transitioning report and budget monitoring to program compliance staff and will provide additional training. The Board also responded it will ensure future grant agreements are drafted with language authorizing pre-award costs if applicable.

**VOUCHER PROCESSING INTERNAL CONTROLS
NOT OPERATING EFFECTIVELY**

The Board's internal controls over its voucher processing function were not operating effectively during the examination period.

Erroneous entry of attributes into the ERP system

Our testing noted 10 of 140 (7%) attributes were not properly entered into the ERP System, specifically the proper bill date. Therefore, the Board's internal controls over voucher processing were not operating effectively.

17% of vouchers approved 31-424 days late

We noted the Board did not timely approve 1,834 of 10,781 (17%) vouchers processed during the examination period, totaling \$92,408,471. We noted these late vouchers were approved by the Board between 31 and 424 days late. (Finding 2, pages 17-18).

We recommended the Board provide staff training and design and maintain internal controls:

- To provide assurance its data entry of key attributes into ERP is complete and accurate; and
- To ensure proper bills are approved within 30 days of receipt.

Board agreed

The Board concurred with the finding and responded that accounting procedures have been modified and additional staff training provided to ensure entry of correct key attributes in the ERP system and increased frequency of federal draw-downs to improve voucher processing times.

INADEQUATE CONTROLS OVER MONTHLY RECONCILIATIONS

The Board did not maintain adequate controls over monthly reconciliations.

The Board expended over \$400 million from 10 funds and collected over \$40 million from 7 funds during Fiscal Years 2022 and 2023. During testing of the Board's monthly reconciliations of their internal records to Office of Comptroller records, we noted:

Reconciliations did not document the preparer and date

Monthly reconciliations were untimely or not performed

Timeliness of reconciliations could not be determined

- 28 of 28 (100%) reconciliations to the Obligation Activity Report or the Agency Contract Report were not initialed and dated. As a result, we were unable to determine whether the reconciliation was timely performed.
- 10 of 24 (42%) reconciliations to the Revenue Status Report (SB04) were not initialed and dated. As a result, we were unable to determine whether the reconciliation was timely performed.
- 2 of 24 (8%) reconciliations to the SB04 were not performed in Fiscal Year 2023.
- 5 of 24 (21%) reconciliations to the SB04 were performed 25 to 148 days late.
- 28 of 28 (100%) reconciliations to the Appropriations Status Report were not initialed and dated. As a result, we were unable to determine whether the reconciliation was timely performed.
- 24 of 24 (100%) reconciliations to the Cash Report were not initialed and dated. As a result, we were unable to determine whether the reconciliation was timely performed. (Finding 3, pages 19-20).

Board agreed

We recommended the Board allocate resources and implement controls to ensure all required monthly reconciliations are performed, documented, and reviewed timely.

The Board concurred with the finding and stated reconciliations have been assigned to a new staff member and training has been provided. Management also responded they worked with the ERP team to implement all reconciliations in the ERP's Analytic and Reporting platform to ensure reconciliations are reviewed and documented timely.

OTHER FINDINGS

The remaining findings pertain to reporting requirements, controls over personal services, noncompliance with the Student Parent Data Collection Act, contractual and interagency agreements, enforcement of grant reporting requirements, cybersecurity programs and practices, service providers, contingency planning, and Board member vacancies.

We will review the Agency's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Board for the two years ended June 30, 2023 as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001 through 2023-003. Except for the noncompliance described in these findings, the accountants stated the Board 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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