

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, 2022

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, 2022

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NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FINANCIAL AUDIT
For the Year Ended June 30, 2022

University Officials

President	Dr. Gloria Gibson
Provost (07/01/21 to 07/04/22)	Dr. Dennis Rome
Interim Provost and Vice President for Academic Affairs (07/05/22 to Present)	Dr. Andrea Evans
Vice President for Finance and Administration/Treasurer	Mr. Manish Kumar
Vice President for Student Affairs	Dr. Terry Mena
Vice President for Institutional Advancement	Ms. Liesl Downey
Vice President for Legal Affairs (01/01/21 to 09/19/21)	Vacant
Vice President for Legal Affairs (09/20/21 to Present)	Mr. G.A. Finch
Executive Director for Finance and Administration	Ms. Beni Ortiz
Interim Director of Financial Affairs/Controller (05/01/21 to 11/19/21)	Mr. Olegario Flores
Director of Financial Affairs/Controller (11/20/21 to 01/23/22)	Vacant
Director of Financial Affairs/Controller (01/24/22 to 03/19/22)	Mr. Patrick Alforque
Director of Financial Affairs/Controller (03/20/22 to 05/22/22)	Vacant
Director of Financial Affairs/Controller (05/23/22 to Present)	Ms. Jannica Rae Quintana
Director of Internal Audit (09/11/17 to 01/06/23)	Ms. Rita Moore
Director of Internal Audit (01/07/23 to Present)	Vacant

Board of Trustees

Chair (10/04/06 to 01/16/23)	Mr. Jim Palos
Chair (01/17/23 to 03/05/23)	Vacant
Chair (03/06/23 to Present)	Mr. Jose Rico
Vice Chair (02/27/17 to 01/16/23)	Ms. Sherry Eagle
Vice Chair (01/17/23 to 03/05/23)	Vacant
Vice Chair (03/06/23 to Present)	Mr. Marvin Garcia
Secretary (03/28/11 to 01/16/23)	Mr. Jonathan Stein
Secretary (01/17/23 to 03/05/23)	Vacant
Secretary (03/06/23 to Present)	Mr. J. Todd Phillips
Member (10/04/06 to 01/16/23)	Mr. Carlos Azcoitia
Member (01/07/23 to 03/05/23)	Mr. Jose Rico
Member (05/06/19 to 03/05/23)	Mr. Marvin Garcia
Member	Ms. Ann Kalayil
Member (05/06/19 to 01/31/23)	Mr. Charles Serrano
Member (01/31/23 to 03/05/23)	Mr. J. Todd Phillips
Member (01/31/23 to Present)	Ms. Paula Wolff
Member	Vacant
Member	Vacant
Member	Vacant
Student Member	Ms. Shyrice Howell

University Office

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

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, 2022

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 a material weakness over internal control over financial reporting.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	7	8
Repeated Findings	4	8
Prior Recommendations Implemented or Not Repeated	4	3

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 – Government Auditing Standards				
2022-001	12	2021/2020	Inadequate Internal Controls over Census Data	Material Weakness/ Noncompliance
2022-002	15	2021/2017	Weakness over Computer Security	Significant Deficiency/ Noncompliance
2022-003	17	2021/2019	Lack of Adequate Controls over Review of Internal Controls over Service Providers	Significant Deficiency/ Noncompliance
2022-004	19	New	Lack of Adequate Reviews over Year-end Reports and Reconciliations	Significant Deficiency/ Noncompliance

NORTHEASTERN ILLINOIS UNIVERSITY
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FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

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 – Federal Compliance and Questioned Costs				
2022-005	22	2021/2020	Noncompliance with Grant Report Requirements	Significant Deficiency/ Noncompliance
2022-006	24	New	Insufficient Controls over Expenses Charged to TRIO Grant	Significant Deficiency/ Noncompliance
2022-007	25	New	Insufficient Controls over Payroll Charged to Research Grant	Significant Deficiency/ Noncompliance
Prior Findings Not Repeated				
A	27	2021/2020	Reporting of Disbursements to Common Origination and Disbursement System	
B	27	2021/2019	Information Technology Risk Assessment Not Performed	
C	27	2021/2020	Cost of Attendance for Student Financial Assistance	
D	27	2021/2018	Inadequate Control over Subrecipients	

EXIT CONFERENCE

The University waived an exit conference for the Federal Compliance OMB Uniform Guidance audit in an email from Beni Ortiz, Executive Director for Finance and Administration, on March 15, 2023. The responses to the recommendations were provided by Beni Ortiz, Executive Director for Finance and Administration, in a correspondence dated March 15, 2023.

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, financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Northeastern Illinois University (the "University"), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated March 8, 2023.

Our report includes a reference to other auditors who audited the financial statements of the Northeastern Illinois University Foundation (the "Foundation") as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or instances of reportable noncompliance that are reported on separately by those auditors who audited the financial statements of the Foundation.

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 first 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, we identified certain deficiencies in internal control that we consider to be a material weakness 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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Northeastern Illinois University

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 deficiency described in the accompanying Schedule of Findings as item 2022-001 to be a material weakness.

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 2022-002, 2022-003, and 2022-004 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 2022-001 through 2022-004.

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.

Original Signature on File

Plante & Moran, PLLC

Portage, Michigan
March 8, 2023

**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

and

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, 2022. 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, 2022.

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

and

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, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the discretely presented component unit because we decided to not assume responsibility for, and accordingly make reference to, the audit of the component auditor in our *Independent Auditor's Report* on the University's group financial statements.

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 on internal control over compliance in accordance with the Uniform Guidance, but not for the

Honorable Frank J. Mautino

Auditor General
State of Illinois

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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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-005, 2022-006, and 2022-007. 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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 compliance with a type of compliance requirement of a federal program that is less severe than a material

Honorable Frank J. Mautino
Auditor General
State of Illinois

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Board of Trustees
Northeastern Illinois University

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-005 through 2022-007 to be significant deficiencies.

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, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, March 8, 2023, 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
State of Illinois

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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.

Original Signature on File

Plante & Moran, PLLC

Portage, Michigan

March 17, 2023, except for our report on the Schedule of Expenditures of Federal Awards and our report on the Nonfederal Financial Activity, for which the date is March 8, 2023

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, 2022

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, 84.425L, and 84.425C	COVID-19: Education Stabilization Fund
84.031	STEM Cluster
84.042, 84.044, 84.047, and 84.217	TRIO Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,657,109

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, 2022

2022-001 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 this 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.

We noted 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 2020 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2021, which is incorporated into the University's Fiscal Year 2022 financial statements.

During testing, we 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 our cut-off testing of data transmitted by the University to SURS, we noted 24 instances of an active employee becoming inactive and 2 instances of an active employee becoming retired were reported to SURS after the close of the fiscal year in which the event occurred. There was also 1 instance previously reported that impacted the June 30, 2020 census data.

We 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 2021.

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, 2022

2022-001 FINDING - Inadequate Internal Controls over Census Data (continued)

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 a person who works for the University in a secretarial, mechanical, labor, clerical, educational, administrative, or other staff position which is either (a) permanent and continuous or (b) for a period of four months or an academic term, whichever is less, who is:

- 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 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.

Further, 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)).

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, 2022

2022-001 FINDING - Inadequate Internal Controls over Census Data (continued)

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. 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.

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

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, 2022

2022-002 FINDING – Weaknesses over Computer Security

Northeastern Illinois University (University) did not safeguard their computing environment. The University had invested in computer hardware and systems and had established several critical, confidential, or financially sensitive systems for use in meeting its mission. However, during testing, we noted:

- User access rights to the applications and network were not periodically reviewed.
- Users were granted excessive access rights.
- 26 of 188 servers (14%) and 201 of 942 (21%) of workstations contained outdated and unsupported operating systems.
- Encryption software was not installed on all laptops.
- A change management process had not been implemented for changes to applications and the IT environment.

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 *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 review access to their applications and data on a periodic basis. Additionally, the Configuration Management section, requires entities to maintain up-to-date configurations on all devices and develop a change management process. Further, the System and Communications Protection section, requires entities to maintain security over all devices and transmissions, utilizing encryption.

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 the issues were due to staffing constraints and competing priorities.

Failure to have adequate security over computing resources increases the risk of unauthorized access to the computing environment. Failure to control and safeguard confidential and sensitive information could result in unauthorized disclosure and inappropriate use of personal information. (Finding Code No. 2022-002, 2021-002, 2020-002, 2019-018, 2018-021, 2017-018)

RECOMMENDATION

We recommend the University:

- Perform a periodic review of system access rights to ensure access rights are appropriate and based on job requirements.
- Develop a roadmap to upgrade or decommission unsupported systems.
- Ensure all laptops are encrypted.
- Develop a formal change management process for changes to applications and IT infrastructure.

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2022-002 FINDING – Weaknesses over Computer Security (continued)

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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2022-003 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 seven service providers from the listing provided by the University. During our testing, we noted the University had not:

- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the University's operations for the seven (100%) service providers.
- Established a regular review process to monitor specified performance measures, problems encountered, and compliance with contractual terms with the service providers.

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.

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.

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**2022-003 FINDING – Lack of Adequate Controls over Review of Internal Controls
over Service Providers (continued)**

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

University officials stated the above issues were due to competing priorities.

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 monitor specified performance, problems encountered, and compliance with contractual terms may result in obligations and services not met and not timely detected and corrected. (Finding Code No. 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.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Establish a regular review process to monitor specified performance measures, problems encountered, and compliance with contractual terms with the service providers.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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2022-004 FINDING - Lack of Adequate Review of Year-end Reconciliations and Reports

The Northeastern Illinois University (University) did not have an adequate review of its year-end reconciliations and reports.

During our testing we noted the following:

1. We tested four invoices to validate if the assets were capitalized in accordance with the University's policy. We identified one asset within the fixed asset system which was expensed but should have been capitalized within the University's general ledger. Additional testing was completed and three additional items were expensed that should have been capitalized. The University passed on adjusting the immaterial error.

Governmental Accounting Standards Board (GASB) Statement 34, paragraph 18, states that capital assets should be reported at historical cost. Paragraph 21 in the Statement states that capital assets should be depreciation over their estimated useful lives unless they are inexhaustible.

2. We noted the University had exclusive access to a gas line since inception of an agreement in 2015 when a deposit of \$880,012 was recorded as other assets. The asset should have been amortized over the term of the agreement of 10 years. The University made a \$572,008 journal entry to book the cumulative accumulated amortization reducing the asset to the correct balance as of June 20, 2022.

GASB Statement 51, paragraph 16, states that the useful life of an intangible asset that arises from contractual or other legal rights should not exceed the period to which the service capacity of the assets is limited by contractual or legal provisions.

3. We found multiple invoices with improper cutoff between Fiscal Year 2022 and Fiscal Year 2023. When discussed with the University, we noted the University tracks accounts payable through its final audit closing date subsequent to year end, at which point a final evaluation of the unrecorded accounts payable is made and any adjustments recorded.

Based on our testing, we noted:

- a. One invoice totaling \$151,970 which should have been accrued for in Fiscal Year 2022 but was not identified as part of the above process;
- b. Two invoices totaling \$24,036 accrued for as part of the above process that related to Fiscal Year 2023; and,
- c. Additional invoices of approximately \$315,000 identified by the University's General Accounting team as relating to Fiscal Year 2022 as part of the above process but not recorded due to their individual insignificance.

The University passed on adjusting the immaterial error.

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2022-004 FINDING - Lack of Adequate Review of Year-end Reconciliations and Reports (continued)

GASB Statement 62, paragraph 34, states that accounts payable (as part of current liabilities) is intended to include obligations for items that have entered the operating cycle, such as payables incurred in the acquisition of materials and supplies to be used in providing services.

4. We found that the calculation of unearned revenue for summer sessions improperly recognized only a portion of unearned revenue based on cash payments and did not properly recognize the appropriate amount of unearned revenue and accounts receivable for amounts owed by students based on gross tuition and fee revenue. The University made a journal entry recording additional accounts receivable and unearned revenue totaling \$2.6 million which had no impact on the change in net position as of June 30, 2022.

GASB 62, paragraph 23, states revenue from exchange transactions generally should be recognized when an exchange, in the ordinary course of operations, is effected unless the circumstances are such that the collection of the exchange price is not reasonably assured. In addition, GASB Implementation Guide 2015-1, Q7.72.13 states that revenues should be recognized during the period earned.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system or systems 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. Good internal controls require the University to sufficiently review capital asset additions activity during the year to allow for the identification and correction of errors.

University management stated these misstatements were due to insufficient reviews during the evaluation of year end reports and account reconciliations, and secondary reviews of the procedures were not performed at a detailed level to detect the errors. The University believed that gas line contract was enforceable for the whole amount through 2025 and the contract is currently undergoing legal review. The University is currently transitioning to a new database for inventory of fixed assets that was not complete for the year ended June 30, 2022 which caused the lack of adequate review over expenditures.

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

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2022-004 FINDING - Lack of Adequate Review of Year-end Reconciliations and Reports (continued)

RECOMMENDATION

We recommend the University strengthen its internal controls related to financial reporting of assets and liabilities. We specifically recommend accounting staff perform an independent secondary review of capital additions and prepaid asset amortization to ensure items agree to supporting documentation and are properly recorded. The University should also perform an independent secondary review of recorded and unrecorded liabilities at year end to ensure all obligations of the University are recorded within the accounting period in which the liability is incurred. The University should also ensure the summer session student receivables and unearned tuition is properly recognized on the statement of net position, specifically as it relates to sessions that cross over the University's year end of June 30.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS
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2022-005 FINDING - Noncompliance with Grant Report Requirements

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.425
Program Names and Award Numbers:	Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act [COVID-19 Higher Education Emergency Relief Fund: MSI Portion (P425L200096)); COVID-19 Higher Education Emergency Relief Fund: Institution Portion (P425F200852); COVID- 19 Higher Education Emergency Relief Fund: Student Portion (P425E201821); and COVID-19 Governor's Emergency Education Relief Fund (21GEERNEIU)]
Program Expenditures:	\$18,210,693
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) reporting requirements were submitted accurately and timely.

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 for the Student Aid portion were not correctly completed. The reports were missing 3 of the 7 requirements. The missing requirements were items 1, 4 and 5 described below.

The Federal Register Document No. 2020-19041 released on August 31, 2020 directs each HEERF - Student Portion participating institutions to post the following information on the institution's primary website no later than 10 days after the end of each calendar quarter (September 30, and December 31, March 31, June 30) thereafter: 1) an acknowledgement that the institution signed and returned to the Department of Education (Department) the Certification and Agreement and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds; 2) the total amount of funds that the institution will receive or has received from the Department; 3) the total amount of grants distributed to students; 4) the estimated total number of students at the institution eligible to participate and receive the grant; 5) the total number of students who have received the grant; 6) the method(s) used by the institution to determine which students receive the grant and how they would receive; and, 7) any instructions, directions or guidance provided by the institution to students concerning the grant.

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2022-005 FINDING - Noncompliance with Grant Report Requirements (continued)

- Three out of 8 (38%) Quarterly Public Reports were posted to the University website 1 day late in one instance and not posted to the University’s website in two instances.

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. Effective internal controls should include procedures to ensure that all earmarking requirements are reviewed to ensure compliance.

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

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. 2022-005, 2021-008, 2020-011)

RECOMMENDATION

We recommend the University improve its grant reporting and monitoring process to adhere with grant request for proposal and application agreement.

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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2022-006 FINDING - Insufficient Controls over Expenses Charged to TRIO Grant

Federal Agency:	Department of Education
Assistance Listing Number:	84.042
Program Names and Award Numbers:	TRIO – Student Support Services, P042A200421
Program Expenditures:	\$809,380
Questioned Costs:	\$19,174

Northeastern Illinois University (University) charged unallowable expenditures to the Federal TRIO Program (TRIO) - Student Support Services grant

During the testing of 40 expenditures selected from all of the TRIO grants, we noted one (3%) expenditure from the TRIO Student Support Services grant was an unallowable direct cost. It was for a legal settlement of \$17,500 paid to an employee plus directly associated costs of \$1,674. There was no approval request sent to the Department of Education. The sample was not intended to be, and was not, a statistically valid sample.

Uniform Guidance (2 CFR 200.441) state that costs resulting from non-Federal entity violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the Federal award, or with prior written approval of the Federal awarding agency.

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. Effective internal controls should include procedures to ensure that all allowability policies are followed.

University officials stated, there was inadequate communication between the departments involved.

Failure to adequately review costs allowable under the uniform guidance principles resulted in the University overstating expenditures charged to the grant. (Finding Code No. 2022-006)

RECOMMENDATION

We recommend the University ensure costs charged to grants are allowable under the Uniform Guidance.

UNIVERSITY’S RESPONSE

The University agrees with the recommendation.

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2022-007 FINDING - Insufficient Controls over Payroll Charged to a Research Grant

Federal Agency:	National Institute of Health
Assistance Listing Number:	93.397
Program Names and Award Numbers:	Cancer Centers Support Grants (The Chicago Cancer Health Equity Collaborative a/k/a ChicagoCHEC), U54CA202995
Program Expenditures:	\$1,083,258
Questioned Costs:	None

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 testing of 60 expenditures selected from various research and development grants, we noted one (2%) expenditure tested for allowability was for retroactive pay to an employee originally only paid half of the hours worked on a grant for a 3-month period. The employee's reported work hours were adjusted between periods to match available funding under the assumption that additional funding would be secured in a timely manner. The sample was not intended to be, and was not, a statistically valid sample.

Uniform Guidance (2 CFR 200.430(i)) states charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees must also be supported by records indicating the total number of hours worked each day.

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. Effective internal controls should include procedures to ensure that all allowability policies are followed.

University officials stated there was a significant delay by the funding agency in approving the usage of unspent grant funds from a prior period due to a delay in accepting the final financial status report for the previous grant period resulting in the University creating the payroll situation above.

University's response to delays in securing funding to pay employee resulted in costs being paid and charged to the grant in the wrong time periods. (Finding Code No. 2022-007).

RECOMMENDATION

We recommend the University ensure procedures for payroll charges for employees are always for the actual hours worked within a given pay period according to the applicable regulations.

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**2022-007 FINDING - Insufficient Controls over Payroll Charged to a Research Grant
(continued)**

UNIVERSITY RESPONSE

The University agrees with the recommendation.

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PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2022

A. FINDING - Reporting of Disbursements to the Common Origination and Disbursement System

During the prior audit, Northeastern Illinois University (University) did not timely submit disbursement records of the Federal Pell Grant Program to the Department of Education's Common Origination and Disbursement (COD) System.

During the current audit, our sample testing indicated the Federal Pell Grant disbursements were timely submitted to the COD System. (Finding Code No. 2021-004, 2020-005)

B. FINDING - Information Technology Risk Assessment Not Performed

During the prior audit, the University did not document required risk assessments related to student information security.

During the current audit, the funding agency, the U.S. Department of Education followed up on the finding, received and reviewed the documentation supporting the risk assessments related to student information security, approved the documentation, and cleared the finding. (Finding Code No. 2021-005, 2020-006, 2019-007)

C. FINDING - Cost of Attendance for Student Financial Assistance

During the prior audit, the University did not have adequate documentation to support manual changes in the student's cost of attendance information.

During the current audit, our sample testing indicated the cost of attendance was correct or if adjusted, documentation was adequate. In addition, the University updated and formalized its cost of attendance policy. (Finding Code No. 2021-006, 2020-008)

D. FINDING - Inadequate Control Over Subrecipients

During the prior audit, the University did not communicate required program information and monitor subrecipients of federal awards.

During the current audit, our sample testing indicated subrecipient monitoring was properly documented and followed institutional policy adopted in 2020 (Finding Code No. 2021-007, 2020-009, 2019-004, 2018-008)

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Federal Grantor/ Pass-Through Grantor Program/Grant Title	Federal Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed Through to Subrecipients
Student Financial Assistance Cluster				
Department of Education - Direct				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 429,280	\$ -
Federal Direct Student Loans	84.268		13,442,144	-
Federal Work-Study Program	84.033		418,901	-
Federal Perkins Loan Program	84.038		971,568	-
Federal Pell Grant Program	84.063		10,921,012	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		101,521	-
Total Department of Education			<u>26,284,426</u>	<u>-</u>
Total Student Financial Assistance Cluster			<u>26,284,426</u>	<u>-</u>
Research and Development Cluster				
National Science Foundation				
Mathematical and Physical Sciences				
Regularization of Hypersensitive Problems for Numerical Computation with Empirical Data	(M) 47.049		5,478	-
Passed-Through Indiana University MRI Consortium: Development of Instrumentation for the PICO-500 Bubble Chamber	(M) 47.049	SB-4856130-NIU	37,355	-
Total Mathematical and Physical Sciences			<u>42,833</u>	<u>-</u>
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	(M) 47.050		11,242	-
RUI/Collaborative Research: The Rise of C4 Grasses South America: Linking Grassland Transition to the South American Summer Monsoon	(M) 47.050		24,976	10,650
Passed-Through Michigan State University GP-GO: Building Latinx Pathways into Geoscience Graduate Education through R1-HSI-Nonprofit Collaborations	(M) 47.050	RC111690A	1,564	-
Collaborative Research: REU Site: Water Resources and Quality on the Riviera Maya, Mexico	(M) 47.050		16,211	-
Total Geosciences			<u>53,993</u>	<u>10,650</u>
Computer and Information Science and Engineering				
Passed-Through University of Texas at El Paso NSF INCLUDES Alliance: Computing Alliance of Hispanic-Serving Institutions	(M) 47.070	226100998J	63,492	-
CISE-MSI: RPEP: S&CC: Information Systems meet Cultural Competencies (IS-CUCO): Enabling data-driven decision-making in underserved Hispanic populations.	(M) 47.070		31,507	31,507
Collaborative Research: HDR DSC: The Metropolitan Chicago Data Science Coprs (MCDC): Learning from Data to Support Communities	(M) 47.070		9,475	-
Total Computer and Information Science and Engineering			<u>104,474</u>	<u>31,507</u>

See Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Pass-Through Grantor Program/Grant Title	Federal Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed Through to Subrecipients
Research and Development Cluster (continued)				
National Science Foundation (continued)				
Biological Sciences				
Passed-Through Hauptman Woodward Medical Research Institute Z/E Isomerization in Phytochromes from Myxobacteria	(M)	47.074	6227	\$ 60,963 \$ -
Passed-Through Illinois Institute of Technology PCN-UBE Incubator: Stem Research on Non-model Genomes Network	(M)	47.074	A22-0016-S002	550 -
Total Biological Sciences			<u>61,513</u>	<u>-</u>
Social, Behavioral, and Economic Sciences				
Suburban Social Contacts and Changing Demographic Balances	(M)	47.075		7,679 -
Total Social, Behavioral, and Economic Sciences			<u>7,679</u>	<u>-</u>
Engineering				
Passed-Through the American Society for Engineering Education	(M)	47.041	CISE-2021-006	7,090 -
Total Engineering			<u>7,090</u>	<u>-</u>
Education and Human Resources				
Integrating Science, Mathematics, and Computing Within an Elementary and Middle School Pre-Service Teacher Education Curriculum	(M)	47.076		19,941 -
Passed-Through Chicago State University Illinois Louis Stokes STEM Pathways and Research Alliance (ILSPRA)	(M)	47.076	53114	14,500 -
Robert Noyce Teacher Scholarship Program: University and Community College Collaboration for Mathematics and Biology Scholar Teacher Education	(M)	47.076		298,338 9,760
Chicago STEM Teaching Collaborative: Developing a STEM Master Teachers Program	(M)	47.076		72,645 13,201
Passed-Through Education Development Center Preparation for Persistence: Building a Community of Practice to Research and Support Noyce Scholars in High-Need Schools	(M)	47.076	2021-0143	19,878 -
Building Capacity: Addressing Critical Transitions of First-Year STEM Students	(M)	47.076		123,392 -
Passed-Through Harold Washington College Exploring the Impact of Cultural Wealth & Scholarship on Community College Students Success in STEM	(M)	47.076	18050523-NEIUSA1	11,891 -
Total Education and Human Resources			<u>560,585</u>	<u>22,961</u>
Total National Science Foundation			<u>838,167</u>	<u>65,118</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	(M)	93.859		252,930 -
Passed-Through Ithaca College Signaling Specificity Mediated by the C. Elegans FGF Receptor Tyrosine Kinase	(M)	93.859	R15GM122001	20,130 -
Total Biomedical Research and Research Training			<u>273,060</u>	<u>-</u>

See Notes to Schedule of Expenditures of Federal Awards.

NORTHEASTERN ILLINOIS UNIVERSITY
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Federal Grantor/ Pass-Through Grantor Program/Grant Title	Federal Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed Through to Subrecipients
Research and Development Cluster (continued)				
Department of Health and Human Services (continued)				
Cancer Centers Support Grants				
The Chicago Collaborative to Promote and Advance Cancer Health Equity	(M)	93.397	\$ 1,083,258	\$ -
Total Cancer Centers Support Grants			<u>1,083,258</u>	<u>-</u>
Cancer Treatment Research				
Passed-Through Northwestern University				
Patient Navigation 2.0: Addressing the Challenge of Scaling Navigation through Checklist-based Implementation	(M)	93.393	60056069	9,017
Total Cancer Treatment Research			<u>9,017</u>	<u>-</u>
Total Department of Health and Human Services			<u>1,365,335</u>	<u>-</u>
Department of Agriculture				
Hispanic Serving Institutions Education Grants				
A Bridge to USDA Research for HIS STEM Undergraduates	(M)	10.223	20,482	-
Total Hispanic Serving Institutions Education Grants			<u>20,482</u>	<u>-</u>
Total Department of Agriculture			<u>20,482</u>	<u>-</u>
Total Research and Development Cluster			<u>2,223,984</u>	<u>65,118</u>
TRIO Cluster				
Department of Education				
TRIO Talent Search	(M)	84.044	507,379	-
TRIO McNair Post-Baccalaureate Achievement	(M)	84.217	209,586	-
TRIO Upward Bound				
TRIO Upward Bound Pathways	(M)	84.047	349,863	-
TRIO Upward Bound Math and Science Pathways	(M)	84.047	297,722	-
TRIO Student Support Services	(M)	84.042	809,380	-
Total Department of Education			<u>2,173,930</u>	<u>-</u>
Total TRIO Cluster			<u>2,173,930</u>	<u>-</u>
Total Clusters			30,682,340	65,118
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	241,935
Project 4421-13: Austin		84.287	15-016-5405-51	541,464
Project 4421-19: Craft		84.287	15-016-5405-51	566,665
Project 4421-25: Morton Success		84.287	15-016-5405-51	392,735
Project 4421-B2: Elementary		84.287	15-016-5405-51	98,258
Project 4421-A2: Unity		84.287	15-016-5405-51	23,660
Total Twenty-First Century Community Learning Centers			<u>1,864,717</u>	<u>17,166</u>
Higher Education Institutional Aid				
EXITO: Exit on Time in STEM	(M)	84.031	1,106,803	94,446
A Comprehensive System of Support: Increasing				
Retention into the Third Year	(M)	84.031	334,405	-
Title V: Developing Hispanic-Serving Institutions Program	(M)	84.031	328,153	-
CASA: Creating Access to STEM for All	(M)	84.031	105,643	-
ARCOS - Advancing Research and Career Opportunities in STEM	(M)	84.031	147,655	8,872
Total Higher Education Institutional Aid			<u>2,022,659</u>	<u>103,318</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, 2022

Federal Grantor/ Pass-Through Grantor Program/Grant Title	Federal Assistance Listing Number	Passed-Through Number	Federal Expenditures	Passed Through to Subrecipients
Other Federal Awards (continued)				
Department of Education (continued)				
Rehabilitation Long-Term Training Rehabilitation Long-Term Training Program - Vocational Rehabilitation	84.129		\$ 190,794	\$ -
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		1,798,436	176,299
Education Stabilization Fund				
COVID-19 Higher Education Emergency Relief Fund: Student Aid Portion (M)	84.425E		9,786,403	-
COVID-19 Higher Education Emergency Relief Fund: Institutional Aid Portion (M)	84.425F		5,967,803	-
COVID-19 Higher Education Emergency Relief Fund: Minority Serving Institutions (M)	84.425L		160,076	-
Passed-Through Illinois Board of Higher Education				
COVID-19 Governor's Emergency Education Relief Fund (M)	84.425C	21GEERNEIU	2,001,363	-
COVID-19 Governor's Emergency Education Relief Fund (M)	84.425C	21RFP3	295,004	-
COVID-19 Governor's Emergency Education Relief Fund (M)	84.425C	601-GEE-2200-NEIU	44	-
Total Education Stabilization Fund			<u>18,210,693</u>	<u>-</u>
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)				
Education Innovation and Research	84.411		70,531	-
Passed-Through National Writing Project	84.411	94-IL-02-2021i3C3WP	15,160	-
Passed-Through University of California-Irvine	84.411	223215	7,381	-
Total Education Innovation and Research			<u>93,072</u>	<u>-</u>
Supporting Effective Educator Development (SEED) Passed-Through the New Teacher Center Helping High-Need Districts Hire, Develop, and Retain Highly Effective Teachers	84.423		75,104	-
Total Department of Education			<u>24,255,475</u>	<u>296,783</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	89,910	-
Total Department of Health and Human Services			<u>89,910</u>	<u>-</u>
Department of Justice				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus				
Sexual Assault and Violence Prevention Project	16.525		79,784	3,090
K(NO)W More	16.525		13,876	-
Byrne Criminal Justice Innovation Program Passed-Through Teamwork Englewood and Englewood Quality-of-Life Task Force				
Byrne Criminal Justice Innovation Program (BCJI) Category 2: Planning and Implementation Grant	16.817	N/A	3,342	-
Total Department of Justice			<u>97,002</u>	<u>3,090</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, 2022

<u>Federal Grantor/ Pass-Through Grantor Program/Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Passed-Through Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Other Federal Awards (continued)				
Department of Defense				
GenCyber Grants Program Passed-Through National Security Agency 2020 Gencyber Northern Illinois	12.903	H98230-20-1-0110	\$ 27,339	\$ -
Total Department of Defense			<u>27,339</u>	<u>-</u>
Department of State				
Professional and cultural exchange programs - citizen exchanges Passed-Through Institute of International Education Steven's Initiative HIVER	19.415	3000228292	14,956	-
Academic Exchange Programs - Undergraduate Programs Capacity Building for U.S. Study Abroad Program	19.009		2,901	-
Total Department of State			<u>17,857</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	67,057	-
Total National Endowment for the Arts			<u>67,057</u>	<u>-</u>
Total Other Federal Awards			<u>24,554,640</u>	<u>299,873</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 55,236,980</u>	<u>\$ 364,991</u>

(M) - Program tested as a major Program.

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, 2022

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, 2022 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. 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, 2022, the University's outstanding loan balance totaled \$784,418 under the Federal Perkins Loan Program (CFDA #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 (CFDA #84.268):

Direct Subsidized Loans	\$	3,948,986
Direct Unsubsidized Loans		8,991,191
Direct Graduate PLUS Loans		36,662
Direct Parent Plus Loan		465,305
Total		\$ 13,442,144

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, 2022

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	<u>\$ 55,236,980</u>
TOTAL SCHEDULE A	<u><u>\$ 55,236,980</u></u>

SCHEDULE B - TOTAL FINANCIAL COMPONENT

Total operating expenses ²	\$ 181,516,972
Total nonoperating expenses ²	1,771,377
Total new loans made ⁵	13,442,144
Amount of federal loan balances at the beginning of the year ⁴	971,568
Other noncash federal award expenditures ³	<u>-</u>
TOTAL SCHEDULE B	<u><u>\$ 197,702,061</u></u>

SCHEDULE C - COMPUTATION OF NONFEDERAL EXPENSES

		Percent
Total Schedule B	\$ 197,702,061	100%
Total Schedule A	<u>55,236,980</u>	<u>28%</u>
TOTAL SCHEDULE C	<u><u>\$ 142,465,081</u></u>	<u><u>72%</u></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.