



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EASTERN ILLINOIS UNIVERSITY

Single Audit and State Compliance Examination
 For the Year Ended June 30, 2020

Release Date: June 29, 2021

FINDINGS THIS AUDIT: 9	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2019		20-2, 20-7	
Category 2:	2005		20-6	
Category 3:				
TOTAL				

	<u>New</u>	<u>Repeat</u>	<u>Total</u>
Category 1:	1	0	1
Category 2:	5	3	8
Category 3:	0	0	0
TOTAL	6	3	9

FINDINGS LAST AUDIT: 8

INTRODUCTION

This digest covers our federal Single Audit and Compliance Examination of Eastern Illinois University (University) for the year ended June 30, 2020. A separate Financial Audit as of and for the year ending June 30, 2020, was previously released on June 23, 2021. In total, this report contains nine findings, one of which was not reported in the Financial Audit.

SYNOPSIS

- (20-2) The University did not review federal work study (FWS) hours worked against class hours scheduled and timesheets to ensure students were not working during a scheduled class and that they were paid for the correct number of hours.
- (20-3) The University’s Fiscal Operations Report and Application to Participate (FISAP) records maintained did not agree to the actual amounts reported.
- (20-9) The University subsidized operations of University activities between accounting entities during fiscal year 2020.

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.

EASTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION AND SINGLE AUDIT
For the Year Ended June 30, 2020

COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - UNIVERSITY INCOME FUND	FY 2020	FY 2019
INCOME FUND REVENUES		
Tuition.....	\$ 49,316,133	\$ 48,572,508
Service fees.....	138,450	154,749
Fines and penalties.....	21,918	30,604
Other.....	5,833,427	870,173
Total Revenues.....	55,309,928	49,628,034
INCOME FUND EXPENDITURES		
Personal services.....	17,851,361	19,934,202
FICA-Medicare.....	1,161,261	1,288,262
Compensated absences.....	200,674	(530,174)
Contractual services.....	8,965,209	8,719,829
Travel.....	184,291	222,396
Commodities.....	674,371	781,646
Awards, grants, and matching funds.....	5,422,147	5,162,329
Permanent improvements.....	4,800	91,460
Equipment and library books.....	462,955	645,396
Telecommunications.....	95,250	94,601
Operation of automotive equipment.....	75,781	82,430
Student awards/tuition waived.....	10,246,726	10,507,043
Total Expenditures.....	45,344,826	46,999,420
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ 9,965,102	\$ 2,628,614
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2020	FY 2019
Enrollment Statistics		
Fall term enrollment.....	7,806	7,526
Spring term enrollment.....	7,621	7,503
Cost Per Student		
Cost Per Full-Time Equivalent Student.....	\$ 14,551	\$ 14,700
PRESIDENT		
During Examination Period: Dr. David M. Glassman		
Currently: Dr. David M. Glassman		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FEDERAL WORK STUDY HOURS DURING SCHEDULED CLASS HOURS

**Did not review federal work study
hours against class hours scheduled**

The University did not review federal work study (FWS) hours worked against class hours scheduled and timesheets to ensure students were not working during a scheduled class and that they were paid for the correct number of hours.

**Two individuals worked during
scheduled class hours**

During testing, auditors noted two of 37 (5%) individuals tested worked during scheduled class hours. (Finding 2, pages 22-23)

**University agreed with the
recommendation**

We recommended the University properly review federal work study hours to ensure none are worked during scheduled class hours.

The University agreed with the recommendation and stated the University has new reports in place to verify hours worked against student class schedules and hours worked during regularly scheduled class times without proper explanations will be paid with non-Federal funds.

FISAP RECORDS MAINTAINED DID NOT AGREE TO THE ACTUAL AMOUNTS REPORTED

**FISAP records did not agree to
actual amounts reported**

The University's Fiscal Operations Report and Application to Participate (FISAP) records maintained did not agree to the actual amounts reported.

**Amount reported \$213,153 greater
than University's records**

During testing, we noted two instances for which the FISAP did not reflect the correct amount per the University's records. The amount reported on the FISAP was \$213,153 greater than the amount in the University's records. (Finding 3, page 24)

**University agreed with the
recommendation**

We recommended the University improve controls to ensure the information reported on the FISAP is accurate.

University officials agreed with the recommendation and stated the University will ensure that FISAP data entry is independently reviewed prior to submission. University officials also stated the error was corrected with the FISAP filed with the U.S. Department of Education.

NONCOMPLIANCE WITH UNIVERSITY GUIDELINES

**Operations of activities subsidized
between accounting entities**

The University subsidized operations of University activities between accounting entities during fiscal year 2020. Activities are functions which are self-supporting in whole or in part, which are directly related to instructional, research, or service units.

Student facilities had negative cash balances

During our review of compliance with the University Guidelines, we noted the Student Facilities accounting entity had negative cash balances at the beginning and end of the fiscal year, totaling \$2.4 million and \$3.1 million respectively. Furthermore, the account did not have a positive balance at any point during the fiscal year. A negative cash balance is, in effect, an unrecorded interfund payable/receivable, thereby causing a subsidy between funds to occur. Student Facilities accounts for the operations of the University's student union, a portion of the student recreation center, and the financing of the University's athletic facilities. As of June 30, 2020, this accounting entity had accounts receivable, inventories and prepaid expenses totaling \$0.8 million. (Finding 9, page 32)

We recommended the University annually review the activities of each accounting entity, ensure fees charged for services are sufficient to cover expenditures, and take appropriate corrective actions to ensure subsidies between accounting entities do not continue.

University agreed with the recommendation

University officials partially agreed with the recommendation and stated that due to competitive pressures, the University is sometimes unable to raise fees to fully recover the costs of some operations.

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 Single Audit and State Compliance Examination.

AUDITOR'S OPINIONS

The financial audit report was previously released. The auditors stated the financial statements of Eastern Illinois University as of and for the year ended June 30, 2020, 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 Agency's major federal programs for the year ended June 30, 2020.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of Eastern Illinois University for the year ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants stated the University complied, in all material respects, with the requirements described in the report.

This Single Audit and State compliance examination were conducted by Sikich LLP.

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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