



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

Christopher B. Meister, Auditor General

**SUMMARY REPORT DIGEST**

**BOARD OF HIGHER EDUCATION**

State Compliance Examination  
 For the Two Years Ended June 30, 2025

Release Date: June 16, 2026

FINDINGS THIS AUDIT: 15				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	0	3	3	2023	25-1, 25-3	25-8, 25-12	
Category 2:	3	7	10	2021		25-4, 25-5, 25-6, 25-7	
Category 3:	1	1	2	2019		25-9	25-14
TOTAL	4	11	15	2013	25-2		
FINDINGS LAST AUDIT: 17							

**SYNOPSIS**

- (25-01) The Board’s internal controls over its voucher processing function were not operating effectively during the examination period.
- (25-03) The Board did not maintain adequate controls over its reconciliations.
- (25-08) The Board lacked adequate internal control over its annual Agency Workforce Report.
- (25-12) The Board did not ensure interagency agreements were signed timely.

**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**

**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.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology, we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP system.

**2% of attributes were not properly entered into ERP System, resulting in qualified opinion**

Our testing noted 3 of 140 (2%) attributes were not properly entered into the ERP System. Therefore, the Board's internal controls over voucher processing were not operating effectively.

Due to this condition, we qualified our opinion because we determined the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, we conducted an analysis of the Board's expenditures data for fiscal years 2024 and 2025 and noted the following:

**304 vouchers were approved between 31 and 364 days after receipt of a proper bill**

- The Board did not timely approve 304 of 1,854 (16%) vouchers processed during the examination period, totaling \$25,492,486. We noted these vouchers were approved between 31 and 364 days after receipt of a proper bill or other obligating document. (Finding 1, pages 15-16)

We recommend the Board design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. Further, we recommend the Board timely approve proper bills and obligations due.

**Board officials accepted our recommendations**

The Board agreed with the recommendations and indicated it has implemented hiring and corrective actions to mitigate the issues noted.

## **INADEQUATE CONTROLS OVER RECONCILIATIONS**

The Board did not maintain adequate controls over its reconciliations.

During testing of the reconciliation of the Office of Comptroller (Comptroller) Monthly Obligation Activity Report (SC15) and the Monthly Agency Contract Report (SC14), we noted the following:

**Reconciliations of Board and Comptroller records were not completed, completed late, untimely reviewed, or lacked documentation**

- One of six (17%) reports for Fiscal Year 2024 was not signed off by the reviewer of the reconciliation; therefore, we were unable to determine who reviewed the reconciliation.
- Two of six (33%) reports for Fiscal Year 2025 were signed by the reviewer 39 and 190 days late.

During testing of the reconciliations between the records maintained by the Comptroller and the Board's records during the examination period, we noted the following:

- 11 of 44 (25%) reconciliations of the Monthly Appropriations Status Reports (SB01) for Fiscal Year 2024 were not signed off by the reviewer of the reconciliation. As a result, we could not determine who reviewed the reconciliation.
- 10 of 44 (23%) reconciliations of the SB01 for Fiscal Year 2025 were signed by the reviewer 48 to 85 days late.
- Nine of 44 (20%) reconciliations of the Monthly Revenue Status Reports (SB04) for Fiscal Year 2024 did not have documentation of when the reviews were performed; therefore, we were unable to determine if the reconciliations were performed timely.
- One of 44 (2%) reconciliations of the SB04 for Fiscal Year 2025 was signed off by the reviewer 49 days late.
- 64 of 64 (100%) reconciliations of the Monthly Cash Reports (SB05) during the review period were completed 49 to 753 days late. (Finding 3, pages 19-21)

We recommend the Board ensure monthly reconciliations of its activity to the Comptroller's records are timely performed, reviewed, and documented properly.

**Board officials accepted our recommendations**

The Board accepted the recommendation and indicated they will implement corrective action to ensure reconciliations are performed, reviewed, and documented within 60 days.

## **INADEQUATE CONTROLS OVER THE ANNUAL AGENCY WORKFORCE REPORTING**

The Board lacked adequate internal control over its annual Agency Workforce Report (Report).

During testing, we noted the following:

### ***Fiscal Year 2023 Report (due in Fiscal Year 2024)***

**Report contained inaccurate information and was filed late**

- The Board's supporting documentation did not agree with the reported number of Caucasian females.
- The Report was submitted to the Governor and the Secretary of State 190 days and 196 days late, respectively.

### ***Fiscal Year 2024 Report (due in Fiscal Year 2025)***

**Report contained inaccurate information and was not filed with the Secretary of State**

- The Board's supporting documentation did not agree with the reported number of employees with physical disabilities. In addition, we noted a discrepancy in the number of employees reported per income bracket.
- The Report was not submitted to the Secretary of State.

**Board did not file corrected Reports for prior fiscal years**

In addition, during our prior examination of the two years ended June 30, 2023, we noted problems with the Board's Report for both Fiscal Year 2021 and Fiscal Year 2022. As such, we recommended the Board file corrected Reports for these years with the Governor's Office and the Office of the Secretary of State within 30 days after the Board's Compliance Examination report was released by the Auditor General. However, we noted the Board did not file the corrected Reports with the Governor's Office and Office of the Secretary of State for either fiscal year. (Finding 8, pages 30-31)

We recommended the Board implement procedures to ensure the Reports are accurate and timely filed with the Governor's Office and the Secretary of State. In addition, we recommend the Board file corrected Reports with the Governor and Secretary of State within 30 days after the release of this Compliance Examination report.

**Board officials agreed with our recommendations**

The Board agreed with our recommendation and indicated they will implement corrective action to ensure the reports are accurate and timely filed. Additionally, the Board indicated they will file corrected reports for Fiscal Years 2021, 2022, 2023, and 2024 within 30 days of the release of this Compliance Examination report.

## **INTERAGENCY AGREEMENTS NOT SIGNED TIMELY**

The Board did not ensure interagency agreements were signed timely.

### **Interagency agreement was signed 19 days after its effective date**

During testing, we noted one of nine (11%) interagency agreements were not signed by all parties prior to the effective date of the agreement. The agreement was signed 19 days after its effective date. (Finding 12, page 37)

We recommended the Board ensure interagency agreements are signed by all parties prior to the effective date of each agreement.

### **Board officials accepted our recommendations, but disagreed with the finding**

The Board accepted the recommendation and indicated it has taken steps to address this finding by changing the boilerplate language of contracts but maintains that agreements do not need to be signed prior to its effective date.

### **Accountant's Comment**

In an accountant's comment, we stated prudent business practices require the execution of agreements prior to the effective date. Having fully executed agreements helps ensure there is clear evidence that all parties reviewed and agreed to the terms before obligations, services, or payments begin.

## **OTHER FINDINGS**

The remaining compliance findings are reportedly being given attention by the Board. We will review the Board'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, 2025, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2025-001 through 2025-003. Except for the noncompliance described in this finding, the accountants stated the Board complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth & Company, LLP.

**SIGNED ORIGINAL ON FILE**

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COURTNEY DZIERWA  
Deputy Auditor General

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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CHRISTOPHER B. MEISTER  
Auditor General

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