

WESTERN 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

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

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

University Officials

President	Dr. Kristi Mindrup (12/06/24 – Present) Dr. Kristi Mindrup, Interim (04/01/24 – 12/05/24) Dr. Guiyou Huang (12/18/20 – 03/31/24)
Provost and Academic Vice President	Dr. Mark A. Mossman (11/01/23 – Present) Dr. Manoochehr Zoghi (07/01/22 – 10/31/23)
Vice President for Student Success	Mr. Justin Schuch (05/01/24 – Present) Mr. John Smith (07/01/23 – 4/30/24)
Vice President for Finance and Administration	Ms. Ketra Roselieb (10/01/24 – Present) Mr. John Smith (07/01/24 – 09/30/24) Mr. Paul Edwards (07/01/23 – 06/30/24)
Vice President for Quad Cities Campus Operations	Dr. Kristi Mindrup (07/01/20 – 03/31/24) <i>(position discontinued 04/01/24)</i>
Director of Financial Affairs, Controller	Ms. Jessica R. Dunn (11/16/24 – Present) <i>(position created 11/16/24)</i>
Executive Director of Financial Affairs	Ms. Ketra Roselieb (07/01/20 – 09/30/24) <i>(position discontinued 10/01/24)</i>
Director of Internal Auditing	Ms. Rita Moore
General Counsel	Ms. Victoria R. Smith (09/16/23 - Present) Ms. Elizabeth Duvall (07/01/22 – 09/15/23)

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

Board of Trustees (as of June 30, 2024)

Chair	Carin Stutz, Chicago
Vice Chair	Polly Radosh, Good Hope
Secretary	Cody Cornell, Columbia
Member	Kirk Dillard, Hinsdale
Member	Kisha M. J. Lang, Maywood
Member	Erica Lowe Mullins, Chicago
Member	Doug Shaw, Peoria
Member	Derek Wise, Venice

University offices are located at:

Macomb Campus
1 University Circle
Macomb, Illinois 61455-1390

Quad Cities Campus
3300 River Drive
Moline, Illinois 61265-1746

May 13, 2025

Plante & Moran, PLLC
537 E. Pete Rose Way
Suite 300
Cincinnati, OH 45202

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 Western Illinois University (the "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. 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,

Western Illinois University

SIGNED ORIGINAL ON FILE

Dr. ~~Kristi~~ Mindrup
President

SIGNED ORIGINAL ON FILE

Ms. Ketra M. Roselieb
VP for Finance and
Administration

SIGNED ORIGINAL ON FILE

Ms. Victoria R. Smith
Interim General Counsel

Vice President for Finance & Administration

Sherman Hall 200, 1 University Circle, Macomb, IL 61455-1390
Tel 309.298.2073

WESTERN 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 material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	6	10
Repeated Findings	5	4
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	11	2024/2022	Inadequate Internal Control over Student Enrollment Reporting	Material Weakness and Material Noncompliance
2024-002	13	2024/2023	Inadequate Internal Control over Return of Title IV Funds	Material Weakness and Material Noncompliance
2024-003	15	New	Noncompliance with the Illinois Pension Code	Significant Deficiency and Noncompliance
2024-004	16	2024/2023	Inadequate Controls over State Property	Significant Deficiency and Noncompliance

WESTERN 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)				
2024-005	18	2024/2021	Weakness in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2024-006	20	2024/2018	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Significant Deficiency and Noncompliance
Prior Findings Not Repeated				
A	23	2023/2023	Inadequate Internal Controls over Verification Requirements	
B	23	2023/2023	Lack of Adequate Change Control	
C	23	2023/2023	Security Related Weaknesses	
D	23	2023/2023	Lack of Access Reviews and Inappropriate Screen Access	
E	23	2023/2022	Weakness with Payment Card Industry Data Security Standards	

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

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Western Illinois University personnel at an exit conference on May 8, 2025.

Attending were:

Western Illinois University

Dr. Kristi Mindrup, President

Ms. Ketra Roselieb, Vice President for Finance and Administration

Ms. Jessica Dunn, Director of Financial Affairs and Controller

Ms. Torrey Smith, General Counsel

Ms. Rita Moore, Director of Internal Auditing

Ms. Holly Sutton, Director of Accounting External Gifts and Grants & Contracts

Ms. Sarah Lawson, Registrar

Ms. Deanna Eden, Assistant Comptroller

Mr. Jeremy Merritt, Director of Web Services

Mr. Mark Mossman, Provost and Academic Vice President

Office of the Auditor General

Ms. Stacie Sherman, OAG Audit Manager

Plante Moran

Mr. Steven Bishop, Partner

Ms. Jennifer Zanone, Principal

Mr. Jeff Pohler, Senior Manager

The responses to the recommendations for Findings 2024-001 and 2024-002 were provided by Ms. Deanna Eden, Assistant Comptroller in a correspondence dated February 7, 2025. The responses to the recommendations for findings 2024-003 through 2024-006 were provided by Ms. Deanna Eden, Assistant Comptroller in correspondences dated May 1, 2025 and May 2, 2025.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois
and
Board of Trustees
Western Illinois University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by Western Illinois 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
Board of Trustees
Western 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 year ended June 30, 2024. As described in the accompanying Schedule of Findings as items 2024-001 through 2024-002, 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 2024-006.

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.

Honorable Frank J. Mautino
Auditor General
State of Illinois
and
Board of Trustees
Western Illinois University

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 and 2024-002 to be material weaknesses.

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 items 2024-003 through 2024-006 to be significant deficiencies.

Honorable Frank J. Mautino
Auditor General
State of Illinois
and
Board of Trustees
Western Illinois University

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

Cincinnati, OH
May 13, 2025

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Years Ended June 30, 2024

2024-001 **FINDING** Inadequate Internal Control over Student Enrollment Reporting

Federal Agency: U.S. Department of Education

Assistance Listing Number: 84.063, 84.268

Program Expenditures: \$38,764,799

Program Name: Federal Pell Grant Program, Federal Direct Student Loans

Award Number(s): P063P211391, P063P221391, P063P231391, P268K231391, and P268K241391

Questioned Costs: None

Western Illinois University (University) did not have adequate procedures in place to complete accurate enrollment reporting for all students.

During our testing of Pell or Direct Loan borrowers, we noted 8 out of 40 (20%) students campus-level record and program-level record were not updated with accurate enrollment status changes. The sample was not a statistically valid sample.

The University is required to report enrollment reporting changes accurately. During the year, there were underlying problems with how data was being submitted to the National Student Clearinghouse (NSC), resulting in enrollment status changes and degree confirmations to be inaccurate for 8 students tested out of 40 students tested (20% of students tested). While the University had a policy in place to ensure enrollment reporting for degree confirmations and status changes were being submitted to the NSC, there was a flaw in the University's process that caused the fall graduate batch of students to be initially coded to "G-Not Applied" in the National Student Loan Data System (NSLDS). This was due to an error in the upload compared with underlying information in the NSLDS system. When the next batch of students were submitted to the NSLDS, this resulted in all "G-Not Applied" students to auto-update to "Withdrawn" in the NSLDS system.

For the Federal Pell Grant Program, 34 CFR Section 690.83(b)(2) requires an institution to submit in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct.

For the Federal Direct Student Loans, 34 CFR Section 685.309(b) requires changes in student status to be reported to the NSLDS in accordance with enrollment reporting in transmissions sent to the NSLDS, including updating all flagged information by NSLDS.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-001 **FINDING** Inadequate Internal Control over Student Enrollment Reporting
(Continued)

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure enrollment reporting is accurate.

University officials indicated staff turnover required reassessment of internal documentation and procedures that were in place to ensure all required campus-level data and program-level data was being reported to NSLDS via NSC accurately due to a flaw in their process causing degree confirmations to be overridden with other enrollment information prior to submission.

Without sufficient controls around enrollment reporting there is a greater risk that student enrollment data will not be reported accurately. Inaccurate reporting of student enrollment data can result in inconsistencies between the University's records and the National Student Loan Data System as well as potential delays in the repayment of federal loans. (Finding Code No. 2024-001, 2023-001, 2022-002)

RECOMMENDATION

We recommend the University implement controls to ensure that all enrollment status changes and degree confirmations are being appropriately reported through NSC to NSLDS and that submissions of degree confirmations to NSC are appropriate to ensure enrollment status changes are reported accurately.

UNIVERSITY RESPONSE

The University agrees with the finding. The University is implementing enhanced internal controls to ensure enrollment status changes and degree confirmations are being appropriately submitted and reported.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-002 **FINDING** Inadequate Internal Control over Return of Title IV Funds

Federal Agency: U.S. Department of Education

Assistance Listing Number: 84.063, 84.268, 84.007, 84.379

Program Expenditures: \$39,166,408

Program Name: Federal Pell Grant Program, Federal Direct Student Loans, Federal Supplemental Education Opportunity Grants, Teacher Education Assistance for College and Higher Education Grants

Award Number(s): P063P211391, P063P221391, P063P231391, P268K231391, P268K241391, P007A241313, P379T231391, and P379T241391

Questioned Costs: \$50

Western Illinois University (University) did not have adequate procedures in place to complete accurate and timely return of Title IV funds for all students within the required time period.

During our testing of borrowers that withdrew from the University, we noted 3 out of 40 (7.5%) students return of Title IV funds were not processed within the 45 day window, ranging from 4-25 days late. Additionally, we noted 1 student out of 40 (2.5%) had an incorrect calculation performed, resulting in \$50 in excess Pell funds being returned to the Department of Education. The sample was not a statistically valid sample.

A school participating in Title IV aid programs must establish and maintain proper administrative and fiscal procedures and initiate returns accurately within 45 days after the determined date of withdrawal (34 CFR 668.173(b)), and accurately calculate the amount of unearned title IV assistance to be returned to the Department of Education (34 CFR 668.22(g)).

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure return of Title IV funds is accurate and timely.

University management indicated staffing shortages as well as regulatory and systemic changes during the 2023-2024 aid year caused this to occur.

There were questioned costs of \$50 due to the calculation error, resulting in a \$50 overpayment to the Department of Education.

Without sufficient controls in place to return Title IV funds, there is a greater risk that the school does not return funds timely or accurately or that students may not receive post-withdrawal disbursements timely or accurately. (Finding Code No. 2024-002, 2023-002)

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-002 **FINDING** Inadequate Internal Control over Return of Title IV Funds
(Continued)

RECOMMENDATION

We recommend the University implement controls to ensure that all refunds of Title IV funds are initiated within 45 days of the date of determination for the students withdrawal and additional controls to ensure proper review of the return of Title IV calculations. We also recommend these controls be monitored to ensure that all necessary refunds are completed within the required time frame and accurately.

UNIVERSITY RESPONSE

The University agrees with the finding. The University is committed to developing a comprehensive plan to ensure compliance with return of Title IV funds policies and procedures.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-003 **FINDING** Noncompliance with the Illinois Pension Code

Western Illinois University (University) did not comply with the Illinois Pension Code (Code) (40 ILCS 5/15-113.4).

During our review of testing the University's reporting for unused sick leave days, we noted the balance of unused sick days per the University's sick and vacation historical transaction report and the amount reported to the State Universities Retirement System (SURS) did not agree for 2 of 9 (22%) employees tested. For both employees, the unpaid sick leave days provided to SURS were underreported by 1 day and 2.20 days.

The Code states a person who first becomes a participant before the effective date of this amendatory Act of the 98th General Assembly and who is an employee under this System or one of the other system subject to Article 20 of this Code within 60 days immediately preceding the date on which his or her retirement annuity begins, is entitled to credit for service for that portion of unused sick leave earned in the course of employment with an employer and credited on the date of termination of employment by an employer for which payment is not received.

University officials stated that the sick and vacation historical transaction report did not agree to the totals reported to SURS due to an oversight.

Failure to provide accurate data on unused sick days can cause insufficient amounts paid out to retired individuals. (Finding Code No. 2024-003)

RECOMMENDATION

We recommend the University review internal reports for accuracy prior to submission to SURS to eliminate any potential variances or discrepancies.

UNIVERSITY RESPONSE

The University agrees with the finding. The Payroll department has improved controls.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-004 **FINDING** Inadequate Controls over State Property

Western Illinois University (University) did not have proper controls over State property.

During our testing of equipment acquisitions, we noted 18 out of 40 (45%) acquisitions tested, totaling \$705,951, were not recorded in the University's property records within 90 days of acquisition. These items were recorded 1 to 248 days late.

During our testing of equipment disposals, we noted 2 out of 25 (8%) disposals, totaling \$82,806, were not removed from the University's property records within 90 days after disposal of the equipment. These items were removed from records 69 and 224 days late.

During our equipment inventory observation, 1 of 25 (4%) of the items selected for observation from the inventory listing was unable to be located. The cost of this item was \$21,939.

The Department of Central Management Services (CMS) Property Control Rules (44 Ill. Admin. Code 5010.400) requires agencies to adjust property records within 90 days after acquisition, change, or deletion of equipment items.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control and inventory of all property under their jurisdiction to ensure proper accounting and safeguarding of assets.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to help ensure property and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation.

University Officials stated the delay in recording the acquisitions and disposals was due to staffing reductions and that the University no longer has staff members fully dedicated to Property Accounting. University officials stated the lack of removal of the item from inventory was due to lack of oversight.

Inadequate controls over recording equipment acquisitions and disposals in a timely manner can result in inaccurate or incomplete equipment balances on the financial statements and inaccurate calculations of depreciation expense. Failure to maintain accurate equipment inventory records could result in shortages, overstocking, theft, or waste and could lead to inaccurate values being reported in the University's financial statements. (Finding Code No. 2024-004, 2023-010)

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-004 **FINDING** Inadequate Controls over State Property (Continued)

RECOMMENDATION

We recommend the University record equipment acquisitions and disposals within 90 days after acquisition, change, or disposal of the equipment, as well as strengthen its controls over equipment inventory to ensure all records are accurate.

UNIVERSITY RESPONSE

The University agrees with the finding. The University will make efforts to apply adequate staffing to properly record and dispose of assets in a timely manner.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-005 **FINDING** Weakness in Cybersecurity Programs and Practices

Western Illinois University (University) did not maintain adequate internal controls related to its cybersecurity programs, practices, and control of confidential information.

The University carries out its mission using Information Technology (IT), including various applications, which contain confidential or personal information such as names, addresses, social security numbers and health information of its students.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the University's cybersecurity program, practices, and control of confidential information, we noted:

- *Policy Review and Approval:*
 - The University does not have a formal policy review process with defined frequency for reviews and updates.
 - The University's IT Strategic plan did not cover the audit period.
- *Cybersecurity/Security Awareness Training:*
 - No formal Cybersecurity campus-wide training, including acknowledgement of University policies, was provided to employees, graduate assistants, or contractors during Fiscal Year 2024.
- *Data Classification:*
 - The University currently does not have a documented policy that guides storage of data.

The *Framework for Improving Critical Infrastructure Cybersecurity* (Framework) 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 (NIST) requires the implementation of the Framework to develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities and implement appropriate safeguards, and activities to identify, detect and respond to any cybersecurity event or incident.

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.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-005 **FINDING** Weakness in Cybersecurity Programs and Practices (Continued)

University officials indicated the issues were due to staffing constraints and competing priorities and they are still maturing cybersecurity related policies and procedures which includes guidance on reviewing all policies.

Weaknesses in cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the accidental or unauthorized disclosure of confidential or personal information. (Finding Code No. 2024-005, 2023-007, 2022-006, 2021-009).

RECOMMENDATION

We recommend the University maintain internal controls related to its cybersecurity programs, practices, and control of confidential information. Specifically, we recommend the University:

- Periodically review and approve all cybersecurity related policies.
- Enforce and ensure completion of cybersecurity and security awareness training for staff and all contractors.
- Establish adequate classification of its data and guideline for storage of sensitive data.

UNIVERSITY RESPONSE

The University agrees with the finding. The University will continue to enhance and ensure compliance of our cybersecurity training for all employees.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-006 **FINDING** Lack of Adequate Controls over the Review of Internal Controls
over Service Providers

Western Illinois University (University) had weaknesses regarding the review of independent internal control reviews over its service providers.

We requested the University provide a listing of its service providers utilized, System and Organization Control (SOC) Reports reviewed, and review of Complementary User Entity Controls (CUECs) as documented. However, the University was not able to provide a complete listing of service providers.

Due to the conditions noted above, we were unable to conclude the University's population records of third-party service providers were complete, accurate, and reliable under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C §205.36).

Even given the population limitations noted above, we performed testing of the service providers identified by the University to have a SOC report.

The University utilized various service providers to provide:

- Credit card processing,
- Online classes,
- Emergency alert system,
- Email,
- Office Suite, and
- Work order system

Our testing of the controls over service providers noted the following:

- For 8 of 8 (100%) service providers tested, the University did not obtain contracts that documented roles and responsibilities related to security, integrity, availability, confidentiality, and privacy controls over the University's data.
- For 6 of 8 (75%) service providers tested, the University did not obtain the SOC report and bridge letter for the third-party service provider.
- For 8 of 8 (100%) service providers tested, the University did not map existing University controls to complementary user entity controls.

The finding was first noted during the University's Fiscal Year 2018 State Compliance examination. As such, University management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-006 **FINDING** Lack of Adequate Controls over the Review of Internal Controls
over 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 System and Organization Control 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 third-party service providers and the lack of a consistent process executed by the University departments to evaluate the third-party service providers make it difficult to identify and assess risks that third party service providers have on security, integrity, availability, confidentiality, and security of University computer systems and data. (Finding Code No. 2024-006, 2023-005, 2022-005, 2021-008, 2020-010, 2019-006, 2018-006)

RECOMMENDATION

We recommend the University strengthen controls to identify and document all service providers utilized and determine and document if a review of controls is required. Where appropriate, we recommend the University:

- Establish and enforce a formal university-wide onboarding requirement and processes for all third-party service providers.
- Establish and enforce a formal university-wide requirement in obtaining SOC reports from third-party 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 Complementary User Entity Controls (CUECs) and mapping of these CUECs to existing internal controls at the University.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Years Ended June 30, 2024

2024-006 **FINDING** Lack of Adequate Controls over the Review of Internal Controls
over Service Providers (Continued)

UNIVERSITY RESPONSE

The University agrees with the finding. The University understands the importance of strengthening controls over service providers and will continue to review policies and procedures related to SOC reports.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
PRIOR FINDINGS NOT REPEATED
For the Years Ended June 30, 2024

A. **FINDING** Inadequate Internal Control over Verification Requirements

During the previous audit period, the University did not have adequate procedures in place to complete accurate and timely updating of verification statuses in the Common Origination and Disbursement (COD) database for all students within the required time period.

During the current audit period, regular practices for verification were put back in place and no exceptions were noted. (Finding Code No. 2023-003)

B. **FINDING** Lack of Adequate Change Control

During the prior examination, Western Illinois University (University) did not have adequate change management controls.

During the current examination, the University implemented adequate controls over its change management. (Finding Code No. 2023-004)

C. **FINDING** Security Related Weaknesses

During the prior examination, Western Illinois University (University) did not maintain adequate security controls over its environment and devices.

During the current examination, the University implemented adequate controls over its environment and devices. (Finding Code No. 2023-006)

D. **FINDING** Lack of Access Reviews and Inappropriate Screen Access

During the prior examination, Western Illinois University (University) did not perform periodic reviews of access granted to users.

During the current examination, the University performed periodic access reviews; however, during sample testing we noted immaterial instances of noncompliance which are reported in the University's *Report of Immaterial Findings*. (Finding Code No. 2023-008)

E. **FINDING** Weakness with Payment Card Industry Data Security Standards

During the prior examination, Western Illinois University (University) had weaknesses regarding completion of the annual Self-Assessment Questionnaire (SAQ) for Payment Card Industry Data Security Standards (PCI DSS) compliance requirements.

During the current examination, the University implemented controls to ensure the SAQ was completed timely for PCI DSS compliance requirements. (Finding Code No. 2023-009, 2022-007)