

NORTHEASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

FEDERAL SINGLE AUDIT

In Accordance with the
Single Audit Act and
Applicable Federal Regulations

For the Year Ended June 30, 2023

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

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT

(In Accordance with the Single Audit Act
and Applicable Federal Regulations)

For the Year Ended June 30, 2023

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NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
For the Year Ended June 30, 2023

University Officials

President (06/01/18 to 06/30/23)	Dr. Gloria Gibson
Interim President (07/01/23 to Present)	Dr. Katrina Bell-Jordan
Vice President for Finance and Administration/Treasurer	Mr. Manish Kumar
University General Counsel (09/20/21 to 10/03/23)	Mr. G.A. Finch
University General Counsel (10/04/23 to Present)	Vacant
Director of Internal Audit (09/11/17 to 01/06/23)	Ms. Rita Moore
Director of Internal Audit (01/07/23 to 09/17/23)	Vacant
Director of Internal Audit (09/18/23 to Present)	Ms. Chrystal Temples

Board Officers

Chair (Member expiration 01/16/23)	Mr. Jim Palos
Chair (Member since 01/17/23, 03/06/23 to 01/29/24)	Mr. Jose Rico
Chair (elected 02/15/24)	Mr. J. Todd Phillips
Vice Chair (Member expiration 01/16/23)	Ms. Sherry Eagle
Vice Chair (Member since 05/16/19, elected 03/06/23)	Mr. Marvin Garcia
Secretary (Member expiration 01/16/23)	Mr. Jonathan Stein
Secretary (Member since 01/31/23, 03/06/23-02/14/24)	Mr. J. Todd Phillips
Secretary (elected 02/15/24)	Ms. Anna Meresidis

Board Members

Member (10/04/06 to 01/16/23)	Mr. Jim Palos
Member (01/17/23 to 01/29/24)	Mr. Jose Rico
Member (10/04/06 to 01/16/23)	Mr. Carlos Azcoitia
Member (01/17/23 to 01/30/23)	Vacant
Member (Appointed 01/31/23)	Dr. Paula Wolff
Member (02/27/17 to 01/16/23)	Ms. Sherry Eagle
Member (01/17/23 to 03/15/23)	Vacant
Member (Appointed 03/16/23)	Ms. Betty Fleurimond
Member (03/28/11 to 01/30/23)	Mr. Jonathon Stein
Member (Appointed 01/31/23)	Mr. J. Todd Phillips
Member (05/16/19 to 01/31/23)	Mr. Charles Serrano
Member (02/01/23 to 08/06/23)	Vacant
Member (Appointed 08/07/23)	Mr. Anna Meresidis
Member	Mr. Marvin Garcia
Member	Ms. Anna Kalayil
Member (07/01/22 to 03/15/23)	Vacant
Member (Appointed 03/16/23)	Ms. Michelle Morales
Member (07/01/22 to 05/21/23)	Vacant

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Board Members
(Continued)

Member (Appointed 05/22/23)	Mr. Jorge Leon
Member (01/30/24 to present)	Vacant
Student Member (07/01/22 to 06/30/23)	Ms. Shyrice Howell
Student Member (07/01/23 to 06/30/24)	Mr. Edwin Medina

University Office

Northeastern Illinois University's primary administrative office is located at 5500 N. St. Louis Avenue, Chicago, Illinois 60625.

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FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2023

FEDERAL COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this audit of the Northeastern Illinois University (University) was conducted in accordance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *Government Auditing Standards*.

AUDITOR’S REPORT

The Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards, and the Schedule of Federal and Nonfederal Activity does not contain scope limitations, disclaimers, or other significant non-standard language but does identify material weaknesses over internal control over financial reporting.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	7	7
Repeated Findings	5	4
Prior Recommendations Implemented or Not Repeated	2	4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings – <i>Government Auditing Standards</i>				
2023-001	13	2022/2020	Inadequate Internal Controls over Census Data	Material Weakness/ Noncompliance
2023-002	16	2022/2022	Lack of Adequate Controls over Year End Reports and Reconciliations	Material Weakness/ Noncompliance
2023-003	18	New	Noncompliance with Fiscal Control and Internal Audit Act	Material Weakness/ Noncompliance
2023-004	20	2022/2019	Lack of Adequate Controls over Review of Internal Controls over Service Providers	Significant Deficiency/ Noncompliance

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For the Year Ended June 30, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings – Government Auditing Standards (Continued)				
2023-005	22	2022/2017	Weaknesses in Computer Security	Significant Deficiency/ Noncompliance
2023-006	24	New	Lack of Adequate Change Management Controls	Significant Deficiency/ Noncompliance

Current Findings – Federal Compliance and Questioned Costs

2023-007	26	2022/2020	Noncompliance with Grant Report Requirements	Significant Deficiency/ Noncompliance
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Prior Findings Not Repeated

A	28	2022/2022	Insufficient Controls over Expenses Charged to TRIO Grant
B	28	2022/2022	Insufficient Controls over Payroll Charged to Research Grant

EXIT CONFERENCE

The University waived an exit conference for the Federal Compliance OMB Uniform Guidance audit in an email from Chrystal Temples, Director of Internal Audit on March 11, 2024. The responses to the recommendations were provided by Chrystal Temples, Director of Internal Audit, in a correspondence dated March 11, 2024.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Northeastern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Northeastern Illinois University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated March 15, 2024. Our report includes a reference to other auditors who audited the financial statements of the Northeastern Illinois University Foundation as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing 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 of this section 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 were not identified. However, as described in the accompanying Schedule of Findings as items 2023-001 through 2023-006 we identified 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, misstatements on a timely basis. *A material weakness* is a deficiency, or a

Honorable Frank J. Mautino
Auditor General
State of Illinois

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combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements 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 2023-001, 2023-002, and 2023-003 to be material weaknesses.

A *significant deficiency* 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 2023-004, 2023-005, 2023-006 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2023-001 through 2023-006.

The University's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying Schedule of Findings. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Portage, Michigan
March 15, 2024

**INDEPENDENT AUDITOR'S
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND,
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE AND
THE SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY**

Honorable Frank J. Mautino
Auditor General
State of Illinois

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Board of Trustees
Northeastern Illinois University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Northeastern Illinois University (University) with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Honorable Frank J. Mautino
Auditor General
State of Illinois

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Board of Trustees
Northeastern Illinois University

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The University's basic financial statements include the operations of the Northeastern Illinois University Foundation, which is not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the discretely presented component unit because the component unit engaged other auditors to perform an audit of their financial statements and, if necessary, an audit of compliance and we do not assume responsibility for, and accordingly make reference to, the audit of the component auditor in our *Independent Auditor's Report* on the component unit.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report

Honorable Frank J. Mautino
Auditor General
State of Illinois

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on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Instances of Noncompliance

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Corrective Action Plan

The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as described below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

Honorable Frank J. Mautino
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State of Illinois

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Board of Trustees
Northeastern Illinois University

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-007 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Internal Control Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Corrective Action Plan

The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Federal and Nonfederal Financial Activity

We have audited the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the University as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, March 15, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Federal

Honorable Frank J. Mautino
Auditor General
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Northeastern Illinois University

and Nonfederal Financial Activity is fairly stated in all material respects in relation to the basic financial statements as a whole.

SIGNED ORIGINAL ON FILE

Portage, Michigan
March 15, 2024

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2023

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 C.F.R. § 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425E, 84.425F, and 84.425C	COVID-19: Education Stabilization Fund
84.007, 84.033, 84.038, 84.063, 84.268 and 84.379	Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes No

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2023

2023-001. FINDING – Inadequate Internal Controls over Census Data

Northeastern Illinois University (University) did not have adequate internal control over reporting its census data and did not have a reconciliation process 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, we noted 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:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.
- During the cut-off testing of data transmitted by the University to SURS, the auditors noted 1 instance of an active employee becoming inactive and 1 instance of an inactive employee becoming active were reported to SURS after the close of the fiscal year in which the event occurred. There was also 1 instance previously reported that still impacted the June 30, 2021 census data.

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A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS
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 we identified during our 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.

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

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2023

2023-001. FINDING – Inadequate Internal Controls over Census Data (Continued)

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, we noted 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 base year reconciliation process was not established until Fiscal Year 2021, which is currently being performed by University staff. In addition, they indicated the late reported events were due to the difficulty in timely reporting events which occur near the end of the fiscal year to SURS. Finally, they indicated the one instructor was not reported to SURS due to oversight.

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 work with SURS to complete the base year reconciliation of Fiscal Year 2021 active members’ census data from its underlying records to a report of census data submitted to SURS’ actuary and CMS’ actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations 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.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS*
For the Year Ended June 30, 2023

2023-002 FINDING - Lack of Adequate Controls Over Year-end Reviews and Reconciliations

The Northeastern Illinois University (University) did not timely complete and did not have adequate reviews of its year-end reconciliations.

During our testing we noted the following:

1. We found multiple invoices with improper cutoff between Fiscal Year 2023 and Fiscal Year 2024, including items that were recorded in 2024 that should have been recorded in 2023 and vice versa.

We noted (a) one Fiscal Year payment for 4 invoices totaling \$310,443 which should have been accrued for in Fiscal Year 2023, (b) one invoice totaling \$100,950 which should have been accrued for in Fiscal Year 2023, and (c) one vendor with 3 invoices totaling \$15,000 which should have been accrued for in Fiscal Year 2024 but were accrued for in Fiscal Year 2023.

2. When University went live on April 16, 2023 with their new Payroll and Human Resources system there were conversion issues with how the activity was calculated and recorded in the University's general ledger. Several corrections had to be made to both employee pay and amounts posted into the University's general ledger. Due to the inability to get accurate data from the new system, the University recorded estimates for deferred faculty pay and accrued sick and vacation as of June 30, 2023, based on historical trend information and recorded an additional liability of \$483,130. The University also recorded an entry in late October for retroactive pay of \$1,245,337 that was paid in July 2023 for Fiscal Year 2023.
3. The University did not timely reconcile federal and state grant receivables and revenue. Once reconciled in October 2023, the University recorded a receivable of \$1,502,692, federal grant revenues of \$2,029,994, and a net reduction of state grant and other grant revenues by \$527,757.
4. The University did not complete a final analysis and recording of subscription-based information technology arrangements (SBITAs) (effective for FY23) until November 2023. The amounts recorded increased assets by \$3,326,049, liabilities (current and noncurrent) by \$3,009,333, as well as impacted several expense accounts including rent expense and amortization.

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2023-002 FINDING - Lack of Adequate Controls Over Year-end Reviews and Reconciliations (Continued)

Per Governmental Accounting Standards Board (GASB) Statement 62, certain aspects of the Financial Accounting Standards Board (FASB) and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure statements and guidance provide clarity on the treatment of most exchange expense transactions, in which they are required to be accounted for in the year of good or services being provided. As such, the University should accrue for any and all items identified through its initial closing period that relate to the fiscal year, in such fiscal year.

Per Governmental Accounting Standards Board (GASB) Statement 96 – *Subscription-Based Information Technology Arrangements (SBITAs)*, are defined and establishes when a contract results in a right-to-use subscription asset and a corresponding subscription liability. The standard also provides the capitalization/amortization criteria for the asset.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of internal fiscal and administrative controls to provide assurance that expenditures and transfers of assets are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports.

University officials indicated that the lack of timely and accurate year end reviews and reconciliations was due to lack of resources and oversight during a labor-intensive Payroll and Human Resource System implementation.

Failure to maintain adequate internal controls over year-end reconciliations and reports could result in incorrect financial reporting. (Finding Code No. 2023-002, 2022-004)

RECOMMENDATION

We recommend the University strengthen its internal controls by performing timely and accurate reconciliations throughout the year, as well as, at year end. In addition, we recommend the University closely monitor allocation of resources based on priorities to ensure there are sustained internal controls on a consistent basis.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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2023-003 FINDING - Noncompliance with the Fiscal Control and Internal Auditing Act

Northeastern Illinois University (University) did not comply with the Fiscal Control and Internal Auditing Act (FCIAA).

During testing of the University’s Fiscal Year 2023 internal auditing activities, we noted the following:

1. The Internal Auditor did not conduct any audits of major systems of internal accounting and administrative control;
2. The Internal Auditor did not conduct reviews of the design of two major new software systems before their installations;
3. The Internal Auditor position was vacant from January 7, 2023 through September 17, 2023; and
4. The University President did not provide a certification by May 1, 2023 that the University’s systems of internal fiscal and administrative controls did or did not fully comply with the requirements of the FCIAA.

FCIAA (30 ILCS 10/2003(a)) requires the University’s internal auditing program to include audits of major systems of internal accounting and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every two years. FCIAA also requires reviews of the design of major new electronic data processing systems and major modifications of those systems before their installation to ensure the systems provide for adequate audit trails and accountability.

FCIAA (30 ILCS 10/3003) requires the University’s chief executive officer, by May 1 of each year, to prepare and transmit to the Auditor General a certification that the systems of internal fiscal and administrative controls of the State agency fully comply or do not fully comply with the requirements of this act. If the systems do not fully comply with the requirements of this Act, the certification shall include a report describing any material weaknesses in the systems of internal fiscal and administrative controls and the plans and schedule for correcting the weaknesses, or a statement of the reasons why the weaknesses cannot be corrected.

University officials stated upper management asked the internal auditor to be heavily involved in the implementation of the fixed asset database system project which delayed the audits of major systems of internal accounting and administrative control conducted on a periodic basis. This resulted in no internal audits during FY23. In addition, the internal audit position was vacant from the period January 7, 2023 through September 17, 2023 resulting in no one on staff to review the new purchasing software and payroll/HR systems that were implemented during FY23. Due to a lack of internal audit staff, there was no preparation of the certification of the systems of internal fiscal and administrative controls of the University for the President to certify by May 1, 2023.

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2023-003 FINDING - Noncompliance with the Fiscal Control and Internal Auditing Act (Continued)

Lack of timely audits of major systems, proper internal audit staffing, and review of the design of new software system implementations inhibits the University's ability in monitoring the effectiveness of its system of internal controls and results in noncompliance with the Act.

Failing to submit the annual certification is noncompliance with the Act. (Finding Code No. 2023-003)

RECOMMENDATION

We recommend the University ensure audits of major systems of internal accounting and administrative controls and new major software systems are completed as required activities in accordance with the FCIAA. We also recommend the Internal Auditor complete a post implementation review of both major system implementations.

UNIVERSITY'S RESPONSE

The University agrees with the recommendation.

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2023-004 FINDING – Lack of Adequate Controls over Review of Internal Controls over Service Providers

The Northeastern Illinois University (University) did not document independent internal control reviews over service providers.

The University entered into agreements with various service providers to assist with significant processes such as (1) receipts processing for online credit card payments, (2) disbursement processing of purchasing card, (3) handling of Perkins student loans, (4) tracking of property and equipment, and (5) hosting its Enterprise Application System.

We requested the University to provide a population of service providers. In response to this request, the University provided a listing of service providers. However, our testing noted the listing contained all vendors of the University Technology Services. In addition, we identified service providers from testing that were not on the list. Due to this deficiency, we were unable to conclude the University's records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C § 530, and AT-C § 205.36) to test the University's controls over service providers.

Even given the population limitation, we selected five service providers from the listing provided by the University. During our testing, we noted the University had not:

- Established a documented and comprehensive policy or procedures to guide vendor's due diligence when onboarding third-party service provider.
- Established documented policies and procedures to monitor performance and contractual compliance of service providers.
- Mapped the Comprehensive User Entity Controls (CUECs) noted in service providers' to existing internal controls at the University.

This finding was first reported in Fiscal Year 2019. In subsequent years, the University has been unsuccessful in implementing adequate controls and procedures to ensure appropriate security structure is established at the service providers.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of

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2023-004 FINDING – Lack of Adequate Controls over Review of Internal Controls over Service Providers (Continued)

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.

Without maintaining a complete list of service providers and proper documentation of its review of the CUECs relevant to the University, the University does not have assurance the service provider’s internal controls are adequate. Failure to include a requirement in the contracts with service providers for independent review and monitoring specified performance, problems encountered, and compliance with contractual terms may result in obligations and services not being met and not timely detected and corrected. (Finding Code No. 2023-004, 2022-003, 2021-003, 2020-003, 2019-020)

RECOMMENDATION

We recommend the University strengthen its controls in identifying and documenting all service providers. Further, we recommend the University:

- Continue to obtain and document its review of SOC reports (including subservice organizations) or conduct independent internal control reviews at least annually.
- Establish a regular review process to monitor specified performance measures, problems encountered, and compliance with contractual terms with the service providers.
- Monitor and document the operation of the CUECs relevant to the University’s operations.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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CURRENT FINDINGS– GOVERNMENT AUDITING STANDARDS
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2023-005 FINDING – Weaknesses in Computer Security

Northeastern Illinois University (University) has not adequately safeguarded their computing environment.

During our review, we noted the following;

- There are no defined frequency requirements for User Access Reviews in the University’s Account Management Policy.
- 22 of 179 servers (12%) and 112 of 2,091 (5%) workstations (including laptops) contained outdated and unsupported operating systems.
- 3 of 10 (30%) new Banner users tested did not have documented access approvals prior to being granted Banner access.
- 7 of 7 (100%) terminated Banner users tested were still active in the Banner system after their termination.
- We were unable to obtain documentation that user access listings sent to University divisions and departments were reviewed and/or updated within Banner.
- We noted 6 of 25 users (24%) tested had unnecessary Enterprise Service Management (ESM) procurement access per supervisors’ responses. We also noted one terminated user had active ESM access.
- We were unable to obtain access validation response for 5 of 20 (25%) Banner users tested.

This finding was first reported in Fiscal Year 2017. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over computer security.

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 the National Institute of Standards and Technology, Access Control section, 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 officials stated staffing constraints, turnover and competing priorities resulted in a lack of awareness of importance of responding timely to user access reviews, as well as adding and terminating employees from the systems in a timely manner.

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CURRENT FINDINGS– *GOVERNMENT AUDITING STANDARDS*
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2023-005 FINDING – Weaknesses in Computer Security (Continued)

Failure to have adequate security over computing resources increases the risk of unauthorized access to the computing environment. (Finding Code No. 2023-005, 2022-002, 2021-002, 2020-002, 2019-018, 2018-021, 2017-018).

RECOMMENDATION

We recommend the University perform and document a periodic review of system access rights to ensure access rights are appropriate and based on job requirements. We also recommend the University to periodically upgrade or decommission unsupported systems as necessary.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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2023-006 FINDING - Lack of Adequate Change Management Controls

Northeastern Illinois University (University) did not have adequate Change Management Controls.

The University currently does not have or enforce adequate change management controls for its key systems. Additionally, the University does not have adequate change monitoring controls to validate that all implemented changes were approved.

During our review, we noted the following:

- The University was unable to provide a complete and accurate report of changes to Banner. Due to this condition, we were unable to conclude the University’s population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 500.08 and AT-C § 205.36). Even given the population limitations noted above, which hindered our ability to conclude whether the population was complete, we performed testing of the information provided.
- The University did not have defined change categories in the population of changes. Population of (Banner and Workday) changes does not include emergency change categorization and/or we could not determine whether there were emergency changes that occurred during the examination period.
- 3 of 5 (60%) tested changes made in Banner did not follow the University's change management policy/requirements.
- For 30 of 30 (100%) changes made in Workday tested, documentation was not available to evidence the change management process. In addition, Workday functional configuration changes did not follow the University’s change control management policy/requirements.
- The University does not have a formal requirement for post implementation review of all changes including emergency changes.
- In the Banner system, access to develop changes and access to implement changes is not adequately segregated.

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 the National Institute of Standards and Technology, Information Protection Processes section, requires entities to develop Security policies (that address purpose, scope, roles, responsibilities, management commitment, and coordination among organizational entities), processes, and procedures are maintained and used to manage protection of information systems and assets.

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.

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2023-006 FINDING - Lack of Adequate Change Management Controls (Continued)

University management stated exceptions were due to staffing constraints, along with system implementations.

Without adequate change management procedures, there is a greater risk of unauthorized, improper, or erroneous changes to computer systems. The lack of separation of duties in the computer environment increases the risk that the confidentiality, integrity, and availability of data will be compromised. (Finding Code No. 2023-006).

RECOMMENDATION

We recommend the University:

- Implement tools, appropriate logging workflows, or processes which would be used to generate a complete and accurate system report of all changes made to Banner including to define and classify all changes into their appropriate types.
- Design, document and enforce all changes go through the change control processes with exceptions to the documented processes being defined.
- Implement a tool, workflows, or appropriate processes to segregate access to change development and access to change implementation.
- Implement a defined periodic change review process to validate that all implemented changes were appropriately approved and implemented.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS
For the Year Ended June 30, 2023

2023-007 FINDING - Noncompliance with Grant Report Requirements

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425E/84.425F
Program Names and Award Numbers:	Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act [COVID-19 Higher Education Emergency Relief Fund: Institution Portion (P425F200852); and COVID-19 Higher Education Emergency Relief Fund: Student Portion (P425E201821)]
Program Expenditures:	\$5,142,525
Questioned Costs:	None

Northeastern Illinois University (University) did not have adequate procedures in place to ensure the Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) reports were accurate and timely submitted to the U.S. Department of Education and posted to NEIU’s website.

During our testing of the University’s compliance with the grant reporting requirements for HEERF, we noted the University did not review the required reports to ensure accuracy and compliance with the reporting requirements of the grant agreement. We noted the following:

- Four of 4 (100%) Quarterly Public Reports were improperly completed and/or reported incorrect Student Aid amounts.

The Department of Education Quarterly Budget and Expenditure Reporting Form requires the University to post the number of students and total amount of aid received each quarter. In addition, the Form requires the posting of cumulative student aid disbursed by quarter for both undergraduate and graduate. Finally, the University should note the average award amount per student for both undergraduate and graduate.

- Three of 4 (75%) Quarterly Public Reports were posted 15 days, 30 days, and 107 days late to the University’s website.

The Department of Education Quarterly Budget and Expenditure Reporting Form requires the University to post the Quarterly Public Reports covering each quarterly reporting period (September 30, December 31, March 31, June 30), no later than 10 days after the end of each calendar quarter.

Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control designed to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award.

University officials stated required reports were not timely and accurately submitted due to turnover within the University resulting in staffing constraints.

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2023-007 FINDING - Noncompliance with Grant Report Requirements (Continued)

Failure to meet grant reporting requirements is noncompliance with federal regulations and could result in loss of grant funding in future years. (Finding Code No. 2023-007, 2022-005, 2021-008, 2020-011)

RECOMMENDATION

We recommend the University improve its grant reporting and monitoring process to adhere with grant requests for reporting.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2023

A. FINDING – Insufficient Controls over Expenses Charged to TRIO Grant

During the prior audit, Northeastern Illinois University (University) charged unallowable payroll expenditures to the TRIO Student Support Services Grant

During the current audit, our sample testing indicated payroll expenditures were properly charged and reviewed for allowability. (Finding Code No. 2022-006)

B. FINDING – Insufficient Controls over Payroll Charged to a Research Grant

During the prior audit, Northeastern Illinois University (University) did not pay an employee for the time worked on a grant for a 3-month period when the employee worked those hours.

During the current audit, our sample testing indicated payroll expenditures were properly reviewed for allowability and tested employees were paid for hours worked. (Finding Code No. 2022-007)

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For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed-Through to Subrecipients
Student Financial Assistance Cluster				
Department of Education				
Federal Supplemental Educational Opportunity Grants	(M)	84.007	\$ 464,988	\$ -
Federal Direct Student Loans	(M)	84.268	12,177,718	-
Federal Work-Study Program	(M)	84.033	576,152	-
Federal Perkins Loan Program	(M)	84.038	784,418	-
Federal Pell Grant Program	(M)	84.063	10,988,382	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M)	84.379	159,691	-
Total Department of Education			<u>25,151,349</u>	<u>-</u>
Total Student Financial Assistance Cluster			<u>25,151,349</u>	<u>-</u>
Research and Development Cluster				
National Science Foundation				
Geosciences				
Collaborative Research: Measurement of Cooper Speciation in Basaltic Glasses using X-ray Absorption Spectroscopy, a New Window on Metal Solubility and Transport in Magmatic Systems		47.050	20,737	-
RUI/Collaborative Research: The Rise of C4 Grasses South America: Linking Grassland Transition to the South American Summer Monsoon		47.050	14,034	-
Passed-Through Michigan State University GP-GO: Building Latinx Pathways into Geoscience Graduate Education through RI-HSI-Nonprofit Collaborations		47.050	RC111690A 5,000	-
Collaborative Research: REU Site: Water Resources and Quality on the Riviera Maya, Mexico		47.050	4,359	-
Total Geosciences			<u>44,130</u>	<u>-</u>
Computer and Information Science and Engineering				
Passed-Through University of Texas at El Paso NSF INCLUDES Alliance: Computing Alliance of Hispanic-Serving Institutions		47.070	226100998J 82,735	-
CISE-MSI: RPEP: S&CC: Information Systems meet Cultural Competencies (IS-CUCO): Enabling data-driven decision-making in underserved Hispanic populations.		47.070	246,716	164,950
CISE-MSI: DP: IIS-III: ACOSUS: An AI-driven counseling System for Underrepresented Transfer Students		47.070	116,030	73,318
CISE-MSI: DP: SCH: Preserving Tutoring System for Health Education of Low Literacy Hispanic Populations		47.070	16,212	-
Collaborative Research: HDR DSC: The Metropolitan Chicago Data Science Coprs (MCDCC): Learning from Data to Support Communities		47.070	19,615	-
Total Computer and Information Science and Engineering			<u>481,308</u>	<u>238,268</u>
Biological Sciences				
Passed-Through Hauptman Woodward Medical Research Institute Z/E Isomerization in Phytochromes from Myxobacteria		47.074	6227 70,405	-
Passed-Through Illinois Institute of Technology PCN-UBE Incubator: Stem Research on Non-model Genomes Network		47.074	A22-0016-S002 2,914	-
Total Biological Sciences			<u>73,319</u>	<u>-</u>
Social, Behavioral, and Economic Sciences				
Suburban Social Contacts and Changing Demographic Balances		47.075	10,504	-
Total Social, Behavioral, and Economic Sciences			<u>10,504</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed-Through to Subrecipients
Research and Development Cluster (Continued)				
National Science Foundation (Continued)				
STEM Education (formerly Education and Human Resources)				
Passed-Through Chicago State University				
Illinois Louis Stokes STEM Pathways and Research Alliance (ILSPRA)	47.076	53114	\$ 8,269	\$ -
Robert Noyce Teacher Scholarship Program: University and Community College Collaboration for Mathematics and Biology Scholar Teacher Education	47.076		113,658	-
Chicago STEM Teaching Collaborative: Developing a STEM Master Teachers Program	47.076		30,356	-
Passed-Through Education Development Center				
Preparation for Persistence: Building a Community of Practice to Research and Support Noyce Scholars in High-Need Schools	47.076	2021-0143	22,114	-
Building Capacity: Addressing Critical Transitions of First-Year STEM Students	47.076		202,583	-
Passed-Through Harold Washington College				
Exploring the Impact of Cultural Wealth & Scholarship Advancing Computer Science Transfers for Success on Community College Students Success in STEM	47.076	18050523-NEIUSA1	12,016	-
Total STEM Education (formerly Education and Human Resources)			<u>454,697</u>	<u>-</u>
Total National Science Foundation			<u>1,063,958</u>	<u>238,268</u>
Department of Health and Human Services				
Biomedical Research and Research Training				
NU-STARS for Northeastern Illinois Student Training in Academic Research in the Sciences				
Passed-Through University of Chicago	93.859		243,526	-
Institutional Research and Career Development	93.859	AWD103344	8,965	-
Total Biomedical Research and Research Training			<u>252,491</u>	<u>-</u>
Cancer Centers Support Grants				
The Chicago Collaborative to Promote and Advance Cancer Health Equity				
Passed-Through University of Chicago	93.397		885,870	-
Total Cancer Centers Support Grants			<u>885,870</u>	<u>-</u>
Cancer Cause and Prevention Research				
Passed-Through Northwestern University				
Patient Navigation 2.0: Addressing the Challenge of Scaling Navigation through Checklist-based Implementation	93.393	60056069	9,017	-
Total Cancer Treatment Research			<u>9,017</u>	<u>-</u>
Total Department of Health and Human Services			<u>1,147,378</u>	<u>-</u>
Department of Agriculture				
Hispanic Serving Institutions Education Grants				
A Bridge to USDA Research for HIS STEM Undergraduates	10.223		51,122	-
Total Hispanic Serving Institutions Education Grants			<u>51,122</u>	<u>-</u>
Total Department of Agriculture			<u>51,122</u>	<u>-</u>
Total Research and Development Cluster			<u>2,262,458</u>	<u>238,268</u>
CCDF Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant				
Passed-Through Illinois Board of Higher Education				
Early Childhood Access Consortium for Equity	93.575	601-ECC-2200-NEIU	419,040	-
Total CCDF Cluster			<u>419,040</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

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For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed-Through to Subrecipients
TRIO Cluster				
Department of Education				
TRIO Talent Search	84.044		\$ 621,994	\$ -
TRIO McNair Post-Baccalaureate Achievement	84.217		248,809	-
TRIO Upward Bound				
TRIO Upward Bound Pathways	84.047		318,596	-
TRIO Upward Bound Math and Science Pathways	84.047		102,009	-
TRIO Student Support Services	84.042		753,480	-
Total Department of Education			<u>2,044,888</u>	<u>-</u>
Total TRIO Cluster			<u>2,044,888</u>	<u>-</u>
Total Clusters			29,877,735	238,268
Other Federal Awards:				
Department of Education				
Twenty-First Century Community Learning Centers				
Passed-Through Illinois State Board of Education				
Project 4421-15: Pathways	84.287	15-016-5405-51	214,354	-
Project 4421-13: Austin	84.287	15-016-5405-51	74,103	-
Project 4421-19: Craft	84.287	15-016-5405-51	727,080	33,334
Project 4421-25: Morton Success	84.287	15-016-5405-51	363,994	-
Project 4421-B2: Elementary	84.287	15-016-5405-51	541,173	-
Project 4421-A2: Unity	84.287	15-016-5405-51	121,484	-
Total Twenty-First Century Community Learning Centers			<u>2,042,188</u>	<u>33,334</u>
Higher Education Institutional Aid				
EXITO: Exit on Time in STEM	84.031		339,150	-
A Comprehensive System of Support: Increasing Retention into the Third Year	84.031		120,414	-
Higher Education Institutional Aid (continued)				
Title V: Developing Hispanic-Serving Institutions Program	84.031		1,119,348	500,121
CASA: Creating Access to STEM for All	84.031		387,200	-
ARCOS - Advancing Research and Career Opportunities in STEM	84.031		731,521	131,656
Title V: IMPACTOS: Improving Multiple Pathways for Academic and Career Thriving Students	84.031		44,499	-
Total Higher Education Institutional Aid			<u>2,742,132</u>	<u>631,777</u>
Rehabilitation Long-Term Training				
Rehabilitation Long-Term Training Program - Vocational Rehabilitation	84.129		259,516	-
Education Stabilization Fund				
COVID-19 Higher Education Emergency Relief Fund:				
Student Aid Portion	(M) 84.425E		64,103	-
COVID-19 Higher Education Emergency Relief Fund:				
Institutional Aid Portion	(M) 84.425F		5,078,422	-
Passed through the State of Illinois, Illinois Board of Higher Education:				
COVID-19 Governor's Emergency Education Relief Fund	(M) 84.425C	21RFP3	161,282	-
COVID-19 Governor's Emergency Education Relief Fund	(M) 84.425C	601-GEE-2200-NEIU	579,655	-
Total Education Stabilization Fund			<u>5,883,462</u>	<u>-</u>
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)				
Passed-Through Waukegan School District 60	84.411	N/A	70,411	-
Total Education Innovation and Research			<u>70,411</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed-Through to Subrecipients
Other Federal Awards (continued)				
Department of Education (continued)				
Supporting Effective Educator Development (SEED)				
Passed-Through the New Teacher Center				
Helping High-Need Districts Hire, Develop, and Retain				
Highly Effective Teachers				
	84.423	N/A	\$ 28,391	\$ -
Total Supporting Effective Educator Development			<u>28,391</u>	<u>-</u>
Total Department of Education			<u>11,026,100</u>	<u>665,111</u>
Department of Health and Human Services				
Block Grants for Prevention and Treatment of Substance Abuse				
Passed-Through Illinois Department of Human Services				
Substance Abuse Prevention				
	93.959	43CXZ03274	110,189	-
Total Department of Health and Human Services			<u>110,189</u>	<u>-</u>
Department of Justice				
Grants to Reduce Domestic Violence, Dating Violence, Sexual				
Assault, and Stalking on Campus				
K(NO)W More				
	16.525		97,569	7,533
STOP School Violence				
Passed-Through Bowling Green State University				
Leadership for School Safety and Well-being				
	16.839	10010809-NEIU	13,643	-
Byrne Criminal Justice Innovation Program				
Passed-Through Teamwork Englewood and Englewood				
Category 2: Planning and Implementation Grant				
	16.817	N/A	17,223	-
Edward Byrne Memorial Justice Assistance Grant Program				
Passed-Through Illinois Criminal Justice Authority				
Violent Crime Reduction in Illinois Communities				
	16.738	419064-SUB	15,000	-
Total Department of Justice			<u>143,435</u>	<u>7,533</u>
Department of State				
Professional and cultural exchange programs - citizen exchanges				
Passed-Through Institute of International Education				
Steven's Initiative HIVER				
	19.415	3000228292	10,970	-
Total Department of State			<u>10,970</u>	<u>-</u>
National Endowment for the Arts				
Promotion of the Arts Grants to Organizations and Individuals				
Passed-Through Governors State University				
Importance of Arts Participation for the Sense of Belonging				
and Academic Outcomes of University Students of Color				
	45.024	NEIUFY21	81	-
Total National Endowment for the Arts			<u>81</u>	<u>-</u>
Department of Energy				
Office of Science Financial Assistance Program				
Community Research on Climate and Urban Science				
	81.049	3000228292	60,922	-
Total Department of Energy			<u>60,922</u>	<u>-</u>
Total Other Federal Awards			<u>11,351,697</u>	<u>672,644</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 41,229,432</u>	<u>\$ 910,912</u>

(M) - Program tested as a Major Program.

See Notes to Schedule of Expenditures of Federal Awards.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Note 1 - Significant Accounting Policy

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northeastern Illinois University (University) for the year ended June 30, 2023 which are recorded on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies as well as federal awards passed through other government and nonprofit agencies are included on the schedule. The passthrough identifying numbers are presented where available. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2 - Student Loan Program Administered by the University

As of June 30, 2023, the University's outstanding loan balance totaled \$263,794 under the Federal Perkins Loan Program (ALN #84.038) and loans made to eligible student during the year totaled \$0. Administrative costs charged to the loan program is \$0.

Note 3 - Total New Federal Student Loans

During the audit period, the University processed the following amounts under the Federal Direct Student Loans Program (ALN #84.268):

Direct Subsidized Loans	\$ 3,402,189
Direct Unsubsidized Loans	8,176,628
Direct Graduate PLUS Loans	71,875
Direct Parent Plus Loan	527,026
Total	<u>\$ 12,177,718</u>

There were no administrative costs charged to the Federal Direct Student Loans Program.

Note 4 - Nonmonetary Assistance

During the period, the University did not have any nonmonetary assistance.

Note 5 - Insurance Disclosure

During the period, there are no federally-funded insurance in effect.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2023

The following schedules are used to determine the University's Single Audit costs in accordance with the Uniform Guidance (2 C.F.R. § 200.425).

SCHEDULE A - FEDERAL FINANCIAL COMPONENT

Total federal expenditures reported on SEFA schedule ¹	\$	40,987,584
		<u>40,987,584</u>
TOTAL SCHEDULE A	\$	<u>40,987,584</u>

SCHEDULE B - TOTAL FINANCIAL COMPONENT

Total operating expenses ²	\$	133,823,309
Total nonoperating expenses ²		1,672,653
Total new loans made ⁵		12,177,718
Amount of federal loan balances at the beginning of the year ⁴		784,418
Other noncash federal award expenditures ³		<u>-</u>
TOTAL SCHEDULE B	\$	<u>148,458,098</u>

SCHEDULE C - COMPUTATION OF NONFEDERAL EXPENSES

			Percent
Total Schedule B	\$	148,458,098	100%
Total Schedule A		<u>40,987,584</u>	<u>28%</u>
TOTAL SCHEDULE C	\$	<u>107,470,514</u>	<u>72%</u>

- ¹ Obtained from the Schedule of Expenditures of Federal Awards.
- ² Obtained from the Statement of Revenues, Expenses, and Changes in Net Position.
- ³ Obtained from the Notes to the Schedule of Expenditures of Federal Awards.
- ⁴ Balance at the beginning of the fiscal year with continuing compliance requirements.
- ⁵ Balance of loans issued during the fiscal year.