

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

For the Year Ended June 30, 2024

Performed as Special Assistant Auditors for
the Auditor General, State of Illinois

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2024

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NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
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University Officials

President (08/01/24 to Present)	Dr. Katrina Bell-Jordan
Interim President (07/01/23 to 07/31/24)	Dr. Katrina Bell-Jordan
Vice President for Finance and Administration/Treasurer (03/17/25 to Present)	Ms. Beni Ortiz
Interim Vice President for Finance and Administration/Treasurer (04/01/24 to Present)	Ms. Beni Ortiz
Vice President for Finance and Administration/Treasurer (1/27/20 to 03/31/24)	Mr. Manish Kumar
University General Counsel (10/04/23 to Present)	Vacant
University General Counsel (10/04/23 to 10/03/23)	Mr. G.A. Finch
Director of Internal Audit (09/18/23 to Present)	Ms. Chrystal Temples
Director of Internal Audit (01/07/23 to 09/17/23)	Vacant
Director of Internal Audit (9/17/17 to 01/06/23)	Ms. Rita Moore

Board Officers

Chair (Member since 01/31/23, elected 02/15/24)	Mr. J. Todd Phillips
Chair (Member since 01/17/23, 03/06/23 to 01/29/24)	Mr. Jose Rico
Vice Chair (Member since 03/16/23, elected 05/28/24)	Ms. Michelle Morales
Vice Chair (Member since 01/17/23, elected 03/06/23)	Mr. Marvin Garcia
Secretary (Member since 08/07/23, elected 02/15/24)	Ms. Anna Meresidis
Secretary (Member since 01/31/23, elected 03/06/23)	Mr. J. Todd Phillips

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
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Board Members

Member (Appointed 10/18/24)	Mr. Carlos Garcia
Member (10/08/24 to 10/17/24)	Vacant
Member (05/06/19 to 10/07/24)	Mr. Marvin Garcia
Member (01/30/24 to present)	Vacant
Member (01/17/23 to 01/29/24)	Mr. Jose Rico
Member (Appointed 08/07/23)	Ms. Anna Meresidis
Member (02/01/23 to 08/06/23)	Vacant
Member (Appointed 05/22/23)	Mr. Jorge Leon
Member (Appointed 03/16/23)	Ms. Betty Fleurimond
Member (Appointed 03/16/23)	Ms. Michelle Morales
Member (Appointed 01/31/23)	Dr. Paula Wolff
Member (Appointed 01/31/23)	Mr. J. Todd Phillips
Member (Appointed 05/06/19)	Dr. Ann Kalayil
Student Member (07/01/24 to 06/30/25)	Ms. Itzel Linares
Student Member (07/01/23 to 06/30/24)	Mr. Edwin Medina

University Office

Northeastern Illinois University's primary administrative office is located at 5500 N. St. Louis Avenue, Chicago, Illinois 60625.

April 21, 2025

Plante & Moran, PLLC
1111 E Michigan Ave,
East Lansing, MI 48823

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Northeastern Illinois University (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following specified requirements during the one-year period ended June 30, 2024. Based on this evaluation, we assert that during the year ended June 30, 2024, the University has materially complied with the specified requirements listed below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what was previously disclosed and reported in the Schedule of Findings, the University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Northeastern Illinois University

SIGNED ORIGINAL ON FILE

President

SIGNED ORIGINAL ON FILE

Vice President for Finance and
Administration/Treasurer

SIGNED ORIGINAL ON FILE

Interim General Counsel

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2024

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies a material weakness over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Reports</u>	<u>Prior Reports</u>
Findings	11	13
Repeated Findings	8	9
Prior Recommendations Implemented or Not Repeated	5	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-001	12	2023/2020	Inadequate Internal Controls over Census Data	Material Weakness/ Material Noncompliance
2024-002	16	2023/2022	Noncompliance with the Fiscal Control and Internal Auditing Act	Material Weakness/ Material Noncompliance
2024-003	18	2023/2019	Lack of Adequate Control Over the Review of Internal Controls for Service Providers	Significant Deficiency/ Noncompliance

NORTHEASTERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2024

SCHEDULE OF FINDINGS (continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (continued)				
2024-004	20	2023/2017	Weaknesses in Computer Security	Significant Deficiency/ Noncompliance
2024-005	22	2023/2023	Lack of Adequate Change Management Controls	Significant Deficiency/ Noncompliance
2024-006	23	New	Lack of Adequate Controls for Unofficial Withdrawn Students Reported to NSLDS	Material Weakness/ Material Noncompliance
2024-007	25	2023/2020	Noncompliance with Grant Report Requirements	Significant Deficiency/ Noncompliance
2024-008	27	2023/2023	Noncompliance with College Student Immunization Act	Significant Deficiency/ Noncompliance
2024-009	29	New	Noncompliance With the Student Parent Data Collection Act	Significant Deficiency/ Noncompliance
2024-010	31	New	Failure to Timely Submit Salary Report	Significant Deficiency/ Noncompliance
2024-011	32	2023/2023	Inadequate Controls over Personnel Files	Significant Deficiency/ Noncompliance

NORTHEASTERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
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<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
Prior Findings Not Repeated			
A	34	2023/2022	Lack of Adequate Controls over Year-End Reviews and Reconciliations
B	34	2023/2019	Weaknesses in Cybersecurity Programs and Practices
C	34	2023/2023	Noncompliance with the Campus Security Enhancement Act of 2008
D	34	2023/2018	Inadequate Controls over University Property and Equipment
E	35	2023/2018	Weakness Regarding Clearing of Data from Electronic Devices

EXIT CONFERENCE

The University waived an exit conference in email correspondence from Chrystal Temples, Director of Internal Audit on April 9, 2025. The responses to the recommendations were provided by Chrystal Temples, Director of Internal Audit in a correspondence dated April 15, 2025.

INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Northeastern Illinois University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Northeastern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2024. Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Northeastern Illinois University

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the University during the years ended June 30, 2024. As described in the accompanying Schedule of Findings as items 2024-001, 2024-002, and 2024-006, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2024, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2024-003 through 2024-005 and 2024-007 through 2024-011.

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Northeastern Illinois University

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001, 2024-002, and 2024-006 to be material weaknesses.

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Northeastern Illinois University

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as item 2024-003 through 2024-005 and 2024-007 through 2024-011 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

East Lansing, MI
April 21, 2025

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Year Ended June 30, 2024

2024-001. **FINDING** Inadequate Internal Controls over Census Data

The Northeastern Illinois University (University) did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting the data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by SURS, along with census data for the other participating members provided by the State's four other pensions plans, to prepare their projection of the liabilities of CMS' plan. Finally, SURS' actuary and CMS' actuary used census data transmitted by the University during Fiscal Year 2022 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2023, which is incorporated into the University's Fiscal Year 2024 financial statements.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-001. **FINDING** Inadequate Internal Controls over Census Data

- During our previous cut-off testing of data transmitted by the University to SURS, we noted 1 instance of an active employee becoming inactive and 1 instance of an active employee becoming active were reported to SURS after the close of the fiscal year in which the event occurred. We also noted 1 instance whereby service credit was different by a total of ¼ of a year. These were previously reported, but still had an impact on the June 30, 2022 census data.

We provided SURS’ actuary and CMS’ actuary with the exceptions we identified during our testing, along with the results of census data testing at the State Employees Retirement System of Illinois, and determined the net effect of these errors, along with the errors of other plan participants, was immaterial to SURS’ and CMS’ pension and OPEB-related balances and activity at the plans during Fiscal Year 2023.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over the State’s resources.

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less, who is:

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS’ disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-001. **FINDING** Inadequate Internal Controls over Census Data (Continued)

- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) Currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,
- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service’s substantial presence test and (2) became an employee on and after July 1, 1991.

In addition, the Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee’s total compensation of 8% (9.5% for firefighters or police officers) for their participation in SURS, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds.

Finally, for CMS’ OPEB plan, we noted participation in OPEB is derivative of an employee’s eligibility to participate in SURS, as members of SURS participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

University officials indicated the competing priorities during the implementation of new Human Resource system and the impact of staff turnover resulted in delays. The biographical data was provided to SURS and the remaining item needed in FY23 salary information.

Failure to ensure complete, timely, and accurate census data was reported to SURS reduces the overall reliability of pension and OPEB-related balances and activity reported in the University’s financial statements, the financial statements of other employers within both plans, and the State of Illinois’ Annual Comprehensive Financial Report. Further, failure to report all eligible employees to SURS may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2024-001, 2023-001, 2022-001, 2021-001, 2020-001)

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-001. **FINDING** Inadequate Internal Controls Over Census Data (Continued)

RECOMMENDATION

We recommend the University continue to work with SURS to complete the base year reconciliation of Fiscal Year 2021 active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Further, we recommend the University ensure all events occurring within a census data accumulation year are timely reported to SURS so these events can be incorporated into the census data provided to SURS' actuary and CMS' actuary.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-002. **FINDING** Noncompliance with Fiscal Control and Internal Audit

Northeastern Illinois University (University) did not comply with the Fiscal Control and Internal Auditing Act (FCIAA).

During our testing of the University’s Fiscal Year 2024 internal audit activities, we noted the following:

- The University did not perform its required peer review in Fiscal Year 2024. The last peer review was performed in 2019. There was no formal approval for an extension but the Office of the Auditor General and the State Internal Audit Advisory Board (SIAAB) were made aware of the delay.
- The Internal Auditor position was vacant from January 7, 2023 through September 17, 2023.
- The Internal Auditor did not conduct all the audits as approved in the Fiscal Year 2024 audit plan. As a result of changes throughout the year, only one audit was completed during Fiscal Year 2024.
- The Fiscal Year 2025 audit plan was not approved by the President prior to the required July 1, 2024 date.

FCIAA (30 ILCS 10/2003(a)) (Act) requires the chief executive officer to ensure that the internal auditing program includes a two-year plan, identifying audits scheduled for the pending fiscal year, approved by the chief executive officer before the beginning of the fiscal year. The Act also requires the University’s internal auditing program to include audits of major systems of internal accounting and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every two years. FCIAA also requires reviews of the design of major new electronic data processing systems and major modifications of those systems before their installation to ensure the systems provide for adequate audit trails and accountability.

The Institute of Internal Auditors Standard 1312 (External Assessments) requires that external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

University officials noted these exceptions were due to the Internal Auditor position being vacant until September 18, 2023. Shortly thereafter, the Internal Auditor established a Fiscal Year 2024 audit plan and had the President sign in September 2023. However, the Internal Auditor was still unable to complete all the scheduled audits and peer review due to competing priorities. University officials stated the Fiscal Year 2025 audit plan was not approved by July 1, 2024 due to many other competing priorities on the President’s schedule.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-002. **FINDING** Noncompliance with Fiscal Control and Internal Audit
(Continued)

Lack of timely audits, a peer review, required approvals and proper internal audit staffing inhibits the University’s ability in monitoring the effectiveness of its system of internal controls and results in noncompliance with the Act. (Finding Code No. 2024-002, 2023-003, 2022-011)

RECOMMENDATION

We recommend the University continue to implement the requirements of the Act since the position was filled. In addition, we recommend the University complete its peer review.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-003. **FINDING** Lack of Adequate Control over the Review of Internal Controls for Service Providers

The Northeastern Illinois University (University) lacked adequate controls over review of internal controls over service providers.

The University entered into agreements with various service providers to assist with significant processes such as (1) implementing University wide defined criteria to identify the third-party service providers that require a service organization controls (SOC) report or equivalent review, including the frequency of reviews performed, and (2) enhancing the SOC report review procedures to perform mappings of Complementary User End Controls (CUECs) to specific University internal controls.

The University could not provide a population of service providers. The population/report of service providers is manually maintained by the University and includes both vendors and service providers, resulting in samples that did not meet the criteria of a service provider.

Due to the condition noted above, we were unable to conclude the University's population records of service providers were complete, accurate, and reliable under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36; AU-C 330; AU-C 530).

The auditors selected a sample of service providers where a SOC report was required for Fiscal Year 2024 and noted the following:

- The University has not established a documented and comprehensive policy or procedures to guide vendor's due diligence when onboarding third-party service provider and defining a service provider versus a vendor.
- The University has not established documented policies and procedures to monitor performance and contractual compliance of service providers.
- Even given the population limitation, we selected 10 service providers from the listing provided by the University, where the SOC report was required for Fiscal Year 2024 and noted the CUECs in these SOC reports were not mapped to existing internal controls at the University.

The finding was first reported in Fiscal Year 2019. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve controls over service providers.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-003. **FINDING** Lack of Adequate Control over the Review of Internal Controls for Service Providers (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via SOC reports or independent reviews.

University management indicated the conditions noted were due to the complexities of implementing, coordinating, and executing a university-wide program that requires buy in and participation from multiple stakeholders and departments.

The lack of a comprehensive university-wide population of service providers and the lack of a consistent process executed by the University departments to evaluate the service providers make it difficult to identify and assess risks that service providers have on security, integrity, availability, confidentiality, and security of University computer systems and data. (Finding Code No. 2024-003, 2023-004, 2022-003, 2021-003, 2020-003, 2019-020)

RECOMMENDATION

We recommend the University strengthen its controls in identifying and documenting all service providers. Further, we recommend the University:

- Establish and enforce a formal University-wide onboarding requirement and processes for all service providers.
- Establish and enforce a formal University-wide requirement in obtaining SOC reports from service providers.
- Establish and enforce a formal University-wide requirement in reviewing SOC reports.
- Establish and enforce a formal University-wide requirement in reviewing applicable CUECs and mapping of these CUECs to existing internal controls at the University.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-004. **FINDING** Weaknesses in Computer Security

Northeastern Illinois University (University) has not adequately safeguarded their computing environment.

During our review of the University’s computer security, we noted the following:

- ERP access testing:
 - The user access review is not comprehensively performed to include the appropriateness of all active permissions.
 - 1 (10%) of 10 new accounts tested did not have documented approval.
 - For 8 (67%) of 12 terminated users tested, there was no documented evidence that the employee level access was removed in a timely manner.
 - For 10 (33%) of 30 users tested, the user’s manager noted access was not appropriate due to termination or job function.
 - For 2 (22%) of 9 users with administrative access tested, the users accounts remained after active the users were terminated or after the consolation period was completed.
- Student system access testing:
 - For 1 (10%) of 10 users tested, noted access was not appropriate due to job function per inquiry with the controller’s office.
 - For 2 (67%) of 3 terminated users tested, a termination ticket was not documented as the users were deactivated before the termination process was formalized.
- Human Resource system access testing:
 - For 1 (10%) of 10 terminated users tested, termination was not executed timely (165 days).
 - 40 devices were running unsupported operation systems.
 - The data privacy training program has not been fully implemented, including developing a plan for monitoring the implementation of the governance process.
 - 2 (40%) of 5 incident resolutions tested were not documented to include resolution of incident or the total impact on the systems.

The finding was first reported in Fiscal Year 2017. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over computer security.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Access Control section, requires entities to develop access provisioning policies and establish controls to ensure authorized users only have needed access.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-004. **FINDING** Weaknesses in Computer Security (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The University officials stated the cause of the finding is due to the University experiencing staffing constraints, turnover, and completing priorities resulting in a lack of awareness of the importance of responding timely to user access reviews, as well as adding and terminating employees from the systems in a timely manner.

Failure to (1) periodically review users' access rights, (2) implement governance monitoring, (3) update operating systems, and (4) document incident response resolution could result in inappropriate access and manipulation of the University's data. (Finding Code No. 2024-004, 2023-005, 2022-002, 2021-002, 2020-002, 2019-018, 2018-021, 2017-018)

RECOMMENDATION

We recommend the University:

- Periodically review and update user access.
- Ensure implementation of governance monitoring.
- Ensure documentation of responses to all identified incidents.
- Update all operating systems timely.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-005. **FINDING** Lack of Adequate Change Management Controls

Northeastern Illinois University (University) did not have adequate Change Management Controls.

During our testing of 27 Human Resource system changes, we noted the following:

- 19 (70%) change tickets were missing approvals, testing, or migration documentation.
- 4 (15%) change tickets were closed without the changes being made to the environment or documentation on why the changes were not made.

In addition, the University does not require a post implementation review for system changes.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Information Protection Processes section, requires entities to develop Security policies (that address purpose, scope, roles, responsibilities, management commitment, and coordination among organizational entities), processes, and procedures are maintained and used to manage protection of information systems and assets.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and to maintain accountability over the State's resources.

University officials stated the cause of the finding is due to staffing constraints and not having a University-wide Change Management Policy in place.

Failure to periodically review or monitor all implemented changes might lead to inappropriate changes being made to sensitive systems. (Finding Code No. 2024-005, 2023-006)

RECOMMENDATION

We recommend the University document, approve, and maintain all system changes, in addition to requiring a post implementation review of those system changes.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-006. **FINDING** Noncompliance with Enrollment Reporting Requirements

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.268, 84.063
Program Names and Award Numbers:	Federal Direct Student Loans, Federal Pell Grant Program
Program Expenditures:	\$10,983,995, \$12,186,160
Questioned Costs:	None

Northeastern Illinois University (University) did not have adequate procedures and controls in place to ensure that the effective date of students who unofficially withdrew was accurately reported to National Student Loan Data System (NSLDS).

CONDITIONS FOUND & CRITERIA

During our testing of the University’s compliance with enrollment reporting requirements Direct loan programs vial the NSLDS (OMB No. 1845-0035), we noted the University did not update program-level and campus-level effective enrollment dates for the students’ appropriate withdrawal date. We noted the following:

- Two of 25 (8%) of the students originally tested withdrew during the Fall semester however were reported to NSLDS as withdrawn with an effective enrollment date for the last day of the spring semester.

NSLDS requires the that date the current enrollment status is to be reported when the change was first effective (See 4.4.2 of *NSLDS Enrollment Reporting Guide*)

- Five of 25 (20%) of the students originally tested withdrew during their respective fall and spring semester however were reported to NSLDS as withdrawn with an effective enrollment at the end of the semester and not updated retroactively.
- 15 of 15 (100%) additional students tested as a result of the error withdrew during their respective fall and spring semester however were reported to NSLDS as withdrawn with an effective enrollment at the end of the semester and not updated retroactively thus bringing total errors to 22 of 40 students (55%).

NSLDS requires the that date the current enrollment status is to be reported when the change was first effective (See 4.4.2 of *NSLDS Enrollment Reporting Guide*) and can be retroactively reported to reflect the accurate effective date (See 4.4.5 of *NSLDS Enrollment Reporting Guide*). The sample was not intended to be, and was not, a statistically valid sample.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-006. **FINDING** Noncompliance with Enrollment Reporting Requirements
(Continued)

NSLDS Enrollment Reporting Guide (4.4.5) does speak to continue education as a way of determination of student’s enrollment status. However, this is only applicable when evaluating the end of the current school year, during the spring and summer semester, with respect to the upcoming school year’ fall semester.

The University officials stated the errors noted were due to the two separate processes involved and how they capture and report data. The Registrar’s Office reports monthly to National Student Clearinghouse (NSC) on student enrollment, including official withdrawals. The Registrar’s Office is required to report annually on unofficial withdrawals. The Financial Aid Office identifies unofficial withdrawals at the end of each semester. Due to the different time periods of each process for collecting and reporting the dates, these errors occurred.

Failure to meet enrollment reporting requirements is noncompliance with federal regulations and could result in loss of loan/grant funding in future years. (Finding Code No. 2024-006)

RECOMMENDATION

We recommend the University’s Registrar’s Office implement greater controls to ensure that an accurate determination of the last date of attendance is used for withdrawal determinations reported to NSC and then to NSLDS.

UNIVERSITY RESPONSE

The University agrees with the recommendation. The Registrar’s Office will utilize the Financial Aid Office’s last date of attendance report to back date the effective enrollment reported date for unofficially withdrawn students.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-007. **FINDING** Noncompliance with Grant Report Requirements

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425F
Program Names and Award Numbers:	Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act [COVID-19 Higher Education Emergency Relief Fund: Institution Portion (P425F200852)]
Program Expenditures:	\$2,160,298
Questioned Costs:	None

Northeastern Illinois University (University) did not have adequate procedures in place to ensure the Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) reports were accurate and timely submitted to the U.S. Department of Education and posted to the University’s website.

During our testing of the University’s compliance with the grant reporting requirements for HEERF, we noted the University did not review the required reports to ensure accuracy and compliance with the reporting requirements of the grant agreement. We noted the following:

- Four of 4 (100%) Quarterly Public Reports improperly did not report the cumulative student aid disbursed for each undergraduate and graduate student.

The Department of Education Quarterly Budget and Expenditure Reporting Form requires the posting of cumulative student aid disbursed by quarter for both undergraduate and graduate.

- Two of 4 (50%) Quarterly Public Reports were posted 175 days and 84 days late to the University’s website.

The Department of Education Quarterly Budget and Expenditure Reporting Form requires the University to post the Quarterly Public Reports covering each quarterly reporting period (September 30, December 31, March 31, June 30), no later than 10 days after the end of each calendar quarter.

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards to establish and maintain effective internal control designed to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award.

University officials stated required reports were not timely and accurately submitted due to turnover within the University resulting in staffing constraints.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-007. **FINDING** Noncompliance with Grant Report Requirements (Continued)

Failure to meet grant reporting requirements is noncompliance with federal regulations and could result in loss of grant funding in future years. (Finding Code No. 2024-007, 2023-007, 2022-005, 2021-008, 2020-011)

RECOMMENDATION

We recommend the University improve its grant reporting and monitoring process to adhere with grant requests for reporting utilizing a calendar schedule and proper review before submission.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-008. **FINDING** Noncompliance with College Student Immunization Act

Northeastern Illinois University (University) is not in compliance with the College Student Immunization Act and the Illinois Department of Public Health’s (IDPH) administrative rules.

We noted the following in our testing:

- The University did not submit the student immunization annual summary report to IDPH by the 8th week of the fall semester due to the IDPH not providing a link to submit the data at that requested time. As such, no supporting documentation was provided.
- The University does not place holds on the students’ accounts if they do not provide proof of immunization, certification of medical exemption or a statement of religious objection.

The College Student Immunization Act (Act) (110 ILCS 20/2) states that no person shall attend a post-secondary educational institution without presenting proof that he or she has received such immunizations against preventable communicable diseases. The proof of immunization required by this Section shall be presented to the post-secondary educational institution. In addition, per the Act (110 ILCS 20/4), if no proof of immunization, certification of medical exemption or statement of religious objection from an enrolled student is in the possession of the post-secondary educational institution, the person shall be precluded from registering in a subsequent term or semester until such time as the appropriate documentation is presented to the institution. The institution shall not be liable for any monetary loss on the part of a student precluded from registering for failure to comply with the provisions of this Act.

The Act (110 ILCS 20/6) states within 8 weeks after the commencement of classroom instruction, the post-secondary educational institution shall file a report with the IDPH stating the number of persons attending the institution who had presented, proof of immunization, certification of medical exemption, statement of religious objection, and no proof of immunization. The report shall be on forms prepared by the IDPH.

University officials stated due to turnover within the health services department, the data provided previously to the IDPH was not able to be analyzed during the transition and was not accurately submitted. In addition, due to the large volume of students that are noncompliant with their immunizations (over 5,000 students) and lack of resources at the University, the University is unable to develop controls and processes to follow-up with students that are noncompliant. In addition, administration does not place a hold on student’s account, causing no consequences if the student is noncompliant. University officials stated enrollment has consistently been lower than desired in recent years. Therefore, the University is concerned placing a hold on student accounts would cause more enrollment issues.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-008. **FINDING** Noncompliance with College Student Immunization Act
(Continued)

Failure to submit a required report to the IDPH and to maintain a listing of noncompliant students and ensuring that most, if not all, students have received required vaccinations, creates a noncompliance with the Act. (Finding Code No. 2024-008, 2023-009)

RECOMMENDATION

We recommend the University create a system of processes and controls to place holds on noncompliant student's accounts as required by the Act. In addition, we recommend the University develop a control to ensure reports are submitted timely to the IDPH to ensure accurate reporting at the University. We further recommend the University to work with IDPH on how to submit required information according to the Act.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-009. **FINDING** Noncompliance With the Student Parent Data Collection Act

Northeastern Illinois University (University) did not comply with the Student Parent Data Collection Act.

During our review of the University’s reporting requirements, we noted the University did not participate in a consultation with the Illinois Board of Higher Education (IBHE) to prepare a question or questions for the purpose of determining the parental status or legal guardian status. While a consultation did not take place, the University reports student-parent data through IBHE’s portal using Free Application for Federal Student Aid (FAFSA) data. While the University reports data to IBHE annually, the University did not include the prepared question in one or more forms that are used annually to collect demographic data from students. In addition, we noted the University did not publicize data reported to the Board of Higher Education annually on their website.

The Student Parent Data Collection Act (110 ILCS 149/10(a)) states the IBHE, in consultation with the Illinois Community College Board, public institutions of higher education, and advocates, shall prepare a question or questions to be placed on one or more forms that are used by an institution on an annual basis to collect demographic data from its students for the purpose of determining the parent status or legal guardian status of each of its enrolled students.

The Student Parent Data Collection Act (110 ILCS 149/10(b)) states the data collected under subsection (a) must be disaggregated by all variables collected normally, including, but not limited to, the student’s race, ethnicity, income, gender, age, enrollment status, type of credential sought, receipt of financial aid, grade point average, persistence toward a degree or credential, and completion outcomes.

The Student Parent Data Collection Act (110 ILCS 149/20(a)) states on or before July 1, 2022 and annually thereafter, each public university shall report the data collected under Section 10 to the IBHE.

The Student Parent Data Collection Act (110 ILCS 149/20(b)) states each institution, the IBHE, and the Illinois Community College Board shall make the data reported under subsection (a) publicly available annually on their Internet website.

University officials stated they did not participate in a consultation with the Board of Higher education to prepare a question or questions for the purpose of determining the parental status of each of its enrolled students due to using FAFSA data to submit data to the IBHE. As such, the University did not have forms used annually to collect demographic data from students and therefore, no report was posted to the University website.

Failure to participate in a consultation with the IBHE and publicize this information does not present data that could be beneficial in decision making regarding overall demographics and campus childcare. (Finding Code No. 2024-009)

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-009. **FINDING** Noncompliance With the Student Parent Data Collection Act
(Continued)

RECOMMENDATION

We recommend the University consult with the IBHE regularly to ensure agreed upon questions are formulated through the University system so accurate demographic information is identified. In addition, we recommend the University publish this information on the website so all users have access to pertinent information regarding childcare options, diversity, and population at the University.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-010. **FINDING** Failure to Timely Submit Required Salary Report

Northeastern Illinois University (University) did not submit their salary report to the Illinois Board of Higher Education (IBHE) by the required deadline.

The University’s Board of Trustees did not timely provide an annual report to the IBHE with the base salary and benefits of the University’s President, all administrators, faculty members, and instructors employed by the University. We noted the report was provided to the IBHE on November 5, 2023 which was past the required deadline. In addition, there were errors found by the University within the report that were corrected and subsequently provided in March 2024.

The Northeastern Illinois University Law (110 ILCS 680/25-165) requires the Board of Trustees to report to the IBHE, on or before July 1 of each year, the base salary and benefits of the president of the University and all administrators, faculty members, and instructors employed by the University.

University officials stated the report was not provided timely due to continuous turnover in the Human Resources department and difficulty reconciling data from the University’s Information systems, as well as converting data to IBHE reporting requirements. In addition, an error in the delayed report was identified and required further submission which caused further delay.

Failure to provide timely and accurate data of the base salary and benefits of the University and all administrators can lead to unfair or unreasonable wages and is a noncompliance with the Northeastern Illinois University Law. (Finding Code No. 2024-010)

RECOMMENDATION

We recommend the University develop a process and control to ensure accurate reports are submitted timely to the IBHE by required deadlines.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-011. **FINDING** Inadequate Controls Over Personnel Files

Northeastern Illinois University (University) was not in compliance with personal services guidelines.

During our testing, we noted that the Statements of Economic Interest filers were certified on February 6, 2024, 5 days past the required deadline.

During our payroll testing, we noted the following:

- 1 of 25 (4%) personnel files examined did not contain a complete Employment Eligibility Verification (Form I-9) prior to the employee’s hire date.
- 1 of 25 (4%) personnel files examined did not have documentation to support that the required ethics training was completed.
- 2 of 25 (8%) employees selected for testing were not paid properly during the period selected. One employee did not have a submitted, nor approved, timesheet for the period selected for testing and therefore was not paid. The other employee was overpaid for 10 pay periods, resulting in a total overpayment of \$187.

The Illinois Governmental Ethics Act (5 ILCS 420/4A-106.5) requires that on or before February 1 annually, the University employing persons required to file to certify to the Secretary of State the names and mailing addresses of those persons.

The Immigration Reform and Control Act of 1986 (8 U.S. Code § 1324a) as well as the Code of Federal Regulations (8 C.F.R. § 274a.2) require an entity to obtain an Employment Eligibility Verification Form (Form I-9) from all employees.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10) requires that each officer, member, and employee must complete, at least annually, an ethics training program conducted by the appropriate State agency.

The Illinois Wage Payment and Collection Act (820 ILCS 115/10) requires that employers keep records of names and addresses of all employees and of wages paid each payday and furnish each employee with a pay stub for each pay period.

University officials stated that the list was not certified by the required date due to turnover in the Ethics Officer position. The Interim Ethics Officer did not receive the list until February 6, 2024. University officials stated the missing I-9 was due to oversight with a 100% paper-based process and large demands on a limited HR staff. Additionally, University officials stated the one person who did not complete ethics training was an oversight. Finally, University officials stated the improper payments were due to limited HR staff, which affected proper review of payments.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2024

2024-011. **FINDING** Inadequate Controls Over Personnel Files (Continued)

Failure to maintain adequate controls over required filers, required employment forms and payroll could result in missing filings, unauthorized individuals being employed by the University, incorrect treatment of payroll and related deductions, and improper payments. Failure to maintain adequate controls over required training could result in noncompliance and untrained staff. (Finding Code No. 2024-011, 2023-011)

RECOMMENDATION

We recommend the University implement controls and processes to ensure all guidelines are met, including obtaining signed Form I-9s, retaining documentation to support that all employees complete the required ethics training, reviewing payroll for accuracy to verify employees are paid the correct amount, and certifying the Statement of Economic Interest filers by the due date.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2024

A. **FINDING** (Lack of Adequate Controls Over Year-End Reviews and Reconciliations)

During the prior audit, the University did not timely complete and did not have adequate reviews of its year-end reconciliations.

During the current audit, the University implemented controls and procedures that allowed for timely completion and adequate reviews of its year-end reconciliations. (Finding Code No. 2023- 002, 2022-004)

B. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

During the prior examination, the University did not maintain adequate internal controls related to its cybersecurity programs and practices.

During the current audit, the University implemented adequate internal controls related to cybersecurity programs and practices. (Finding Code No. 2023-008, 2022-008, 2021-012, 2020-018, 2019-019)

C. **FINDING** (Noncompliance with the Campus Security Enhancement Act of 2008)

During the prior examination, the University did not comply with the Campus Security Enhancement Act of 2008 (Act).

During the current examination, the University completed criminal background investigations for employees in security sensitive positions and was in compliance with the Act. (Finding Code No. 2023-010)

D. **FINDING** (Inadequate Controls Over University Property and Equipment)

During the prior examination, the University did not have adequate controls over its property and equipment related to additions not entered timely and 2023 additions improperly added as 2024 additions.

During the current examination, this finding was moved an immaterial finding (Finding Code No. 2023-012, 2022-010, 2021-009, 2020-013, 2019-011, 2018-017)

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED (CONTINUED)
For the Year Ended June 30, 2024

E. **FINDING** (Weakness Regarding Clearing of Data from Electronic Devices)

During the prior examination, the University did not ensure electronic devices were cleared of data and software.

During the current examination, the University ensured its policy regarding data wiping was properly followed. (Finding Code No. 2023-013, 2022-012, 2021-010, 2020-014, 2019-010, 2018-014)