



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

FINANCIAL AUDIT

For the One Year Ended: June 30, 2013

Release Date: January 16, 2014

Summary of Findings:

Total this audit:	1
Total last audit:	2
Repeated from last audit:	0

INTRODUCTION

This report contains only findings pertaining to the Financial Statement Audit.

The State Compliance Examination and Federal Single Audit Report will be issued at a later date.

SYNOPSIS

- The University did not have adequate controls over its journal entries to ensure that journal entry transactions were properly supported and reviewed prior to posting to the general ledger.

{Financial data is summarized on the reverse page.}

WESTERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2013

STATEMENT OF NET POSITION (In Thousands)	2013	2012
Assets		
Cash and cash equivalents.....	\$ 70,353	\$ 84,475
Investments.....	-	13,021
Accounts and student loans receivable, net.....	12,422	11,187
Due from primary government.....	14,271	14,478
Capital assets, net.....	244,023	210,480
Other.....	5,580	5,464
Total	346,649	339,105
Liabilities		
Accounts payable, accrued liabilities, accrued payroll.....	26,423	19,695
Compensated absences.....	13,103	12,070
Revenue bonds, certificates of participation.....	105,696	111,206
Other.....	6,685	6,596
Total	151,907	149,567
Net Position		
Net investment in capital assets.....	141,876	136,055
Restricted.....	1,922	1,987
Unrestricted.....	50,944	51,496
Total	\$ 194,742	\$ 189,538
REVENUES, EXPENSES AND CHANGES IN NET POSITION (In Thousands)	2013	2012
Revenues		
State appropriations.....	\$ 138,758	\$ 127,386
Tuition and fees, net.....	81,704	81,496
Auxiliary enterprises.....	51,347	52,497
Grants and other contracts.....	28,614	32,447
Sales and services of educational departments.....	5,475	5,159
Other.....	4,679	5,250
Total	310,577	304,235
Expenses		
Instruction.....	62,804	62,972
Staff benefits.....	9,358	7,001
Auxilliary enterprises.....	47,031	41,014
Institutional support.....	13,321	12,988
Student services.....	19,998	19,714
Academic support.....	17,713	17,794
Operation and maintenance of plant.....	16,438	16,621
Student aid expense.....	8,486	8,829
On-behalf payments.....	80,402	62,873
Other.....	29,822	29,816
Total	305,373	279,622
Increase in net position.....	\$ 5,204	\$ 24,613
PRESIDENT		
During Audit Period and Current: Dr. Jack Thomas		

FINDING, CONCLUSION, AND RECOMMENDATION

INADEQUATE CONTROLS OVER JOURNAL ENTRIES

The University had not established adequate controls over its journal entries. During our review of journal entries, we noted the following:

- The University had no formal policy to ensure journal entries were reviewed and approved prior to posting to the general ledger.
- Six of 25 (24%) journal entries totaling nearly \$423,000 were not adequately supported. No supporting documentation was attached to 3 of the 6 (50%) entries and supporting documentation for the rest was insufficient to support the entry.
- No independent review and/or approval was noted for 25 (100%) journal entries posted in the general ledger, totaling over \$39,500,000. (Finding 1, pages 43-44).

Journal entries for nearly \$423,000 were not adequately supported

Over \$39.5 million in journal entries were not reviewed or approved

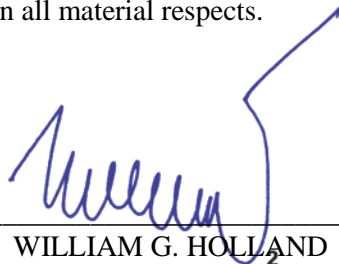
We recommended the University establish formal policies and procedures to ensure that all journal entries are adequately supported and properly reviewed by an independent person prior to posting to the general ledger.

University agrees with auditors

University officials agreed with the finding and responded they would establish formal policies and procedures for processing, reviewing and approving journal entries.

AUDITORS' OPINION

Our auditors stated the financial statements of Western Illinois University as of June 30, 2013, and for the year then ended, are fairly stated in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:lkw

AUDITORS ASSIGNED: Our special assistant auditor for this examination was E. C. Ortiz & Co. LLP.