



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

Single Audit and Compliance Examination
 For the Year Ended June 30, 2018

Release Date: March 19, 2019

FINDINGS THIS AUDIT: 6	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2016		18-3, 18-5	
Category 2:	2	4	6	2014		18-1	
Category 3:	0	0	0	2012		18-4	
TOTAL	2	4	6				
FINDINGS LAST AUDIT: 6							

INTRODUCTION

The digest covers our federal Single Audit and Compliance Examination of Western Illinois University (University) for the year ended June 30, 2018. A separate Financial Audit as of and for the year ending June 30, 2018 was previously released on January 23, 2019. In total this report contains six findings, none of which were reported in the Financial Audit.

SYNOPSIS

- (18-3) The University did not adequately comply with the *University Guidelines* on remittance of excess funds.
- (18-5) The University was unable to locate 46 computers during their annual inventory and does not always protect their computers and removable media with encryption methods.

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.

{Expenditures and Activity Measures are summarized on next page.}

WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION AND SINGLE AUDIT
For the Year Ended June 30, 2018

COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES	FY 2018	FY 2017
INCOME FUND REVENUES		
Tuition.....	\$ 67,774,987	\$ 74,340,216
Fines and other student charges.....	2,207,359	2,287,452
Finance charges.....	389,569	480,186
Interest.....	228,808	48,907
Other.....	841,444	294,063
Total Revenues.....	71,442,167	77,450,824
INCOME FUND EXPENDITURES		
Personal services.....	48,785,819	89,830,952
Contractual services.....	7,469,771	9,580,602
Travel.....	347,871	272,056
Commodities.....	750,747	890,732
Library books and equipment.....	1,385,161	1,385,810
Operation of automotive equipment.....	75,148	126,091
Telecommunications.....	185,032	327,328
Awards, grants, and matching funds.....	7,487,753	7,280,574
Social Security/Medicare and group insurance.....	696,280	2,937,649
Permanent improvements.....	26,618	28,895
Tuition and fees waived.....	7,670,995	7,711,758
Employment security.....	18,865	58,226
Total Expenditures.....	74,900,060	120,430,673
EXCESS OF REVENUES OVER EXPENDITURES.....	\$ (3,457,893)	\$ (42,979,849)
SUPPLEMENTAL INFORMATION (Unaudited)	FY 2018	FY 2017
Employment Statistics		
Faculty and Administrative.....	994	1,009
Civil Service.....	617	630
Student Employees.....	257	260
Total Employees.....	1,868	1,899
Enrollment Statistics		
Fall term enrollment - undergraduate.....	6,877	7,827
Fall term enrollment - graduate.....	1,289	1,256
Fall term enrollment - extension.....	1,275	1,290
Total.....	9,441	10,373
Cost Per Student		
Cost Per Full-Time Equivalent Student.....	\$ 13,308	\$ 11,981
AGENCY DIRECTOR		
During Examination Period: Dr. Jack Thomas		
Currently: Dr. Jack Thomas		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**NONCOMPLIANCE WITH THE UNIVERSITY
GUIDELINES ON EXCESS FUNDS**

The University did not adequately comply with the *University Guidelines* on remittance of excess funds.

Excess funds were not remitted to the Income Fund

During our testing of the University's compliance with the *University Guidelines*, we noted the University complied with the requirement to calculate excess funds on indirect cost, auxiliary enterprises and accounting entities but failed to remit amounts due to the Income Fund for the following funds:

Indirect Cost	\$ 1,267,814
Public Service	385,536
Instructional Resources	397,156
University Publication	1,433
Total	<u>\$ 2,051,939</u>

(Finding 3, page 21) **This finding has been repeated since 2016.**

We recommended the University continue to monitor the activities of each accounting entity and ensure compliance with all the requirements of the *University Guidelines*.

The University agreed with the auditors

The University agreed with the finding. (*For the previous University response, see Digest Footnote #1.*)

WEAKNESS IN COMPUTER INVENTORY CONTROLS

46 computers missing

The University was unable to locate 46 computers during their annual inventory and does not always protect their computers and removable media with encryption methods. Additionally, we found although the University places responsibility to protect their computers and removable media to individual departments, the departments are not required to notify University Technology (uTech) of lost or stolen equipment.

These items were noted as lost or stolen by University staff during their annual inventory conducted on its campuses during Fiscal Year 2018. The original cost of these items totaled \$40,775.

Could not determine if missing computer contained confidential information

Although the University performs periodic scanning to identify social security numbers on University equipment, the University could not determine if the missing computers contained confidential information at the time they were reported missing. (Finding 5, pages 23-24) **This finding has been repeated since 2016.**

We recommend the University review current practices to determine if enhancements can be implemented to prevent theft or loss of computers. We also recommended the University evaluate data maintained on computers and those containing confidential information are adequately protected with methods such as encryption.

The University agreed with the auditors

The University agreed with the finding. *(For the previous University response, see Digest Footnote #2.)*

OTHER FINDINGS

The remaining findings pertain to federal compliance, noncompliance with the Open Meetings Act, subsidies between accounting entities, and controls over external service providers. We will review the University's progress towards the implementation of our recommendations in our next Single Audit and compliance examination.

AUDITOR'S OPINIONS

The financial audit report was previously released. The auditors stated the financial statements of the University as of and for the year ended June 30, 2018, 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, 2018.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the University for the year ended June 30, 2018, as required by the Illinois State Auditing Act. The accountants stated the University complied, in all material respects, with the requirements described in the report.

This Single Audit and compliance examination were conducted by Adelfia LLC.

SIGNED ORIGINAL ON FILE

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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DIGEST FOOTNOTES

#1 – Noncompliance with the *University Guidelines on Excess Funds*

2017 – The University agrees with the finding. The University will continue to monitor the activities of each accounting entity and make a decision on remitting excess funds based on the University’s current resources affected by the State budget impasse.

#2 – Weakness in Computer Inventory Controls

2017 – The University agrees with the finding. The University has started collecting media access control (MAC) addresses of devices to help with locating the item if it is not on the University’s network. In addition, the University also began collecting contact information for computer related items to help determine equipment locations by having their specific person associated with a device. Along with efforts of scanning for sensitive information on devices, the University is reviewing options to encrypt laptops and other mobile devices.