



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, 2025

Release Date: December 16, 2025

FINDINGS THIS AUDIT: 3				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	25-02, 25-03		
Category 2:	0	0	0	2018	25-01		
Category 3:	0	0	0				
TOTAL	0	3	3				
FINDINGS LAST AUDIT: 3							

INTRODUCTION

This digest covers the financial audit of Illinois State University (University) as of and for the year ended June 30, 2025. The University's Single Audit and State compliance examination reports will be separately issued at a later date.

SYNOPSIS

- **(25-01)** The University had multiple computer security weaknesses.
- **(25-02)** The University did not implement adequate internal controls over its service providers.

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.

ILLINOIS STATE UNIVERSITY
FINANCIAL AUDIT
For The Year Ended June 30, 2025

STATEMENT OF NET POSITION	2025	2024
Assets and Deferred Outflows of Resources		
Unrestricted		
Cash and cash equivalents.....	\$ 127,627,654	\$ 138,312,840
Receivables.....	27,232,136	33,178,457
Inventories, prepaid expenses, deposits, and other.....	8,413,379	8,718,203
Restricted		
Cash and cash equivalents.....	33,786,550	109,093,252
Receivables.....	6,747,590	8,340,471
Investments.....	198,769,424	68,345,400
Inventories, prepaid expenses, deposits, and other.....	3,066,085	377,741
Capital assets, net.....	605,811,455	573,426,811
Deferred outflows of resources.....	6,398,476	6,648,711
Total.....	<u>1,017,852,749</u>	<u>946,441,886</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	61,758,569	67,351,528
Revenue bonds and certificates of participation.....	219,744,886	170,392,860
Other.....	39,917,551	28,596,822
Deferred inflows of resources.....	8,833,521	14,090,244
Total.....	<u>330,254,527</u>	<u>280,431,454</u>
Net Position		
Net investment in capital assets.....	417,029,170	396,053,273
Restricted, expendable.....	178,565,980	168,088,760
Unrestricted.....	92,003,072	101,868,399
Total.....	<u>\$ 687,598,222</u>	<u>\$ 666,010,432</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2025	2024
Revenues		
Tuition and fees, net.....	\$ 175,109,915	\$ 212,876,039
State appropriations.....	79,806,800	78,242,400
Auxiliary enterprises.....	78,244,624	104,048,762
Payments on behalf of the University - State.....	59,300,000	47,641,000
Special funding situation - Pension and OPEB.....	33,110,123	11,791,191
Other.....	208,339,753	188,562,444
Total.....	<u>633,911,215</u>	<u>643,161,836</u>
Expenses		
Instruction.....	198,654,523	167,803,499
Student services.....	62,548,141	58,836,962
Student aid.....	32,829,647	95,500,367
Auxiliary enterprises.....	83,388,595	84,917,807
Other.....	234,902,519	221,876,020
Total.....	<u>612,323,425</u>	<u>628,934,655</u>
Change in net position.....	<u>\$ 21,587,790</u>	<u>\$ 14,227,181</u>
UNIVERSITY PRESIDENT		
During Audit Period: President Dr. Aondover Tarhule		
Currently: President Dr. Aondover Tarhule		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INFORMATION SECURITY WEAKNESSES

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

Computer security weaknesses

During testing of University information technology controls, we noted the University:

Policies were not fully developed for access provisioning, annual review of users' access and for review of security violation reports

- Had not fully developed access provisioning policies documenting the internal controls for all environments and applications.
- Had not fully developed a policy documenting requirements for an annual review of users' access.
- Had not fully developed a policy documenting the review of security violation reports to ensure remediation is timely conducted.

In order to determine if proper security controls had been implemented across the University's environment, we requested a population of servers. Although the University provided a population, documentation demonstrating its completeness and accuracy was not provided. Even given the population limitations, we tested the population of servers, noting the University could not provide documentation demonstrating the antivirus and operating systems were running the vendors' latest versions.

In addition, our testing noted the University had not ensured all security operations were properly configured. (Finding 1, pages 5-6) **This finding has been reported since 2018.**

Auditor's Recommendation

We recommended the University implement adequate security, including approving the updated policies and procedures to (1) reflect the University's current environment and (2) address future changes in processed and new systems.

Additionally, we recommended the University strengthen its controls to maintain a complete and accurate population of servers, update their servers with the vendors' latest versions of antivirus and operating systems, and ensure all security operations are properly configured.

University officials agreed

University officials concurred with our finding.

LACK OF ADEQUATE CONTROLS OVER THE REVIEW OF INTERNAL CONTROLS OVER SERVICE PROVIDERS

The Illinois State University (University) did not implement adequate internal controls over its service providers.

The University could not provide the auditors with a population of their service providers

We requested the University provide a population of their service providers utilized in order to determine if the University had reviewed the internal controls of its service providers. However, the University was not able to provide such a population.

Service and Organization Control Reports were not obtained

Additionally, we noted the University had not fully developed policies and procedures to ensure their due diligence and monitoring of their service providers. Furthermore, the University did not obtain System and Organization Control (SOC) reports to ensure the internal controls at the service providers had been implemented and were operating effectively.

Finally, the University had not conducted a review of the Complementary User Entity Controls (CUEC) and the University's related controls. (Finding 2, pages 7-8)

Auditor's Recommendation

We recommended the University implement controls to maintain a list of all of their service providers and determine and document if a review of the service providers' internal controls were performed, if required.

Additionally, we recommended the University:

- Obtain SOC reports or perform independent reviews of internal controls for all service providers.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the University, and any compensating controls.

University officials agreed

University officials concurred with our finding.

OTHER FINDING

The remaining finding pertains to weaknesses in change control. 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, 2025, are fairly stated in all material respects.

This financial audit was conducted by FORVIS MAZARS, LLP.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
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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