



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2021**

Release Date: May 26, 2022

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2020	21-01		
Category 2:	0	0	0	2018	21-02		
Category 3:	0	0	0				
TOTAL	0	2	2				
FINDINGS LAST AUDIT: 3							

INTRODUCTION

This digest covers the financial audit of the University as of and for the year ended June 30, 2021. The University's Single Audit and State compliance examination reports were separately issued.

SYNOPSIS

- (21-02) The University had multiple computer security weaknesses.

<p>Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).</p> <p>Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.</p> <p>Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.</p>

ILLINOIS STATE UNIVERSITY
FINANCIAL AUDIT
For The Year Ended June 30, 2021

STATEMENT OF NET POSITION	2021	2020
Assets and Deferred Outflows of Resources		
Unrestricted		
Cash and cash equivalents.....	\$ 150,183,952	\$ 137,385,710
Receivables.....	44,551,241	39,784,619
Investments.....	-	12,419,961
Inventories, prepaid expenses, deposits, and other.....	16,677,152	14,785,769
Restricted		
Cash and cash equivalents.....	63,571,134	4,228,390
Receivables.....	4,804,570	5,803,151
Investments.....	96,824,500	126,501,089
Inventories, prepaid expenses, deposits, and other.....	958,881	1,135,978
Capital assets, net.....	521,405,450	526,862,266
Total.....	<u>898,976,880</u>	<u>868,906,933</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	20,439,281	25,286,631
Bond obligations.....	176,211,825	150,650,498
Other.....	69,267,383	73,541,452
Total.....	<u>265,918,489</u>	<u>249,478,581</u>
Net Position		
Net investment in capital assets.....	352,258,598	378,917,225
Restricted, expendable.....	153,064,702	127,028,174
Unrestricted.....	127,735,091	113,482,953
Total.....	<u>\$ 633,058,391</u>	<u>\$ 619,428,352</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2021	2020
Revenues		
Tuition and fees, net.....	\$ 215,398,162	\$ 204,881,045
State appropriations.....	69,644,275	69,769,300
Auxiliary enterprises.....	59,958,332	76,332,021
Payments on behalf of the University - State.....	41,944,000	28,914,000
Special funding situation - Pension and OPEB.....	152,620,912	66,289,971
Other.....	144,025,048	135,619,330
Total.....	<u>683,590,729</u>	<u>581,805,667</u>
Expenses		
Instruction.....	212,819,776	171,157,884
Student services.....	66,030,429	54,570,142
Student aid.....	82,168,957	69,276,687
Auxiliary enterprises.....	73,574,307	64,926,944
Other.....	239,985,692	205,469,761
Total.....	<u>674,579,161</u>	<u>565,401,418</u>
Prior Period Adjustment.....	4,618,471	-
Change in net position.....	<u>\$ 13,630,039</u>	<u>\$ 16,404,249</u>
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Larry Dietz (07/01/20 - 06/30/21)		
Currently: Dr. Terri Goss Kinzy (07/01/21 - Present)		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INFORMATION SECURITY WEAKNESSES

The Illinois State University (University) had multiple computer security weaknesses.

During testing, we identified the following security weaknesses:

- | | |
|---|--|
| IT policies did not reflect the current environment | <ul style="list-style-type: none">• The University's Information Technology (IT) policies and procedures were not reviewed and updated during the examination period to reflect the University's current environment or address future changes in processes and new systems. |
| Appropriateness of users' access was not documented | <ul style="list-style-type: none">• The University did not document whether users' roles within its applications were appropriate. |
| Segregation of duties not reviewed | <ul style="list-style-type: none">• The University did not conduct segregation of duties reviews between development and production environments for systems where University personnel have development responsibilities. |
| Users with access after their access should have been revoked | <ul style="list-style-type: none">• For Colleague, an application used for financial reporting, and iPeople, the University's human resources and payroll application, we noted some users still had access to the application after the University's period for removing access had passed. |
| University officials unable to show access rights of terminated employees were appropriate | <ul style="list-style-type: none">• During our review of user access listings during December 2021, we noted some users with general access to the various University systems, which was previously necessary based on their prior job duties, still had this access after their termination. While it is possible some of this access was appropriate after the employee's termination date, the University was unable to show the access rights which remained were appropriate. |
| Exemptions for failed patches did not have a process or procedure | <ul style="list-style-type: none">• The University has not established a process or procedure for timely documenting its risk analysis and reasoning for when a failed patch of its system endpoints and servers can be exempted. (<u>Report Required Under Government Auditing Standards</u>, Finding 2, pages 10-11) This finding has been repeated since 2018. |

Auditor's Recommendation

We recommended the University implement adequate security, including:

- finalizing the policies and procedures to (1) reflect the University's current environment and (2) address future changes in processes and new systems;

- document, during formal user access reviews, the appropriateness of each user’s access to the University’s applications;
- ensuring adequate segregation of duties or compensating controls exist for University personnel with development responsibilities;
- ensuring access to all applications is terminated in a timely manner and any access remaining after an individual departs from the University is limited and appropriate; and,
- establishing a process or procedure to ensure all devices are timely patched with vendor updates and that any failed patches of system endpoints and servers have a documented risk assessment and reasoning for why an exemption to the patching requirement is necessary.

University officials agree

University officials concurred with our finding, noting they are working on developing a corrective action plan to address these matters.

OTHER FINDING

The remaining finding pertains to inadequate internal controls over census data. We will review the University’s progress towards the implementation of our recommendations in our next financial audit.

AUDITOR’S OPINION

The auditors stated the financial statements of the University as of and for the years ended June 30, 2021, are fairly stated in all material respects.

This financial audit was conducted by RSM US 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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