



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

NORTHEASTERN ILLINOIS UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2022

Release Date: May 25, 2023

FINDINGS THIS AUDIT: 12	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2020	22-01	22-05	
Category 2:	4	7	11	2019		22-03, 22-08	
Category 3:	0	0	0	2018		22-10, 22-12	
TOTAL	4	8	12	2017		22-02	
				2013		22-09	
FINDINGS LAST AUDIT: 16							

INTRODUCTION

This digest covers the Northeastern Illinois University (University) Compliance Examination for the year ended June 30, 2022. A separate digest covering the University's Financial Audit as of and for the year ended June 30, 2022, was previously released on March 23, 2023. In addition, a separate digest covering the University's Single Audit for the year ended June 30, 2022, was previously released on March 30, 2023. In total, this report contains 12 findings, four were reported in the Financial Audit and three were reported in the Single Audit.

SYNOPSIS

- (22-10) The University did not have adequate controls over its property and equipment.
- (22-11) The University did not fully comply with the Fiscal Control and Internal Auditing Act.

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**

**INADEQUATE CONTROLS OVER UNIVERSITY
PROPERTY AND EQUIPMENT**

The University did not have adequate controls over its property and equipment.

Equipment additions recorded late

During our testing of 25 equipment additions, we noted 9 (36%), totaling \$12,531, were not recorded within 90 days of acquisition. They were recorded between 96 to 160 days after the acquisition dates.

During our testing of 8 equipment expenditures, we noted 5 (63%) equipment expenditures tested totaling \$1,988,034 were not timely recorded in the fixed asset management system. In further testing, we determined that there was a significant lag in recording fixed asset additions and transfers during the year. As a result, the C-15 report populated from general ledger expenditures did not reconcile with the fixed asset report as of June 30, 2022.

**Auditors noted weakness over
University's annual inventory count**

The University does not have approved written policies and procedures on certain critical functions and processes related to equipment management such as:

- Proper conduct of the physical count process.
- Delineating the categories of equipment that are subject to theft with value less than the nominal value to ensure equipment is marked with a unique identification number. (Finding 10, pages 28-29)
This finding has been reported since 2018.

We recommended the University improve its procedures to ensure equipment records are accurately maintained and assets are properly accounted for. We also recommended the University establish relevant equipment management policies to ensure procedures are observed consistently by employees.

University agreed with auditors

University officials agreed with the recommendation.

**NONCOMPLIANCE WITH THE FISCAL CONTROL
AND INTERNAL AUDITING ACT**

The University did not fully comply with the Fiscal Control and Internal Auditing Act.

**University did not perform audits
according to their approved audit
plan**

During testing of the University's internal auditing activities, we noted the University did not perform audits according to their approved Fiscal Year 2022 plan, which included payroll conversion, grants, information technology security, and the

project management office. In addition, the University did not perform audits of receipts and tuition and fee waivers in Fiscal Year 2021 or 2022. (Finding 11, page 30)

We recommended the University ensure completion of audits according to their approved plan and the Code.

University agreed with auditors

University officials agreed with the recommendation.

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 State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2022-001. Except for the noncompliance described in this finding, the accountants stated the University complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Plante & Moran, PLLC.

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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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