



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

Christopher B. Meister, Auditor General

SUMMARY REPORT DIGEST

NORTHERN ILLINOIS UNIVERSITY

State Compliance Examination
 For the Year Ended June 30, 2025

Release Date: June 9, 2026

FINDINGS THIS AUDIT: 17				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:	1	4	5	2024	25-04, 25-07	25-03, 25-11, 25-12	
Category 2:	5	7	12	2022		25-13	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2021	25-02	25-09	
TOTAL	6	11	17	2020	25-01		
				2018		25-10	
				2005		25-08	
FINDINGS LAST AUDIT: 15							

INTRODUCTION

This digest covers our Compliance Examination of Northern Illinois University (University) for the year ended June 30, 2025. A separate Financial Audit and a separate Single Audit as of and for the year ended June 30, 2025, were both previously released. In total, this report contains 17 findings, 5 of which were reported in the Financial Audit and Single Audit.

SYNOPSIS

- **(25-06)** The University did not ensure that interagency agreements were executed in a timely manner.
- **(25-09)** The University has not established adequate controls over its Commercial Card Program.
- **(25-14)** The University did not follow its procurement procedures for general vouchers.
- **(25-15)** The University was not in compliance with the Public Higher Education 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 INTERNAL CONTROLS OVER
INTERAGENCY AGREEMENTS**

The University did not ensure that interagency agreements were signed by the appropriate parties and agreed to in a timely manner.

Five of 11 (45%) interagency agreements were signed 10 to 148 days after the agreement start date

During our testing of 11 interagency agreements, we noted five (45%) were signed by the appropriate parties between 10 to 148 days after the agreement start date. (Finding 6, page 19).

We recommended the University implement procedures to ensure agreements are executed by the appropriate parties in a timely manner prior to the agreement start date.

University accepted the finding

University officials accepted the recommendation.

**INADEQUATE CONTROLS OVER PROCUREMENT
CARD USE**

The University has not established adequate controls over its Commercial Card Program (P-Cards) to ensure compliance with applicable requirements.

The University operates a P-card system that allows individuals throughout the University to make small purchases (defined as less than \$5,000) on a credit card, which is directly paid by the University monthly. There were 455 cardholders with transactions during the period of examination who incurred a total of \$10,239,459.

During our review of a sample of 60 P-card transactions, totaling \$106,669, made by 60 employees, we noted the following:

Ten of 60 (17%) P-Card transactions had no record of being approved

- Ten transactions (17%), totaling \$9,060, had no record of being approved, and there was no proper segregation of duties over these transactions.
- Thirteen transactions (22%), totaling \$24,483, were not approved timely. The approvals ranged from one to 24 days late.

Three of 60 (5%) P-Card transactions had no supporting documentation

- Three transactions (5%), totaling \$1,775, had no supporting documentation available from the purchaser. As a result, we were unable to determine if the expense transactions were proper or properly recorded.

One of 60 (2%) P-Card transactions paid \$38 in sales tax

- One employee (2%) did not complete the annual required refresher training on P-card procedures.
- One transaction (2%) included sales tax of \$38, although the University is exempt from the sales tax. (Finding 9, Pages 22-23) **This finding has been reported since 2021.**

We recommended the University enhance its controls over the processing of P-Card transactions to ensure employees comply with policies and procedures.

University accepted the finding

University officials accepted the recommendation.

INADEQUATE CONTROLS OVER VOUCHER PROCESSING

Eight of 33 (24%) general vouchers that required purchase orders had approvals 1 to 92 days after the service start date

The University did not follow its procurement procedures for general vouchers.

During our testing of 33 general vouchers that required purchase orders (PO), we noted eight vouchers (24%), totaling \$45,504, had delivery/service dates for goods or services that were before the PO was signed by the University Procurement Services & Contract Management (PSCM). These POs were approved between 1 and 92 days after the service start date. (Finding 14, page 29)

We recommended the University enhance its controls over the procurement process to ensure goods are ordered and services begin only after there is a PO (and contract if applicable) signed by PSCM.

University accepted the finding

University officials accepted the recommendation.

NONCOMPLIANCE WITH THE PUBLIC HIGHER EDUCATION ACT

Wellness kiosk was not accessible on weekends or in after class hours

The University was not in compliance with the Public Higher Education Act (Act).

During testing, we noted that although the University made a wellness kiosk available to the students on campus, it was not accessible on weekends and after class hours as required. In addition, the kiosk did not display a statement advising the consumer to check the expiration date of the product before using its products during Fiscal Year 2025, as required by the Act. (Finding 15, page 30)

We recommended the University ensure the wellness kiosk is available on campus during the hours required by the Act and that it is operated in compliance with all applicable statutory requirements.

University accepted the finding

University officials accepted 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.

AUDITOR'S OPINIONS

The auditors stated the financial statements of the University as of and for the year ended June 30, 2025 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, 2025.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the University for the year ended June 30, 2025, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2025-001, 2025-002, 2025-004, 2025-006, and 2025-007. 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 RSM US LLP.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Deputy Auditor General

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

SIGNED ORIGINAL ON FILE

CHRISTOPHER B. MEISTER
Auditor General

CBM:JGR