



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**WESTERN ILLINOIS UNIVERSITY**

**COMPLIANCE AND SINGLE AUDIT  
For the One Year Ended: June 30, 2010**

**Release Date: March 22, 2011**

**Summary of Findings this Audit Cycle:**

• Compliance and Single Audit	4
• Financial Audit (previously reported 2-4-11)	<u>2</u>
<b>TOTAL findings:</b>	<b>6</b>
<b>Summary of findings from previous audit cycle:</b>	<u>5</u>
<b>Repeated from last audit:</b>	<b>2</b>

**INTRODUCTION**

The Financial Statement Audit for the year ended June 30, 2010 was previously released on February 16, 2011. That audit contained two findings. This report addresses Federal and State compliance findings pertaining to the Single Audit and State Compliance Examination. In total, this report contains 6 findings, two of which were also reported in the Financial Audit.

**SYNOPSIS**

- The University had not established adequate internal controls over contracts and leases to ensure they contained all necessary provisions and were properly executed prior to performance.

{Expenditures and Activity Measures are summarized on the reverse page.}

**WESTERN ILLINOIS UNIVERSITY**  
**COMPLIANCE EXAMINATION AND SINGLE AUDIT**  
**For The Year Ended June 30, 2010**

<b>COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES</b> (Amounts in Thousands)	<b>FY 2010</b>	<b>FY 2009</b>
<b>INCOME FUND REVENUES</b>		
Registration fees.....	\$ 64,416	\$ 62,319
Other student charges.....	869	662
Extension.....	4,690	3,633
Tuition and fees, forgone, faculty and staff.....	(3,919)	(3,738)
Tuition and fees, forgone, scholarship students..	(3,727)	(3,382)
Other.....	700	\$ 1,009
Total Revenues.....	<u>\$ 63,029</u>	<u>\$ 60,503</u>
<b>INCOME FUND EXPENDITURES</b>		
Personal services.....	\$ 43,743	\$ 42,098
Contractual services.....	6,817	7,835
Travel.....	868	1,212
Commodities.....	1,277	1,423
Library books and equipment.....	2,186	2,560
Operation of automotive equipment.....	156	160
Telecommunications.....	303	296
Awards, grants, and matching funds.....	1,042	911
FICA/Medicare.....	599	687
Permanent improvements.....	238	307
Employment security.....	21	18
Total Expenditures.....	<u>\$ 57,250</u>	<u>\$ 57,507</u>

<b>SUPPLEMENTAL INFORMATION (unaudited)</b>	<b>FY 2010</b>	<b>FY 2009</b>
<b>Employment Statistics</b>		
Faculty and Administrative.....	1,160	1,152
Civil Service.....	846	851
Student Employees.....	289	282
Total Employees.....	<u>2,295</u>	<u>2,285</u>
<b>Enrollment Statistics</b>		
Fall term enrollment - undergraduate.....	9,977	10,380
Fall term enrollment - graduate.....	1,677	1,765
Fall term enrollment - extension.....	931	1,030
Total.....	<u>12,585</u>	<u>13,175</u>

<b>AGENCY DIRECTOR</b>
During Examination Period: Dr. Alvin Goldfarb
Currently: Dr. Alvin Goldfarb

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **NONCOMPLIANCE WITH REQUIRED CONTRACTING PROCEDURES**

The University had not established adequate internal controls over contracts and leases to ensure they contained all necessary provisions and were properly executed prior to performance. We tested 3 leases and 40 contracts and noted:

**Lease disclosures were untimely**

**Leases and contracts were signed after the lease started and goods were purchased**

**Contracts were not signed by all required parties or filed with the State Comptroller**

- One (33%) lease disclosure forms was completed 83 days after lease execution,
- Two (67%) leases were executed 16-76 days after leases began,
- Three (8%) contracts were signed after purchasing goods totaling nearly \$400,000,
- Three of 9 (33%) contracts over \$250,000 were not approved by all three required top administrators, and
- Two (5%) contracts were not filed with the State Comptroller. (Finding 4, pages 27-28)

We recommended the University establish appropriate procedures to ensure all contracts, leases, and related disclosures are properly completed, approved, and executed prior to the start of the services or lease terms. We also recommended the University review its procedures to ensure contracts are filed with the Comptroller.

**University agrees with auditors**

University officials accepted the finding and stated procedures have been or will be developed to address the exceptions reported.

### **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 audit.

**AUDITORS' OPINION**

The auditors conducted a compliance examination and Single audit of the University for the year ended June 30, 2010. A financial audit covering the year ended June 30, 2010 was issued separately.

A handwritten signature in blue ink, appearing to read 'William G. Holland', is written above a horizontal line. A blue arrow points from the signature towards the text 'June 30, 2010' in the paragraph above.

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WILLIAM G. HOLLAND  
Auditor General

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AUDITORS ASSIGNED: Our special assistant auditors for this examination were E. C. Ortiz & Co. LLP.