

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

For the Year Ended June 30, 2023

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

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2023

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SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2023

UNIVERSITY OFFICIALS

President	Dr. Daniel Mahony
Fiscal Officer	Duane Stucky
General Counsel	Lucas Crater
Executive Director, Internal Audit	Kimberly Labonte
SIUC Chancellor	Austin Lane
SIUE Chancellor	James Minor

BOARD OFFICERS

Board Chair	J. Phil Gilbert
Board Vice Chair	Ed Hightower
Board Secretary	Subhash Sharma
Secretary to the Board	Misty Whittington (until 8/31/22)
Secretary to the Board	Paula Keith (eff. 9/1/22)

GOVERNING BOARD MEMBERS

Trustee	Edgar Curtis
Trustee	J. Phil Gilbert
Trustee	Ed Hightower
Trustee	Sara Salger
Trustee	Subhash Sharma
Trustee	John Simmons
Trustee	Roger Tedrick
Student Trustee (7/1/23 to present)	Victor Ludwig
Student Trustee (7/1/23 to present)	Lauren Harris
Student Trustee (7/1/22 to 6/30/23)	Dorcas Brou
Student Trustee (7/1/22 to 6/30/23)	Hailee O'Dell

BOARD OFFICES

The Agency's primary administrative offices are located at:

Southern Illinois University Carbondale
1263 Lincoln Dr.
Carbondale, Illinois 62901

Southern Illinois University Edwardsville
1 Hairpin Dr.
Edwardsville, Illinois 62025



Southern Illinois University System
ONE SYSTEM | MANY LOCATIONS | STATEWIDE IMPACT

MANAGEMENT ASSERTION LETTER

June 27, 2024

Plante & Moran, PLLC
750 Trade Centre Way, Suite 300
Portage, MI 49002

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 Southern 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, 2023. Based on this evaluation, we assert that during the year ended June 30, 2023, 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 has been 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,

Southern Illinois University

SIGNED ORIGINAL ON FILE

EAC09E0235A648E
Dr. Daniel F. Mahony
University President

SIGNED ORIGINAL ON FILE

Dr. Duane Stucky
Sr VP for Financial and
Administrative Affairs

SIGNED ORIGINAL ON FILE

Mr. Lucas D. Crater
Chief Legal Counsel

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2023

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, 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 Report</u>	<u>Prior Report</u>
Findings	17	21
Repeated Findings	12	13
Prior Recommendations Implemented or Not Repeated	9	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				
2023-001	11	2022/2020	Inadequate Internal Controls Over Census Data	Significant Deficiency Noncompliance
2023-002	15	New	Student Enrollment Reporting	Significant Deficiency and Noncompliance
2023-003	17	2022/2005	Failure to Require Faculty Timesheets	Significant Deficiency and Noncompliance
2023-004	19	2022/2012	Weakness in Computer Inventory Control	Significant Deficiency and Noncompliance

SOUTHERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2023

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)				
2023-005	22	2022/2018	Lack of Adequate Controls over the Review of Internal Controls for Service Providers	Material Weakness and Material Noncompliance
2023-006	25	2022/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2023-007	28	2022/2020	Weaknesses in Payment Card Industry Data Security Standards	Material Weakness and Material Noncompliance
2023-008	30	2022/2020	Security Related Weaknesses	Significant Deficiency and Noncompliance
2023-009	32	2022/2022	Lack of Access Reviews	Significant Deficiency and Noncompliance
2023-010	34	2022/2022	Lack of Change Management Controls	Significant Deficiency and Noncompliance
2023-011	35	2022/2020	Noncompliance with Illinois Articulation Initiative	Significant Deficiency and Noncompliance
2023-012	37	2022/2021	Publications Filed with the State Library	Significant Deficiency and Noncompliance
2023-013	38	New	Preventing Violence and Misconduct Policy and Reporting	Significant Deficiency and Noncompliance
2023-014	40	New	Lack of Waste Management Plan	Significant Deficiency and Noncompliance
2023-015	42	2022/2015	Illinois Ethanol Research Advisory Board	Significant Deficiency and Noncompliance
2023-016	44	New	Census Data Reconciliation	Significant Deficiency and Noncompliance

SOUTHERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2023
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)				
2023-017	46	New	Failure to Report Hire of Retired Employees to SURS	Significant Deficiency and Noncompliance

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
Prior Findings Not Repeated			
A	48	2022/2018	Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for Student Support Services Program
B	48	2022/2022	Sliding Fee Discount Not Applied to All Eligible Patients
C	48	2022/2022	Insufficient Controls over Review and Approval of Cash Drawdowns
D	48	2022/2022	Inadequate Procedures for Ensuring Retention of Eligibility Documentation for the Upward Bound Program
E	49	2022/2022	Inaccurate Reporting of Student Verification Status
F	49	2022/2017	Exit Counseling Not Completed
G	49	2022/2022	Procurement Requirements Not Followed
H	49	2022/2022	Lack of Disaster Recovery Test
I	50	2022/2021	Forensic Psychiatry Fellowship Training Program

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2023

EXIT CONFERENCE

The University waived an exit conference on Findings 2023-001 and 2023-002 and their associated recommendations in correspondences from Kim Labonte, Executive Director, Internal Audit, on February 2, 2024 and March 7, 2024, respectively. The responses to the recommendations were provided by Kim Labonte in correspondences dated February 2, 2024 and March 7, 2024, respectively.

Findings 2023-005, 2023-006 and 2023-008 through 2023-010 and their associated recommendations appearing in this report were discussed with University personnel at an exit conference on June 17, 2024.

Attending were:

Southern Illinois University

Ms. Kim Labonte	Executive Director, Internal Audit
Mr. Wil Clark	SIU Chief Information Officer
Mr. Brian Skouby	SIUC – Director, Information Technology
Mr. Steven Huffstutler	SIUE - Associate Vice Chancellor for IT/CIO
Mr. John Veizer	SIUE – Business Administration Associate, IT Services
Mr. Daniel Chace	SIUE – Director, Information Technology Services
Mr. Jeff Laughlin-Smith	SIUE – IT Technology Director
Mr. Les Clemmer	SOM – Chief Information Officer
Mr. Paul Fleming	SOM – Director, Information Technology

Office of the Auditor General

Ms. Lisa Warden	Senior Manager
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Plante Moran

Ms. Vicki VanDenBerg	Partner
Ms. Jennifer Zanone	Principal
Ms. Britni McDole	Senior Manager
Mr. Wale Oseni	Manager

The responses to the recommendations were provided by Kim Labonte, Executive Director, Internal Audit, in a correspondence dated June 25, 2024.

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
Southern Illinois University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Southern 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, 2023. 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
Southern 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, 2023. As described in the accompanying Schedule of Findings as items 2023-005 and 2023-007, 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, 2023, 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 2023-001 through 2023-004, 2023-006, and 2023-008 through 2023-017.

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
Southern 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 2023-005 and 2023-007 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 2023-001 through 2023-004, 2023-006, and 2023-008 through 2023-017 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.

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Southern Illinois University

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

Portage, MI
June 27, 2024

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2023

2023-001. Finding: Inadequate Internal Controls over Census Data

Southern Illinois University (University) did not have adequate internal control over reporting its census data 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.

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, 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 2021 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2022, which is incorporated into the University's Fiscal Year 2023 financial statements.

During testing, the auditors noted the following:

- During cut-off testing of data transmitted by the University to SURS, auditors noted 1 instance of an active employee becoming deceased was reported to SURS after the close of the fiscal year in which the event occurred. There were also 5 instances previously reported that impacted the June 30, 2021 census data. The total impact to service credit was calculated at 29.50 years.
- During our previous testing of instructor eligibility testing, we noted 5 instructors were not reported as eligible to participate in SURS by the University. All of these instances have been previously reported, however still impacted the June 30, 2021 census data. SURS determined the total potential impact of these differences was the instructors' service credit was off by a combined 6.25 years.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-001. Finding: Inadequate Internal Controls over Census Data (Continued)

The auditors provided SURS' actuary and CMS' actuary with the exceptions identified during 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 2022.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University 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:

- 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;
- 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.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-001. Finding: Inadequate Internal Controls over Census Data (Continued)

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, 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 one current year exception is due to the difficulty in timely reporting events which occur near the end of the fiscal year to SURS.

Failure to ensure complete 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. 2023-001, 2022-001, 2021-001, 2020-001)

RECOMMENDATION

We recommend the University continue 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.

Finally, we recommend the University ensure all eligible employees are reported to SURS, along with any required employee and employer contributions.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-001. Finding: Inadequate Internal Controls over Census Data (Continued)

UNIVERSITY RESPONSE

SIU continues to reconcile utilizing the periodic reports provided by SURS via encrypted email against our records of related internal transactions. We are actively in the process of working with our IT teams to create automated comparative scripts to add automation and efficiency to the reconciliation process on an ongoing basis.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-002. Finding: Student Enrollment Reporting

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.007, 84.063, 84.268
Program Expenditures: \$168,796,624
Program Name: Student Financial Assistance Cluster
Award Number(s): P063P180116, P007A151286, P007A221285, P063P220115, P268K230115
Questioned Costs: None

Southern Illinois University (the “University”) Carbondale (“SIUC”) and Edwardsville (“SIUE”) campuses did not have adequate procedures in place to ensure student enrollment data elements were reported accurately and timely.

During our testing of students who withdrew or graduated from the University, we noted 3 out of 40 (7.5%) students did not have enrollment statuses reported accurately and timely. One student was reported as graduated on a date that did not reflect their degree date from the University (SIUE). One student was reported as active in the program despite graduating from the University (SIUE). Lastly, campus-level and program-level enrollment status for one student was not reported timely (SIUC). The sample was not a statistically valid sample.

The Direct Loan Program requirements require a school participating in Title IV aid programs to establish and maintain proper administrative and fiscal procedures and all necessary records and submit all reports to the Department of Education (34 CFR 685.309).

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure that all student enrollment reporting requirements are reviewed to ensure compliance.

University officials indicated there were misunderstandings and clerical errors between the University records, the National Student Clearinghouse, and the National Student Loan Data System rosters that resulted in the untimely updating of student enrollment status changes.

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

RECOMMENDATION

We recommend the University establish processes and procedures to ensure student enrollment changes are communicated timely to the Department of Education.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-002. Finding: Student Enrollment Reporting (Continued)

UNIVERSITY RESPONSE

The campuses have implemented processes to prevent further errors in enrollment reporting, despite the disconnects and system problems that have been observed.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-003. Finding: Failure to Require Faculty Timesheets

Southern Illinois University (University) Edwardsville (SIUE) did not have a policy that required all employees to periodically submit timesheets documenting the time spent each day on official University business to the nearest quarter hour as required by the State Officials and Employee Ethics Act (Act) during the examination period.

The Act required the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The IBHE adopted personnel policies for public universities on February 1, 2004, in accordance with the Act. However, SIUE had not incorporated IBHE policies into SIUE's union contracts for faculty as of June 30, 2023.

We noted that SIUE's faculty did not submit timesheets in compliance with the Act during Fiscal Year 2023. The process was effectively a "negative" timekeeping system for faculty whereby the employee was assumed to be working unless noted otherwise. No time sheets documenting the time spent each day on official State business to the nearest quarter hour were required for faculty. As of June 30, 2023, no changes had been made to the University's policy, which required time sheets from all employees except faculty. During Fiscal Year 2023, SIUE employed 989 faculty.

The Act (5 ILCS 430/5-5(c)) states, "The [University] policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour."

University management stated the SIUE campus had not yet incorporated the requirement for faculty to submit timesheets on a periodic basis into their personnel policies or the faculty union contracts because union negotiations were not completed until the end of Fiscal Year 2023. New collective bargaining agreements with the tenured and tenure track faculty union, and the non-tenure track faculty union, were ratified during Fiscal Year 2023 and required time reporting in compliance with the Ethics Act beginning in Fiscal Year 2024.

By not requiring legally mandated timesheets from all of its employees, the University did not ensure accountability for the time spent by faculty on official state business as contemplated by the Act for all State university employees. Positive timekeeping by faculty serves as a deterrent to misuse of State time, helps detect discrepancies in time worked and reported, and provides documentation to assist with necessary administrative or legal actions. (Finding Code No. 2023-003, 2022-016, 2021-007, 2020-012, 2019-007, 2018-006, 2017-010, 2016-010, 2015-009, 2014-007, 2013-016, 2012-10, 2011-5, 2010-4, 2009-3, 2008-5, 2007-10, 2006-4, 2005-1)

RECOMMENDATION

We recommend the University continue to work on implementing procedures and systems to ensure compliance.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-003. Finding: Failure to Require Faculty Timesheets (Continued)

UNIVERSITY RESPONSE

We agree. Agreements have been reached with the faculty unions at SIUE, and faculty time reporting was implemented in academic year 2023-2024 (FY24).

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-004. Finding: Weakness in Computer Inventory Control

Southern Illinois University (University) was unable to locate 126 computers from the Edwardsville campus (SIUE), 147 computers from the Carbondale campus (SIUC) and 10 computers from the Springfield campus during their annual inventory.

During the University's annual inventory, they noted 283 computers were missing across three campuses. Although the University had established procedures for requiring encryption on computers that could have confidential information on them, the University could not determine if the missing computers were encrypted or contained confidential information. After computers were reported missing, the University requested responsible staff to assert whether confidential information was maintained on those computers. Staff believed 9 machines from Edwardsville and 3 machines from Carbondale potentially contained confidential information.

The original cost of these items for the Edwardsville and Carbondale (including the Springfield campus) campuses totaled \$95,500 and \$188,664, respectively. After the FY23 inventory verification was sent to DCMS, 10 of the missing computers reported by Carbondale, totaling \$13,748, were located.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires every responsible officer of State government to be accountable to the administrator for the supervision, control and inventory of all property under its control. In addition, the University had the responsibility to ensure that confidential information was protected from disclosure and complied with the provisions of the Personal Information Protection Act (815 ILCS 530).

This finding was first noted during the University's fiscal year June 30, 2012 State compliance examination. As such, the University has been unsuccessful in implementing corrective action to remedy this deficiency.

University management indicated unresolved weaknesses in computer inventory control were due to budgetary constraints and the resulting amount of manpower allocated to this project.

Failure to maintain adequate controls over computer inventory has resulted in lost or stolen computer inventory and the potential for unintended exposure of confidential information.
(Finding Code No. 2023-004, 2022-017, 2021-008, 2020-013, 2019-009, 2018-010, 2017-013, 2016-012, 2015-008, 2014-006, 2013-015, 12-11)

SOUTHERN ILLINOIS UNIVERSITY
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CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-004. Finding: Weakness in Computer Inventory Control (Continued)

RECOMMENDATION

We recommend the University:

- Review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers.
- Evaluate and secure computers to ensure confidential information is protected.
- Perform and document an evaluation of data maintained on computers and ensure those containing confidential information are adequately tracked and protected with methods such as encryption.

Additionally, we recommend the University conduct an analysis to determine if confidential information was maintained on the unlocated computers. If so, we recommend the University comply with the notification requirements of the Personal Information Protection Act.

UNIVERSITY RESPONSE

We agree that continued efforts can and have been made to further improve the control of computer inventory on our campuses. Through a recommendation from the SIUC Computer Inventory Management group, SIUC Property Control has developed a mobile inventory application. The application was effectively used during the FY24 inventory. The purpose of the application is to create a consistent inventory method for all units and to give Property Control timely information. This application will be modified based on findings with the goal of providing a standardized platform for inventory management, thereby reducing the number of lost items.

Our Technology Offices (SIUC Office of Information Technology and SIUE Information Technology Services) are vigilant in overseeing data loss prevention strategies and the encryption of assets within the SIU domains.

SIUE Information Technology Services works with school-based coordinators to ensure computers on other inventories are checked annually, and we communicate any program changes to these coordinators, as necessary. Further, SIUE continues to leverage encryption on all assets on the SIUE domain, especially those at high risk of loss or theft. Encryption is used throughout the domain to cover gaps in our defense-in-depth strategy where applicable or if there is a demonstrated business or regulatory need. Encryption policy is deployed, inventoried, and maintained through dedicated management tools. SIUE manages MAC asset inventory and encryption through a parallel solution. Data Loss Prevention is managed through an enterprise license solution for identified sensitive data assets on the domain and within the productivity suite to track location and movement. These systems and strategies, coupled with our in-depth information security program, limit the likelihood and impact of lost data to well within the commonly accepted business thresholds of loss and breakage.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-004. Finding: Weakness in Computer Inventory Control (Continued)

UNIVERSITY RESPONSE (Continued)

At SIUC, we are enhancing asset encryption by transitioning from two separate endpoint management solutions to a unified environment that will manage assets across both Windows and Mac platforms. We anticipate that this work will be completed by the end of the 2024 calendar year.

We are confident that these collective efforts, will substantially mitigate the loss of computer assets and data. Nonetheless, we recognize that, given the vastness of our inventory, completely eliminating loss may not be feasible.

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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-005. FINDING: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers

Southern Illinois University (University) lacked adequate controls over the review of internal control of its service providers.

The University utilized over 100 service providers for various services including, but not limited to banking, investment and business services; debt financing; information technology hosting services; and software as a service.

The University is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

The University established a formal process for identifying and managing service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis. However, the University did not have adequate controls to ensure all third-party service organizations were identified by university departments in order to perform annual reviews of the need for SOC reports.

We further noted the risk assessment questionnaire for onboarding vendors and service providers did not consistently document the sensitive data and related processing performed by the service providers. It also did not document alternate means of addressing service providers' risks beyond review of SOC reports, such as review of the service provider's internal controls or attestation reports. Also, University personnel lacked sufficient guidance for completing their assessments to identify risks related to service providers and the documentation required to determine when the entity should be classified as a vendor or service provider.

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 these population limitations, we selected a sample of service providers from the listings provided and noted the following:

- SIUE – The campus could not provide a contract for 1 of 7 (14%) service providers tested and 5 of 6 (83%) contracts provided did not require submission of a SOC report. The University did not complete SOC Report Review Checklists for 5 of 7 (71%) service providers tested. We further noted 6 of 7 (86%) samples lacked document mapping of internal controls at the University to key complementary user entity controls (CUECs) noted in the SOC reports.

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A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-005. FINDING: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (Continued)

- SIUC – The campus had not obtained a SOC report for 1 of 6 (17%) service providers tested. The campus did not complete a SOC Report Review checklist or document an assessment of controls for 1 of 5 (20%) SOC reports obtained. The University did not perform and/or document mapping of internal controls at the University to key CUECs noted in the SOC reports in 4 of 5 (80%) instances.
- SOM – The campus had not completed a SOC Report Review Checklist or documented mapping of internal controls at the University to key complementary user entity controls CUECs noted in 2 of 2 (100%) SOC reports tested.

Weaknesses in the review of internal controls for service providers was first noted during the compliance examination for the year ended June 30, 2018. As such, the University has been unsuccessful in implementing sufficient corrective action to remedy all weaknesses noted.

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.

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 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.

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

The lack of a complete 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 controls at service providers, which may impact integrity, availability, confidentiality, and security of university computer systems and data. Without having obtained and fully reviewed all SOC reports or another form of independent internal control review, the University does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2023-005, 2022-009, 2021-010, 2020-015, 2019-010, 2018-012)

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A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-005. FINDING: Lack of Adequate Controls Over the Review of Internal Controls for Service Providers (Continued)

RECOMMENDATION

We recommend the University strengthen its process and 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:

- Obtain SOC reports (or perform independent reviews) and document the assessment of internal controls associated with outsourced systems at least annually.
- Monitor and adequately document the operation of the CUECs related to the University's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

UNIVERSITY RESPONSE

We agree and implementation continues. The University established a working group which developed a formal process for identifying and managing service providers across the system. The process includes established criterion to be used to identify and review the controls of third-party service providers and their subservice organizations. The process also includes measures to document the CUECs and is being enhanced to include mapping. The process includes a provision for including in service provider contracts the requirement for an independent review of internal controls as applicable and when possible. Continued efforts will be made to further refine the process, including necessary updates to forms in order to provide additional guidance to personnel for the completion of the risk assessment, the SOC review checklist, and CUEC mapping, and to achieve consistent application of the process across the system.

Additional progress that has been made includes the recent elimination of multi-year purchase orders at SIUC to allow for the annual identification and review of service provider controls. We have also enhanced the processes limiting duplication of efforts by accepting/providing third party risk assessment reviews among our other campuses. Progress is also being made toward the more complete capture of all service providers to ensure completeness of our efforts across the population. It should be noted that processes in place with respect to the service providers material to our financial statements have been refined and are functioning as designed.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-006. Finding: Weakness in Cybersecurity Programs and Practices

Southern Illinois University (University) has not implemented adequate internal controls related to cybersecurity programs and practices.

The University carries out its mission through the use of 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:

- The Carbondale campus's IT risk assessment was not fully completed and documented. The campus did not provide evidence it ensured all university departments and offices were included in the risk assessment. In addition, the results of risk assessments performed were not fully analyzed and summarized in a Strategic Risk Plan to document the plan to enhance cyber security controls to address risks noted.
- The Edwardsville campus's Strategic Risk Plan did not specifically document the plan for mitigating risks identified in the risk assessment.
- The School of Medicine (SOM) had not completed an external risk assessment in Fiscal Year 2023.
- The University had not implemented a comprehensive project management framework or a system development life cycle methodology for development and implementation of any new systems.
- The University's Carbondale (SIUC) and Edwardsville (SIUE) campuses offered optional online information security training to some staff, but did not require completion of a cybersecurity training program by all faculty, staff, and contractors in Fiscal Year 2023.
- The School of Medicine did not provide evidence all staff completed information security awareness training.
- The School of Medicine did not require all medical students and resident physicians to annually acknowledge the Acceptable Use Policy for accessing the university's information systems.

This finding was first reported in the Fiscal Year 2020 State compliance examination. As such, the University had not been successful in implementing all necessary corrective actions during Fiscal Year 2023 to remedy the weaknesses noted.

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.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-006. Finding: Weakness in Cybersecurity Programs and Practices (Continued)

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 NIST requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

Finally, the University's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

SIUC's campus management indicated that changes to their risk assessment approach to be inclusive of all University departments were still in progress at the time of our procedures. SIUC management indicated they had not yet mandated cybersecurity training as of the end of Fiscal Year 2023.

SIUE's management did not state why the plan for mitigating risks was not documented in the Strategic Risk Plan during the examination period. Management indicated cyber security training for all staff and contractors has not been implemented due to not having a campus wide action plan.

SOM's management stated an external risk assessment had not been completed in Fiscal Year 2023 as the University performs external risk assessments every other year. Management indicated there was no requirement for an annual acknowledgement of acceptable use policy because policy changes were in progress at the time of our procedures. Management stated documentation of staff security awareness training was lacking due to staffing limitations in Fiscal Year 2023.

SIU management indicated they had not deemed it necessary to put in place a comprehensive project management framework or a system development life cycle methodology because there were no such developments during Fiscal Year 2023.

The lack of an adequate cybersecurity program and practice could result in unmitigated risks and vulnerabilities and ultimately lead to the University's computer systems and data being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-006, 2022-010, 2021-012, 2020-016).

RECOMMENDATION

We recommend the University strengthen internal controls over its cybersecurity programs and practices. Specifically, we recommend:

- Each campus fully complete and document an annual comprehensive risk assessment and resulting plan to address risks noted.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-006. Finding: Weakness in Cybersecurity Programs and Practices (Continued)

- The University implement at this time a comprehensive project management framework or a system development life cycle methodology for development and implementation of any new systems to ensure appropriate controls are in place well in advance of considering any future projects.
- The Edwardsville and Carbondale campuses require completion of a security awareness programs for all employees and contractors.
- The SOM ensure completion of annual security awareness training by all employees.
- The SOM obtain acknowledgement of the Acceptable Use Policy for accessing the University's information systems for all users including medical students and resident physicians on an annual basis.

UNIVERSITY RESPONSE

We agree that steps could be taken to further improve our cybersecurity posture. We agree to continue efforts to complete and fully document a comprehensive IT risk assessment and mitigation plan for each of the Carbondale and Edwardsville campuses. Further, having no plans to develop systems in-house, we agree to consider whether similar entities within Illinois government have example policies that can be reviewed and adopted in the unlikely event that this position regarding in house development should ever change. Lastly, ITS personnel agree to discuss the risks and benefits of requiring security awareness training by all employees and contractors in order for the matter to be sufficiently considered and addressed by persons at the appropriate level within the Institution. Further, SOM has budgeted and plans to purchase all-user cyber training for the coming fiscal year.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-007. Finding: Weakness with Payment Card Industry Data Security Standards

Southern Illinois University Edwardsville (SIUE) had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Payment Card Industry (PCI) Security Council (Council) requires all members, merchants and service providers, who store, process, and/or transmit cardholder data to be PCI compliant. As such, the University is responsible for confirming merchants complete Self-Assessment Questionnaires (SAQs) per the guidance of the PCI Security Standards Council and within the context of what is considered applicable to the University in order to properly attest to PCI requirements. In Fiscal Year 2023, SIUE handled approximately 406,021 transactions estimated at \$7,165,077.

During our review, we noted SIUE did not ensure that appropriate Self-Assessment Questionnaires (SAQs) were completed and the service providers for all merchant IDs (MIDs) were identified to ensure PCI compliance. Although SIUE engaged a consultant to assist in their efforts, they did not complete the annual SAQ during Fiscal Year 2023 and did not have a complete population of SAQs that are appropriate for their cardholder environment. Therefore, we were unable to conclude the University's population of service providers were complete, accurate, and reliable under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36).

This finding was first reported in Fiscal Year 2020. As such, the University has been unsuccessful in implementing corrective action plan to remedy the weaknesses.

PCI DSS was developed to detail security requirements for entities that store, process or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder.

To assist merchants in the assessments of their environment, the Council has established SAQs for validating compliance with PCI's core requirements. At a minimum, PCI DSS required completion of SAQ A; which highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for managing service providers. As additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions are introduced into the credit card environment being assessed, additional PCI DSS requirements apply.

Selection of the correct Self-Assessment Questionnaires (SAQs) is the first step in an organization's annual requirement to validate compliance with PCI. Validating compliance is required based on contractual obligations with an organization's payment processor and/or acquiring bank. Maintaining an accurate list of service providers with the description of services provided is required per requirement 12.8.1.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-007. Finding: Weakness with Payment Card Industry Data Security Standards (Continued)

University management indicated these deficiencies were not addressed during the examination period due to staffing constraints, and the unexpected level of effort required to comply with PCI DSS requirements.

Failure to ensure appropriate SAQs are completed and to identify service providers for all merchant ids inhibits the University's ability to ensure its PCI security requirements are adequate which could result in cardholder data in the custody of the University at risk of unauthorized access.

Failure to establish and maintain adequate procedures to handle and protect confidential and personally identifiable information could result in identity theft or other unintended use. (Finding Code: 2023-007, 2022-011, 2021-013, 2020-017)

RECOMMENDATION

We recommend SIUE strengthen its controls to identify all service providers. We further recommend the campus:

- At least annually, properly assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ.
- Complete the required SAQ.
- Ensure all service providers are evaluated for compliance with PCI requirements.

UNIVERSITY RESPONSE

We agree. A consultant has been engaged to assist with remediating these weaknesses, however there was not sufficient time to execute all corrective actions during FY23. Action remains with respect to updating equipment at one campus merchant location and we expect to be SAQ compliant by FY24 year-end.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-008. Finding: Security Related Weaknesses

Southern Illinois University (University) did not maintain adequate security controls over its environment and devices.

The University maintains computer resources across its campuses for users to conduct University functions. During our examination, we reviewed the controls over servers and workstations to determine if appropriate security controls had been implemented. Although the University had addressed some security related weaknesses noted in the prior examination, we noted the University still had some weaknesses in information security controls.

This finding was first reported in Fiscal Year 2020. As such, the University has been unsuccessful in implementing sufficient corrective action to fully remedy all weaknesses noted.

Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations (Special Publication 800-171, Second Revision) published by the National Institute of Standards and Technology, Configuration and Maintenance sections, requires entities to maintain adequate security controls over their environment and devices.

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.

University management indicated weaknesses were due to limited resources and additional time needed to implement corrective action.

Failure to implement adequate security controls over the environment and devices exposes the University to increased danger of unauthorized access and the loss or corruption of critical and confidential data. (Finding Code No. 2023-008, 2022-012, 2021-014, 2020-018)

RECOMMENDATION

We recommend the University implement adequate security controls across the University's environment and devices.

UNIVERSITY RESPONSE

We agree. The weaknesses still present at SIUC are primarily associated with aging hardware assets running terminal operating system (OS) versions. We will continue to monitor our situation, especially concerning unsupported systems, and address issues as circumstances warrant and resources allow. As hardware ages and can no longer support current OS versions, we will replace

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-008. Finding: Security Related Weaknesses (Continued)

UNIVERSITY RESPONSE (Continued)

it within the confines of our available funding. We have also implemented measures to flag older systems for isolation or apply special exceptions with appropriate mitigations, such as enhanced security protocols and restricted network access, to minimize risks. Additionally, SOM is required to keep some system available to satisfy regulatory requirements. These systems are also isolated, and SOM is in the process of purchasing an archiving solution for its legacy clinical systems.

Further, SIUE continues to improve the security perimeter and strengthen its security programs based on an established cybersecurity framework. We will continue to monitor our situation, with respect to unsupported systems and remedy or otherwise improve our posture when circumstances warrant.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-009. Finding: Lack of Access Reviews

Southern Illinois University (University) did not perform periodic review of access granted to users for all systems and applications.

During our review, we noted the University (SIUC and SIUE) had not implemented an overarching access control policy requiring periodic user access reviews. We further noted these campuses did not ensure user departments had periodically conducted a review of users' access for systems and applications to ensure access rights were appropriate.

The National Institute of Standards and Technology publications *Security and Privacy Controls for Information Systems and Organizations* (NIST 800-53, Fifth Revision) and the *Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations* (Special Publication 800-171, Second Revision) Access Control sections, requires entities to develop access provisioning policies and establish controls to ensure authorized users only have needed access.

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.

University management indicated the weaknesses were due to an inability to successfully engage all units in supporting a detailed user access review and lack of defined roles and responsibilities for the user access review process.

Failure to periodically review users' access rights could result in inappropriate access and manipulation of the University's data. (Finding Code No. 2023-009, 2022-015).

RECOMMENDATION

We recommend the University implement an access control policy and ensure periodic access reviews are conducted.

UNIVERSITY RESPONSE

At SIUC, we acknowledge that periodic access reviews of user access were not performed on some systems and applications. One critical system has been identified, and during FY24, we have worked to identify and begin designing a solution. We plan to fully develop this review process in the summer and fall of 2024 and deploy it in the spring of 2025. This timeline was selected based on the needs of the academy and the potential impact on staff. Additionally, we will establish a framework to address access reviews based on data classification and risk, including department-level reviews. We will also develop a more detailed access control policy, noting the required periodic reviews, during FY25.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-009. Finding: Lack of Access Reviews (Continued)

UNIVERSITY RESPONSE (Continued)

At SIUE, we agree that we did not always perform periodic reviews of access granted to users of our significant systems. While we believe our processes for granting system access to users are effective, and periodic reviews are performed in certain instances, we do recognize that this process can be improved in vary degrees on each campus. As we continue to improve these processes, we will consider whether the implementation of an access control policy and/or additional periodic reviews of access granted would add value.

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A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-010. Finding: Lack of Change Management Controls

Southern Illinois University (University) Edwardsville had not implemented a change management policy.

The University carries out its mission through the use of Information Technology (IT), including various applications. During our review of the University's IT general controls, we noted the SIUE campus had a documented process for changes requested to their primary system, but it did not have a formal change management policy to control changes to the environment or applications.

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), Configuration Management section, requires entities to establish change management procedures to ensure changes are properly controlled.

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.

SIUE campus management indicated a change management policy was not developed due to competing priorities and the change management process in place for the primary system.

The lack of adequate change management policies could result in unauthorized changes being made to applications and the IT environment. (Finding Code No. 2023-010, 2022-014)

RECOMMENDATION

We recommend the University's Edwardsville campus allocate the time to establish formal change management and configuration management policies to not only formally document the configuration and change management processes currently in place for the primary application but also to include all other current or potential future applications, systems, and environment.

UNIVERSITY RESPONSE

We agree that we do not have a change management and configuration policy. SIUE has always had a change management process with respect to the critical systems. Based on the criteria listed in finding, we felt documented procedures were sufficient to address change management protocols. We will consider the need to implement such a policy.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-011. Finding: Noncompliance with Illinois Articulation Initiative

Southern Illinois University (University) did not maintain a minimum of one approved course per major under the Illinois Articulation Initiative (Initiative or IAI) for some majors offered by the University.

The Initiative, through its itransfer.org website, exists to ease the transfer of students among the State's associate and baccalaureate degree granting institutions. The Initiative consists of both a General Education Core Curriculum package, where completion of the entire package at one institution is fully accepted by 108 institutions across the State, and an Initiative major, which provides guidance for students with uncertain transfer plans.

During Fiscal Year 2023, the University did not have a minimum of one course approved by the Initiative panel included within the related Initiative major for its early childhood education, political science, or physics (SIUE) degree programs.

The Illinois Articulation Initiative Act (Act) (110 ILCS 152/15) requires the University participate in the Initiative by maintaining a minimum of one course in the related Initiative major, if the University has an equivalent major and courses. Major courses must be accepted by an IAI panel of college and university representatives in order to satisfy the major course requirement.

This finding was first noted during the University's Fiscal Year 2020 State compliance examination. As such, the University has been unsuccessful in implementing corrective actions to remedy this deficiency.

University management stated they disagree with this finding due to a different interpretation of the Act's requirements. Management indicated they do not believe they have, nor are required to offer, equivalent courses for all majors.

We noted the General Assembly required participation in the Initiative to enhance the ability of students to transfer to any of the participating institutions without having to retake courses similar to courses they took at their initial institution. We further noted the University's interpretation of the Act that any incongruence within a course descriptor means equivalent courses are not offered and do not require any modification or convergence among the participating institutions would frustrate the legislative purpose of the Act.

Failure to fully participate in the Initiative by maintaining at least one course approved by the IAI panel per Initiative major, when an equivalent major and courses exist, could hinder students looking to transfer to other institutions and represents noncompliance with State law. (Finding Code No. 2023-011, 2022-020, 2021-011, 2020-014)

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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-011. Finding: Noncompliance with Illinois Articulation Initiative (Continued)

RECOMMENDATION

We recommend the University continue to monitor courses offered and approved for equivalent majors and ensure courses meeting the major panel requirements are submitted for review.

UNIVERSITY RESPONSE

We will continue our efforts to reconcile the differing interpretations, and as recommended will continue to monitor courses offered and approved for the identified majors and ensure courses meeting the major panel requirement are submitted for review. Since the initial reporting of this finding, both campuses are actively working on identifying and gaining approvals for Illinois Articulation Initiative (IAI) Majors courses. It is important to note that we are making progress toward full compliance.

SOUTHERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-012. Finding: Publications Filed with the State Library

Southern Illinois University (University) did not submit all required documents to the Illinois State Library as mandated by the State Library Act (Act).

The University did not have sufficient internal controls in place to ensure all of its publications were provided to the State Library. The most recent annual listing reported 94 publications had been filed by the University with the State Library.

The Act (15 ILCS 320/21) requires the University to provide and deposit with the Illinois State Library sufficient copies of all publications issued by such State agencies for its collection and for exchange purposes. The Act states “publications” means any document, report, directory, bibliography, rule, regulation, newsletter, pamphlet, brochure, periodical or other printed material paid for in whole or in part by funds appropriated by the General Assembly or issued at the request of a State agency, excepting however, correspondence, inter-office memoranda, and confidential publications.

The Illinois Administrative Code (Code) (23 Ill. Admin. Code 3020.120) states that within one week after a State university receives publications it intends to issue; the University shall deposit two physical copies and one electronic copy of all publications with the Government Documents Section.

This finding was first noted during the University’s Fiscal Year 2021 State compliance examination. As such, the University has been unsuccessful in implementing a corrective action plan during Fiscal Year 2023 to remedy this deficiency.

University management indicated they are developing the internal controls and procedures to ensure compliance, but they were not fully operational by the end of Fiscal Year 2023.

Failure to provide all required documents to the State Library prevents the availability of such documents at the designated State repository for its collection and exchange purposes as mandated by the State legislature. (Finding Code No. 2023-012, 2022-019, 2021-015)

RECOMMENDATION

We recommend the University fully implement internal controls to ensure all required publications paid at least partially by appropriated funds are submitted to the State Library in accordance with the Act and the Code.

UNIVERSITY RESPONSE

We agree that not all publications were uploaded by the end of FY23. Responsible staff will continue to work to define precisely what documents must be uploaded and further strengthen controls to ensure the upload takes place. It is important to note that we are making progress toward full compliance.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-013. Finding: Preventing Violence and Misconduct Policy and Reporting

Southern Illinois University (University) did not fully comply with sexual violence policy and reporting requirements.

During our testing we noted:

1. Southern Illinois University Edwardsville's (SIUE) amnesty provision was not included in the Title IX sexual misconduct policy.
2. SIUE did not submit an annual report on each adjudicated case with a finding of racial, ethnic, or religious intimidation to the Department of Human Rights and Attorney General.
3. Southern Illinois University Carbondale (SIUC) did not timely submit their annual report of racial, ethnic, or religious intimidation to the Department of Human Rights and Attorney General by November 1, 2022 as mandated.

The Preventing Sexual Violence in Higher Education Act (110 ILCS 155/10(10)) requires the University's comprehensive policy on sexual, domestic, and dating violence and stalking to include a statement of the higher education institution's obligation to include an amnesty provision that provides immunity to any student who reports, in good faith an alleged violation of the higher education institution's comprehensive policy to a responsible employee, as defined by federal law, so that the reporting student will not receive a disciplinary sanction by the institution for a student conduct violation, such as underage drinking or possession or use of a controlled substance that is revealed in the course of such a report, unless the institution determines that the violation was egregious, including without limitation an action that places the health or safety of any other person at risk.

The Board of Higher Education Act (Act) (110 ILCS 205/9.21 (a)(2)) requires each public institution of higher education to report annually to the Department of Human Rights and the Attorney General on each adjudicated case in which a finding of racial, ethnic or religious intimidation or sexual harassment made in a grievance, affirmative action or other proceeding established by that institution to investigate and determine allegations of racial, ethnic or religious intimidation and sexual harassment. The Act requires this annual report on the preceding calendar year be provided on or before November 1 each year.

SIUE management stated they overlooked the need to bring the amnesty provision forward when their policy was updated for the changes to 2020 regulations. SIUE management indicated they failed to submit an annual report on each adjudicated case to the Department of Human Rights and Attorney General due to a misunderstanding of the policy.

SIUC management stated they had not submitted a report on adjudicated cases to the Department of Human Rights and Attorney General for 2021 during Fiscal Year 2023 due to oversight.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-013. Finding: Preventing Violence and Misconduct Policy and Reporting (Continued)

Failure to timely submit an annual report on adjudicated cases to the Department of Human Rights and the Attorney General reduces availability of the most up to date information on the University and its processes in order to provide accountability and to inform recommendations on improvement, if necessary.

Failure to have an amnesty provision in place providing potential reporters of sexual violence with immunity could lead to fewer cases of sexual violence being reported. (Finding Code No. 2023-013)

RECOMMENDATION

We recommend SIUE update the Title IX policy to include the required amnesty provisions. In addition, we recommend SIUE and SIUC ensure all annual reports are timely submitted to the Department of Human Rights and Attorney General as required.

UNIVERSITY RESPONSE

We agree to revise the SIUE Title IX policy so that it includes the required amnesty provisions. A detailed review of Title IX policies is currently underway. A fully compliant set of policies and procedures are scheduled to be in place by August 2024. We further agree to submit all annual reports to the Department of Human Rights and Attorney General in a timely manner.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-014. Finding: Lack of Waste Management Plan

Southern Illinois University Carbondale (SIUC) was unable to locate their current waste management plan.

SIUC could not provide a copy of their waste management plan.

The Public Community College Act (415 ILCS 20/3.1) requires each State-supported institution of higher learning to develop a comprehensive waste reduction plan covering a period of 10 years which addresses the management of solid waste generated by academic, administrative, student housing and other institutional functions. The Act requires a waste reduction plan to address existing waste generation by volume, waste composition, existing waste reduction and recycling activities, waste collection and disposal costs, future waste management methods, and specific goals to reduce the amount of waste generated that is subject to landfill disposal. The Act states that the plan shall be updated every 5 years, and any proposed amendments to the plan shall be submitted for review to the Illinois Environmental Protection Agency.

The State Records Act (Act) (5 ILCS 160/3) states all records created or received by or under the authority of or coming into the custody, control, or possession of public officials of this State in the course of their public duties are the property of the State. These records may not be mutilated, destroyed, transferred, removed, or otherwise damaged or disposed of, in whole or in part, except as provided by law. The Act (5 ILCS 160/8) further requires each agency to preserve records containing adequate and proper documentation designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

SIUC management stated they were unable to locate their waste management plan due to staff turnover and email retention requirements.

Failure to maintain and submit a ten-year waste management plan poses a strong risk the plan will not be fully implemented, decreases public accountability, and prevents review by oversight bodies. (Finding Code No. 2023-014)

RECOMMENDATION

We recommend SIUC update and file their waste management plan with the Illinois Environmental Protection Agency. We further recommend SIUC implement internal controls to ensure the submission, retention and periodic re-evaluation of the plan, and the assignment of responsible and back up staff to ensure implementation and monitoring of the plan.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-014. Finding: Lack of Waste Management Plan (Continued)

UNIVERSITY RESPONSE

We agree and will implement these recommendations. The university is preparing a waste management plan to file with the Illinois Environmental Protection Agency in December 2024 to comply with the five-year renewal due in January 2025. The director of facilities management is working with the director of sustainability and a working group on campus to develop a plan and to compile and track the necessary data for the plan.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-015. Finding: Illinois Ethanol Research Advisory Board

Southern Illinois University (University) managed the National Corn-to-Ethanol Research Pilot Plant (“the Pilot Plant”) under the review and guidance of a combined group of stakeholders it identified and Illinois Ethanol Research Advisory Board (Advisory Board) members rather than just the Advisory Board mandated by law.

During Fiscal Year 2023, the University held a joint meeting of the Advisory Board and stakeholders in order to perform the Advisory Board’s duties of providing review and guidance to the University Board of Trustees to assist in operating and managing the Pilot Plant as required by the State statute. A quorum of the advisory board members was achieved however, it is not clear on the agenda whether a board meeting was held or just an informational annual meeting with the Advisory Board and stakeholders. In addition, there were no minutes kept of the meeting.

The Southern Illinois University Management Act (Act) (110 ILCS 520/6.5) requires the SIU Board of Trustees to operate and manage the Pilot Plant for the purpose of reducing the costs of producing ethanol through the development and commercialization of new production technologies, equipment, processes, feedstocks, and new value-added co-products and by-products. The Act states this work shall be conducted under the review and guidance of the Advisory Board.

The Act states the Advisory Board shall meet at least annually and have the following duties:

- Review of annual operating plans and budget of the Pilot Plant.
- Advise on research and development priorities and projects to be carried out at the Pilot Plant.
- Advise on policies and procedures regarding the management and operation of the Pilot Plant, which may include contracts, project selection, and personnel issues.
- Develop bylaws.
- Submit a final report to the Governor and General Assembly outlining the progress and accomplishments made during the year along with a financial report for the year; and
- Establish and operate the National Corn-to-Ethanol Research Center of Excellence with purposes and goals including conducting research, providing training, consulting, developing demonstration projects, and service as an independent resource to the ethanol industry.

The Open Meetings Act (5 ILCS 120/1) states it is the public policy of this State that its citizens shall be given advance notice of and the right to attend all meetings at which any business of a public body is discussed or acted upon in any way. The Open Meetings Act (5 ILCS 120/2.06) further states all public bodies shall keep written minutes of all their meetings, approved within 30 days, and available for public inspection within 10 days after approval. Minutes shall include the date, time and place of the meeting; member attendance; and a summary of discussion on all matters proposed, deliberated, or decided, and a record of any votes taken.

(SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-015. Finding: Illinois Ethanol Research Advisory Board (Continued)

This finding was first noted during the University's fiscal year June 30, 2015 State compliance examination. As such, the University has been unsuccessful in implementing corrective action to remedy this deficiency.

University management indicated they did not distinctly document the annual requirements of the Advisory Board or maintain minutes or documentation of the actions taken because the responsible parties were not aware of the need to do so.

Failure to comply with all provisions of the Act prohibits the University's ability to manage the Pilot Plant as envisioned by the General Assembly. (Finding Code No. 2023-015, 2022-021, 2021-006, 2020-011, 2019-006, 2018-008, 2017-011, 2016-001, 2015-011).

RECOMMENDATION

We recommend the University give advance public notice of the intent to conduct a business meeting of the Advisory Board in order to properly conduct and document the required duties of the Board. In addition, we recommend the University prepare an agenda of the business to be discussed and acted upon and maintain minutes of the matters proposed, deliberated, or decided by the Advisory Board meeting the requirements of the Act. We further recommend the University ensure the responsible staff are informed and receive training as needed to satisfy statutory mandates for both the Advisory Board and the Open Meetings Act.

UNIVERSITY RESPONSE

The National Corn to Ethanol Research Center (Pilot Plant) agrees to conduct its annual stakeholders meeting in accordance with the Open Meetings Act, and will retain minutes of such meetings, in order to document the duties performed by the Advisory Board. Further, we will seek out the necessary training for responsible parties.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF IMMATERIAL FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-016. Finding: Census Data Reconciliation

Southern Illinois University (University) did not complete its annual census data reconciliation and certifications.

During our testing, we noted that neither campus reconciled changes in SURS member data to University records or submitted the required census data reconciliation certifications for FY22 data, as required by SURS, by May 31, 2023, although they had a process in place to do so.

In accordance with the AICPA’s Audit and Accounting Guide: State and Local Governments, the State Universities Retirement System (SURS) stated employee census data should be reconciled annually by each university to a report provided by SURS and used by SURS’ and CMS’ actuaries. This reconciliation process helps mitigate the risk of using incomplete or inaccurate data and ensures the accuracy of reported pension and other post-employment benefit (OPEB) balances. Further, this reconciliation process ensures the completeness of employer and plan data, reduces payroll errors, confirms personnel files are up-to-date, and most importantly decreases the risks of financial misstatements. SURS requested the University to reconcile their Fiscal Year 2022 census data, certify to SURS that the reconciliation and eligibility review was completed, and report any potential data errors found by May 31, 2023.

University management stated neither campus had sufficient resources to complete annual census data reconciliations and related certifications.

Failure to perform and submit the required certifications could lead to reduced reliability of pension and OPEB related information and balances. (Finding Code No. 2023-016)

RECOMMENDATION

We recommend the University dedicate specific resources to complete annual reconciliations of census data and to submit certifications and potential errors identified by the required due date. We further recommend the University promptly reconcile the Fiscal Year 2022 census data, submit the required certifications and any potential errors noted to SURS, and work with SURS to address any differences noted.

UNIVERSITY RESPONSE

SIU agrees that specific dedicated resources are needed to complete annual reconciliations of census data and to submit certifications and potential errors identified by the required due date. To ensure the SURS census data reconciliation report is submitted timely going forward, each campus has taken measures to make this task a priority.

Specifically, SIUC HR added a new permanent, part-time position that will be responsible for completing outstanding reconciliations of census data and ensuring timely completion during

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF IMMATERIAL FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-016. Finding: Census Data Reconciliation (Continued)

UNIVERSITY RESPONSE (Continued)

FY24 and beyond in collaboration with already existing resources. Additionally, HR and IT have developed standard reports to better enable the reconciliation process moving forward. It is also important to note that such data is also reconciled with any SURS related life event (retirement, withdrawal of funds, etc.). Thus, while these annual reconciliations are important, HR also verifies data as requested by SURS before any individual retirement account actions are taken.

SIUE Human Resources has added this task to its master calendar which is reviewed on a regular basis in administration meetings. The Benefits Manager will collaborate with the assigned Human Resources Accounting Associate to compile the SURS census report. For anomalies and cases deemed to be highly difficult, the Benefits Manager will meet weekly with a dedicated SURS Supervisor to discuss and formulate remedial action. The Benefits Manager and the Human Resources Accounting Associate will also meet with the SURS supervisor to discuss avenues to promptly reconcile the Fiscal Year 2022 census data, submit the required certifications, and report any potential errors to SURS.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF IMMATERIAL FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-017. Finding: Failure to Report Hire of Retired Employees to SURS

Southern Illinois University (University) lacked supporting documentation and reporting required for retirees who had been rehired.

During testing of rehires of retired employees, we noted the University had not prepared and/or maintained and entered a return to work form into the State University Retirement System (SURS) system for two of 23 (9%) rehired retired employees tested.

In order for retired employees to be rehired and accurately paid, a return to work form must be completed and input into the SURS system with information that accurately reflects their status.

The Illinois Pension Code (40 ILCS 5/15-139.5) states “an employer who employs or re-employs a person receiving a retirement annuity from the System in an academic year beginning on or after August 1, 2013, must notify the System of that employment within 60 days after employing the annuitant. The notice must include a summary of the contract of employment or specify the rate of compensation and the anticipated length of employment of that annuitant. The notice must specify whether the annuitant will be compensated from federal, corporate, foundation, or trust funds or grants of State funds that identify the principal investigator by name. The notice must include the employer’s determination of whether the annuitant is an “affected annuitant”.”

The State Records Act (Act) (5 ILCS 160/1 *et seq.*) requires each agency to make and preserve records containing adequate and proper documentation designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency’s activities. The Act further requires each agency to establish and maintain an active, continuing program for the economical and efficient management of records.

University management stated they could not determine if required return to work documents had been filed due to turnover of staff.

Failure to notify the SURS system of rehiring a retired employee within 60 days could result in the annuitant being paid inappropriately by the SURS system. Failure to obtain and maintain return to work forms increases the likelihood errors in retiree benefits could occur and not be prevented, detected, or corrected timely. (Finding Code No. 2023-017)

RECOMMENDATION

We recommend the University implement controls to ensure documentation is timely prepared, maintained, and entered into the SURS system once an employee is officially hired or rehired for employment at the University.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF IMMATERIAL FINDINGS – CURRENT FINDINGS (CONTINUED)
For the Year Ended June 30, 2023

2023-017. Finding: Failure to Report Hire of Retired Employees to SURS
(Continued)

UNIVERSITY RESPONSE

We agree. In order to prevent future issues with SURS and faculty members we are implementing additional and more timely reviews of faculty contracts, as well as additional controls to ensure the accuracy of the data entered into our Banner system. We are also installing a two-person review system so one person will check the work of another person and therefore prevent future errors from occurring.

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Year Ended JUNE 30, 2023

A. FINDING - Inadequate Procedures for Ensuring Compliance with Earmarking Requirements for Student Support Services Program

During the prior engagement period, the Southern Illinois University Carbondale campus did not have adequate procedures to ensure the earmarking requirements for the Student Support Services program were met during the fiscal year.

Status: Not Repeated

During the current engagement period, our testing indicated the earmarking requirements were met. (Finding Code No. 2022-002, 2021-002, 2020-003, 2019-001, 2018-002)

B. FINDING - Sliding Fee Discount Not Applied to All Eligible Patients

During the prior engagement period, the Southern Illinois University Springfield campus did not properly apply the sliding fee discount to all eligible patients.

Status: Not Repeated

During the current engagement period, our testing indicated the sliding fee discounts were being provided to all eligible patients in our sample. (Finding Code No. 2022-003)

C. FINDING - Insufficient Controls over Review and Approval of Cash Drawdowns

During the prior engagement period, the Southern Illinois University Carbondale campus did not have procedures in place to consistently review cash drawdowns for the Research and Development Cluster.

Status: Not Repeated

During the current engagement period, the Southern Illinois Carbondale campus established additional procedures and our sample testing did not identify any instances of cash drawdowns lacking review. (Finding Code No. 2022-004)

D. FINDING - Inadequate Procedures for Ensuring Retention of Eligibility Documentation for the Upward Bound Program

During the prior engagement period, the Southern Illinois University Edwardsville campus did not have adequate procedures in place to ensure the required documentation was retained for all students who received stipends during the audit period.

Status: Not Repeated

During the current engagement period, no stipends were paid, no new participants were added, and the grant was closed out for the program location where the prior audit exceptions occurred. In addition, the University made some changes to ensure eligibility documentation is retained for the ongoing TRIO programs. (Finding Code No. 2022-005)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED (CONTINUED)
For the Year Ended JUNE 30, 2023

E. FINDING - Inaccurate Reporting of Student Verification Status

During the prior engagement period, the Southern Illinois University Carbondale campus incorrectly reported the verification status for a student to the U.S. Department of Education through the Common Origination and Disbursement (COD) website.

Status: Not Repeated

During the current engagement period, our sample testing did not identify any instances of incorrect verification statuses being reported to the U.S. Department of Education through the COD website. (Finding Code No. 2022-006)

F. FINDING - Exit Counseling Not Completed

During the prior engagement period, the Southern Illinois University Edwardsville campus did not complete exit counseling for all necessary students within the required time period.

Status: Not Repeated

During the current engagement period, our sample testing of students that changed status (graduated, transferred, or withdrew) identified no reportable instances of noncompliance with timeliness requirements. (Finding Code No. 2022-007, 2021-003, 2020-004, 2019-002, 2018-005, 2017-004)

G. FINDING - Procurement Requirements Not Followed

During the prior engagement period, the Southern Illinois University Edwardsville campus did not follow procurement requirements for all purchases under the Higher Education Emergency Relief Fund (HEERF).

Status: Not Repeated

During the current engagement period, our testing indicated no instances of procurement requirements not being followed for HEERF expenditures in our sample. (Finding Code No. 2022-008)

H. FINDING - Lack of Disaster Recovery Test

During the prior engagement period, the Southern Illinois University Edwardsville campus did not complete a Disaster Recovery Test.

Status: Not Repeated

During the current engagement period, our testing indicated a disaster recovery test was completed on March 17, 2023. (Finding Code No. 2022-013)

SOUTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED (CONTINUED)
For the Year Ended JUNE 30, 2023

I. FINDING - Forensic Psychiatry Fellowship Training Program

During the prior examination, the Southern Illinois University Carbondale campus did not establish a forensic psychiatry fellowship training program as required by the statute.

Status: Not Repeated

During the current examination, the University worked with Illinois legislators to modify the statute to require the program to be in place only if funded by appropriation. This legislation was approved via Public Act 103-363 in May 2023 and signed by the Governor in July 2023. In addition, there was no state appropriation funding for the program during FY23. (Finding Code No. 2022-018, 2021-009)