



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

GOVERNORS STATE UNIVERSITY

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

Release Date: June 23, 2021

FINDINGS THIS AUDIT: 11	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	2019		20-10	
Category 2:	2	8	10	2016		20-02, 20-04, 20-05, 20-07, 20-11	
Category 3:	0	0	0	2014		20-03	
TOTAL	3	8	11	2005		20-09	
FINDINGS LAST AUDIT: 12							

INTRODUCTION

This digest covers the Governors State University Single Audit and Compliance Examination for the year ended June 30, 2020. A separate digest covering the University's Financial Audit as of and for the year ended June 30, 2020 will be released under separate cover. In total, this report contains 11 findings, one of which was reported in the Financial Audit.

SYNOPSIS

- (20-03) The University did not meet the funded enrollment requirement for its Head Start Program.
- (20-04) The University did not comply with the Abused and Neglected Child Reporting Act.
- (20-06) The University's program of internal audit did not review all major systems within a two year period.
- (20-07) The University did not comply with requirements applicable to its computer and other equipment.

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

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

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

GOVERNORS STATE UNIVERSITY
SINGLE AUDIT AND COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

STATE TREASURY EXPENDITURE STATISTICS	2020	2019
Total Expenditures.....	\$ 23,193,600	\$ 22,089,100
OPERATIONS TOTAL.....	\$ 23,193,600	\$ 22,089,100
% of Total Expenditures.....	100%	100%
Personal Services.....	\$ 22,537,400	\$ 22,089,100
Other Payroll Costs (FICA, Retirement).....	656,200	-
All Other Operating Expenditures.....	-	-
Average number of employees.....	948	983

PRESIDENT
During Audit Period: Dr. Elaine P. Maimon (through June 30, 2020)
Currently: Dr. Cheryl F. Green (effective July 1, 2020)

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FAILURE TO MEET HEAD START PROGRAM EARMARKING REQUIREMENTS

The University did not meet the funded enrollment requirement for its Head Start Program.

**Head Start Program under-enrolled
by 2 to 12 individuals during the
fiscal year**

The University did not meet the funded enrollment requirements for its Head Start Program. In our detailed testing of the monthly enrollment reports for Fiscal Year 2020, we noted the University did not meet the funded enrollment requirement for the 12 months (2 to 12 individuals under-enrolled). (Finding 3, pages 24-25) **This finding has been repeated since 2014.**

We recommended the University improve its recruitment procedures to ensure compliance with the funded enrollment of the Program.

University agreed with auditors

University officials agreed with the finding and stated they have begun a process of addressing the issues identified.

CHILD ABUSE REPORTER TRAINING

The University did not comply with the Abused and Neglected Child Reporting Act (Act) regarding training. Our testing of 35 employees identified:

**20% of employees tested did not
receive required reporter training
within one year of initial
employment**

- 7 (20%) employees did not receive the required reporter training within one year of initial employment.
- 21 (60%) employees for which the University did not have any documentation in which the employee acknowledges the Act's reporting requirements.
- 8 (23%) employees did not sign and 1 (3%) employee did not date the documentation in which the employee acknowledges the reporting requirements of the Act prior to the commencement of employment.
- 10 (29%) employees signed documents after January 1, 2019 acknowledging the reporting requirements of the Act, however the form was not up to date as it did not include information regarding mandated reporter training provided by the Department of Children and Family Services. (Finding 4, page 26-27) **This finding has been repeated since 2016.**

We recommended the University comply with the requirements of the Act and ensure all employees receive the proper training within the required timeframe, include the

proper information in the employee's signed training statements, and timely obtain signed statements from required employees.

University agreed with auditors

University officials agreed with the finding and stated the University will modify its practices to work towards compliance.

FAILURE TO REVIEW MAJOR SYSTEMS WITHIN A TWO YEAR PERIOD

The University's program of internal auditing was unable to review all major systems within a two year period as required by the Fiscal Control and Internal Auditing Act (FCIAA)

University did not issue internal audit reports for all major systems

During testing, it was determined the Chief Internal Auditor did not issue internal audit reports covering reviews of all major systems of internal accounting and administrative controls over the past two year period. The only internal audit report issued during Fiscal Years 2019 and 2020 was an audit of the Illinois Board of Higher Education tuition and fee waiver guidelines. In addition, the auditors noted the Chief Internal Auditor reported four other audits were "completed" in the annual report dated September 30, 2020 to the University's President; however, as of January 6, 2021, none of the noted four audit reports had been issued. (Finding 6, pages 30-31)

We recommended the University improve its procedures to ensure all major systems of internal accounting and administrative controls are reviewed at least once every two years as required by the FCIAA.

University agreed with auditors

University officials agreed with the finding and stated they have implemented a process to address the issue.

INADEQUATE CONTROLS OVER COMPUTERS AND EQUIPMENT

The University did not comply with requirements applicable to its computers and other equipment.

Complete assessment of 3 computer items requested for deletion or unlocated not timely performed

We examined and performed procedures on the physical inventory performed by the University that was certified as of September 1, 2019. We noted the University reported 10 items, valued at \$16,539, of unlocated equipment. Five of those items were deleted including 3 computers totaling \$3,760. The University also completed a second certification of its inventory as of June 30, 2020. The University reported ten unlocated items valued at \$14,711, all of which were computers or workstations. The University did not immediately perform a complete assessment of the missing

computers and storage devices to determine whether they contained confidential information and whether notifications were required as outlined in the Personal Information Protection Act (815 ILCS 530/25).

A computer sent to surplus had no evidence the computer had been “wiped” prior to transfer

We also tested 25 computers that were sent to surplus according to the University’s property control records to determine whether the University complied with its internal procedures and maintained evidence the computers had been “wiped” prior to transfer. The University could not provide any evidence for one (4%) of these computers demonstrating it had been wiped before being transferred to surplus.

6 of 10 additions tested added to property records 21 to 60 days late

We tested ten equipment additions made during the year and noted 6 (60%) of the additions were not timely added (21 to 60 days late) to the property control records.

Our physical inventory testing of 60 items on the property control records on the June 30, 2020 certified physical inventory listing identified two computers (3%) with a total value of \$3,071 that could not be found. (Finding 7 pages 32-34) **This finding has been repeated since 2016.**

We recommended the University improve the operation of its internal controls over the accountability of University equipment and comply with its procedures for documenting wiping of computer equipment prior to disposal and ensuring items are accurately and timely recorded. Further, we recommended the University perform and document timely assessments of all missing computer and data storage equipment to determine whether they contained confidential information and whether notifications under the Personal Information Protection Act are required.

University agreed with auditors

University officials agreed with the finding and stated they will continue to improve its property control process and reporting requirements.

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 OPINIONS

The financial audit report was released under separate cover. The auditors stated the financial statements of the 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 University's major federal programs for the year ended June 30, 2020.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the University for the year ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants qualified their report on State Compliance for Finding 2020-001. Except for the noncompliance described in that finding, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This Single Audit and compliance examination was conducted by Borschnack, Pelletier & Co.

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