



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS STATE UNIVERSITY**

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

Release Date: June 29, 2021

FINDINGS THIS AUDIT: 14	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2019	20-07	20-04, 20-08, 20-10, 20-12	
Category 2:	2018	20-06	20-03	
Category 3:	2012		20-11	
TOTAL	2005		20-14	

  

	New	Repeat	Total
Category 1:	2	2	4
Category 2:	3	7	10
Category 3:	0	0	0
TOTAL	5	9	14

FINDINGS LAST AUDIT: 13

**INTRODUCTION**

This digest covers the Single Audit and Compliance Examination of Illinois State University for the year ended June 30, 2020. A separate financial audit as of and for the year ended June 30, 2020, was previously released on June 23, 2021. In total, this report contains 14 findings, 3 of which were reported within the University's financial audit.

**SYNOPSIS**

- (20-07) The University had not implemented adequate internal controls related to cybersecurity programs and practices.
- (20-09) The University did not submit a minimum of one course per major under the Illinois Articulation Initiative for some majors offered by the University.
- (20-11) The University did not always ensure compliance with the University Faculty Research and Consulting Act and University policies regarding outside employment.

<p><b>Category 1:</b> Findings that are <b>material weaknesses</b> in internal control and/or a <b>qualification</b> on compliance with State laws and regulations (material noncompliance).</p> <p><b>Category 2:</b> Findings that are <b>significant deficiencies</b> in internal control and <b>noncompliance</b> with State laws and regulations.</p> <p><b>Category 3:</b> Findings that have <b>no internal control issues but are in noncompliance</b> with State laws and regulations.</p>
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**ILLINOIS STATE UNIVERSITY**  
**SINGLE AUDIT AND COMPLIANCE EXAMINATION**  
**For the Year Ended June 30, 2020**

<b>STATE TREASURY EXPENDITURE STATISTICS</b>	<b>2020</b>	<b>2019</b>
<b>Total Expenditures.....</b>	<b>\$ 69,769,300</b>	<b>\$ 66,354,100</b>
OPERATIONS TOTAL.....	\$ 69,619,300	\$ 66,304,100
% of Total Expenditures.....	99.8%	99.9%
Personal Services.....	69,619,300	66,304,100
Other Payroll Costs (FICA, Retirement).....	-	-
All Other Operating Expenditures.....	-	-
AWARDS AND GRANTS.....	\$ 150,000	\$ 50,000
% of Total Expenditures.....	0.2%	0.1%
<b>Average Number of Employees.....</b>	<b>3,497</b>	<b>3,573</b>

<b>UNIVERSITY PRESIDENT</b>
During Examination Period: Dr. Larry Dietz
Currently: Dr. Larry Dietz

**FINDINGS, CONCLUSIONS, AND**  
**RECOMMENDATIONS**

**WEAKNESSES IN CYBERSECURITY PROGRAMS  
AND PRACTICES**

The University had not implemented adequate internal controls related to cybersecurity programs and practices.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. We noted the following:

- During our examination of the University’s cybersecurity program, practices, and control of confidential information, we noted the University:
    - had not formalized a cybersecurity plan;
    - lacked formal policies and procedures over configuration management, system development, and information technology (IT) project management;
    - did not track completion of information security training of staff designated as security liaisons; and,
    - did not systemically track and document responses to information security incidents.
  
  - During our sample testing of 40 computers transferred out of the University to other entities, we noted the University:
    - did not have evidence four (10%) tested computers had their hard drive(s) erased, wiped, sanitized, or destroyed in a manner preventing the retrieval of data; and,
    - did not have written documentation of the name and signature of the person who performed the overwriting or destruction process of each tested computer’s hard drive(s), along with the date the process was performed, for the other 36 (90%) tested computers.
  
  - We inquired of University officials who reported seven devices able to store data across the University were deemed lost or stolen during the examination period. During our review of these items, we noted University officials were unable to provide evidence two (29%) devices, a computer and a tablet, were encrypted and they were unfamiliar with the nature of the data stored on these items. As such, we were unable to determine whether a “breach of the security of the system data” occurred and the extent to which personal and/or confidential records may have been breached. (Finding 7, pages 34-36)
- Lacked configuration management, system development, and project management policies and procedures**
- Not systemically tracking and documenting responses to incidents**
- Four tested computers lacked evidence their data had been wiped**
- 36 tested computers lacked documentation of the person who performed an overwriting or destruction process on the computer**
- Two lost or stolen computers lacked evidence they were encrypted**
- Unable to determine whether a breach occurred**

We recommended the University:

- 1) formalize a cybersecurity plan covering all relevant aspects of cybersecurity management and keep it up-to-date;
- 2) develop and approve policies governing configuration management, project management, and a system development lifecycle;
- 3) implement a mechanism to track compliance with annual security training requirements and enforce those training requirements;
- 4) track, monitor, remediate, and document all information security incidents;
- 5) fully comply with the requirements of the Data Security on State Computers Act; and,
- 6) enable full disk encryption on all University-owned computers.

**University officials agreed**

University officials concurred with the recommendation.

### **NONCOMPLIANCE WITH THE ILLINOIS ARTICULATION INITIATIVE ACT**

The University did not submit a minimum of one course per major under the Illinois Articulation Initiative (Initiative) for some majors offered by the University.

**One art, physics, and psychology course had not been submitted to the Illinois Articulation Initiative**

During testing, we noted the University did not have a minimum of one course included within the related Initiative major for its art, physics, and psychology degree programs. (Finding 9, page 39)

We recommended the University comply with the requirements of the Illinois Articulation Initiative Act or seek a legislative remedy.

**University officials agreed, noting corrective action is in progress**

University officials concurred with our recommendation and will work on correcting this matter over the next 12 months.

### **NONCOMPLIANCE WITH THE UNIVERSITY FACULTY RESEARCH AND CONSULTING ACT**

The University did not always ensure compliance with the University Faculty Research and Consulting Act (Act) and University policies regarding outside employment.

During Fiscal Year 2020, faculty members reported 101 instances of outside employment to the University Provost. During testing, some of the more significant problems we noted included the following:

**Faculty members submitted requests for outside employment late**

- Twenty-four of 101 (24%) instances had the Request for Approval of Secondary/Outside Employment (Form PERS 927) submitted by the faculty member for

approval by the University's Provost between five to 233 days late.

**Provost was late in approving outside employment**

- One of 101 (1%) instances never had a Form PERS 927 submitted by the faculty member to the University's Provost.
- Fifty-two of 101 (51%) instances had Form PERS 927 approved by the University's Provost between three to 248 days late.

**Annual reports were not submitted**

- Twenty-nine of 101 (29%) instances did not have the Annual Report of Secondary/Outside Employment (Form PERS 928) submitted by the faculty member by the deadline of August 31, 2020.

**Annual reports submitted late**

- Thirteen of 101 (13%) instances had the Form PERS 928 submitted by the faculty member to the University's Provost during September 2020, which reduced the amount of time available for review and approval by the faculty member's department chair and dean prior to receiving final approval from the University's Provost by September 30, 2020.

**University management has been unsuccessful in implementing corrective action**

Further, this finding was first noted during the University's Fiscal Year 2012 State compliance examination, **nine years ago**. As such, University management has been unsuccessful in implementing a corrective action plan to remedy these deficiencies. (Finding 11, pages 42-43) **This finding has been repeated since 2012.**

We recommended the University's Provost take appropriate corrective action and implement internal controls to ensure faculty members with outside research, consulting services, or employment receive written pre-approval to conduct the requested activity and annually disclose the time spent on these activities in accordance with State law and University policy.

**University officials agreed, noting a new system was implemented after the examination period**

University officials noted the University implemented a new online application and approval process to enhance compliance with the Act during Fiscal Year 2021.

**OTHER FINDINGS**

The remaining findings pertain to:

- 1) failing to provide exit counseling to nursing students, returning unearned Title IV assistance, and appointing a sustainability committee;
- 2) inadequate control over property and equipment and training;
- 3) inadequate business continuity and disaster recovery planning; and,

- 4) noncompliance with civil service requirements and the State Officials and Employees Ethics Act.

We will review the University's progress towards the implementation of our recommendations in our next Single Audit and compliance examination.

#### **AUDITOR'S OPINIONS**

The auditors previously 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 Findings 2020-001, 2020-002, 2020-006, and 2020-007. Except for the noncompliance described in these findings, 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 RSM US LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

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FRANK J. MAUTINO  
Auditor General

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