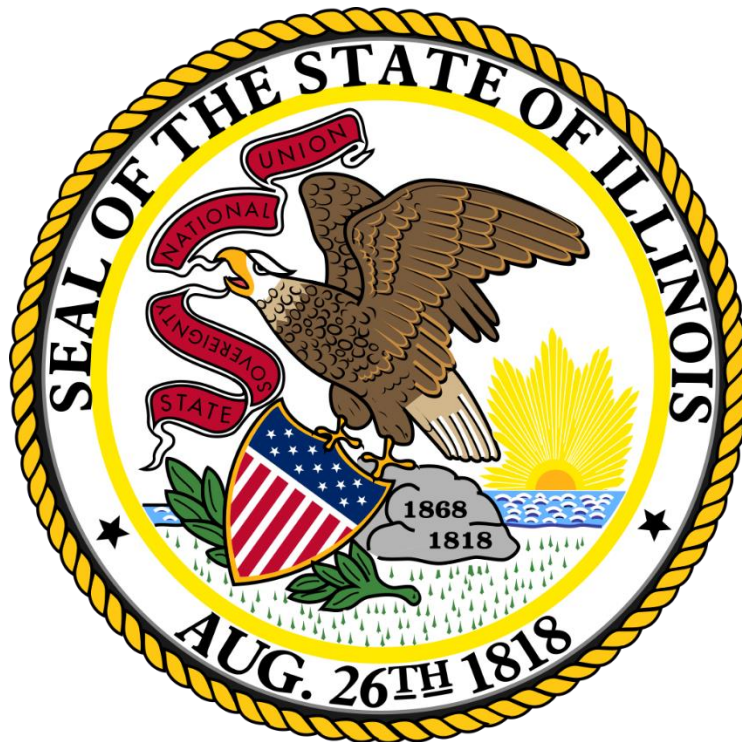


LEGISLATIVE AUDIT COMMISSION



Review #4583
Northeastern Illinois University
Year Ended June 30, 2024

620 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW: #4583 NORTHEASTERN ILLINOIS UNIVERSITY FY24 COMPLIANCE

REVIEW: #4583 NORTHEASTERN ILLINOIS UNIVERSITY YEAR ENDED JUNE 30, 2024

FINDINGS/RECOMMENDATIONS – 11

IMPLEMENTED/PARTIALLY IMPLEMENTED – 9 UNDER STUDY - 2

REPEATED RECOMMENDATIONS – 8

PRIOR AUDIT FINDINGS/RECOMMENDATIONS – 13

This review summarizes the reports on Northeastern Illinois University (NEIU) for the year ended June 30, 2024. The compliance examination was filed with the Legislative Audit Commission on May 8, 2025. The auditors performed the audits in accordance with Government Auditing Standards, State Law, the Single Audit Act and applicable federal regulations. The auditors stated that the financial statements were fairly presented.

Northeastern was founded in 1867 in Blue Island, Illinois, as the Normal School, Cook County's first teacher training institution. NEIU as a public comprehensive university with locations throughout Chicago, aims to provide an exceptional environment for learning, teaching and scholarship. NEIU strives to prepare a diverse community of students for leadership and service in the region and in a dynamic multicultural world.

During the audit period, NEIU was led by Dr. Katrina Bell-Jordan who began serving as the Interim President on July 1, 2023, and was named President on August 1, 2024. Dr. Bell-Jordan's journey at Northeastern Illinois University began in 1997 when she joined as an Assistant Professor in the Department of Communication, Media and Theatre (CMT). She has since held various leadership roles, including serving as CMT Department Chair, Associate Dean in NEIU's College of Arts and Sciences, and Interim Dean. She was appointed Dean of the College of Arts and Sciences in March 2020.

Appropriations and Expenditures

Appropriations (\$ thousands)	FY23		FY24	
	Approp	Expend	Approp	Expend
GENERAL FUNDS				
Operational Expenses	37,345.3	37,345.3	39,959.5	39,959.5
TOTAL GENERAL FUNDS	37,345.3	37,345.3	39,959.5	39,959.5

Accountants' Findings and Recommendations

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Condensed below are the 11 findings and recommendations included in the audit report. Of these, 8 are repeated from the previous audit. The following recommendations are classified on the basis of information provided by NEIU, via electronic mail received July 2, 2025.

- 1. The auditors 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, they 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.

FINDING: *Inadequate Internal Controls over Census Data – This finding has been repeated since 2020.*

The 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 auditors noted the University's employees are members of the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance

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Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, they noted these plans have characteristics of different types of pensions 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 2022 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2023, which is incorporated into the University's Fiscal Year 2024 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 their previous 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 active employee becoming active were reported to SURS after the close of the fiscal year in which the event occurred. They also noted 1 instance whereby service credit was different by a total of $\frac{1}{4}$ of a year. These were previously reported, but still had an impact on the June 30, 2022 census data.

The auditors provided SURS' actuary and CMS' actuary with the exceptions they identified during their 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 2023.

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 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

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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, 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.

Finally, for CMS' OPEB plan, the auditors 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 competing priorities during the implementation of new Human Resource system and the impact of staff turnover resulted in delays. The biographical data was provided to SURS and the remaining item needed in FY23 salary information.

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Failure to ensure complete, timely, 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.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Implemented.

NEIU HR completed the required reconciliation of the base year, 2023 and submitted all reconciliation files to SURS.

- 2. The auditors recommend the University continue to implement the requirements of the Act since the position was filled. In addition, they recommend the University complete its peer review.**

FINDING: *Noncompliance with Fiscal Control and Internal Audit – This finding has been repeated since 2022.*

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

During their testing of the University's Fiscal Year 2024 internal audit activities, the auditors noted the following:

- The University did not perform its required peer review in Fiscal Year 2024. The last peer review was performed in 2019. There was no formal approval for an extension but the Office of the Auditor General and the State Internal Audit Advisory Board (SIAAB) were made aware of the delay.
- The Internal Auditor position was vacant from January 7, 2023 through September 17, 2023.
- The Internal Auditor did not conduct all the audits as approved in the Fiscal Year 2024 audit plan. As a result of changes throughout the year, only one audit was completed during Fiscal Year 2024.
- The Fiscal Year 2025 audit plan was not approved by the President prior to the required July 1, 2024 date.

FCIAA (30 ILCS 10/2003(a)) (Act) requires the chief executive officer to ensure that the internal auditing program includes a two-year plan, identifying audits scheduled for the pending fiscal year, approved by the chief executive officer before the beginning of the fiscal year. The Act also requires the University's internal auditing program to include audits

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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.

The Institute of Internal Auditors Standard 1312 (External Assessments) requires that external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

University officials noted these exceptions were due to the Internal Auditor position being vacant until September 18, 2023. Shortly thereafter, the Internal Auditor established a Fiscal Year 2024 audit plan and had the President sign in September 2023. However, the Internal Auditor was still unable to complete all the scheduled audits and peer review due to competing priorities. University officials stated the Fiscal Year 2025 audit plan was not approved by July 1, 2024 due to many other competing priorities on the President's schedule.

Lack of timely audits, a peer review, required approvals and proper internal audit staffing inhibits the University's ability in monitoring the effectiveness of its system of internal controls and results in noncompliance with the Act.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Implemented.

NEIU Internal Audit has modified the audit plan process to ensure approval signatures are collected prior to July 1 each year. Additionally, audit plans will be modified if it is determined projects won't be completed in the fiscal year they were planned for. Peer Review was completed May 13, 2025.

3. The auditors recommend the University strengthen its controls in identifying and documenting all service providers. Further, they recommend the University:

- **Establish and enforce a formal University-wide onboarding requirement and processes for all service providers.**
- **Establish and enforce a formal University-wide requirement in obtaining SOC reports from service providers.**
- **Establish and enforce a formal University-wide requirement in reviewing SOC reports.**
- **Establish and enforce a formal University-wide requirement in reviewing applicable CUECs and mapping of these CUECs to existing internal controls at the University.**

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FINDING: *Lack of Adequate Control over the Review of Internal Controls for Service Providers – This finding has been repeated since FY2019.*

The Northeastern Illinois University (University) lacked adequate controls over review of internal controls over service providers.

The University entered into agreements with various service providers to assist with significant processes such as (1) implementing University wide defined criteria to identify the third-party service providers that require a service organization controls (SOC) report or equivalent review, including the frequency of reviews performed, and (2) enhancing the SOC report review procedures to perform mappings of Complementary User End Controls (CUECs) to specific University internal controls.

The University could not provide a population of service providers. The population/report of service providers is manually maintained by the University and includes both vendors and service providers, resulting in samples that did not meet the criteria of a service provider.

Due to the condition noted above, the auditors were unable to conclude the University's population records of service providers were complete, accurate, and reliable under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36; AU-C 330; AU-C 530).

The auditors selected a sample of service providers where a SOC report was required for Fiscal Year 2024 and noted the following:

- The University has not established a documented and comprehensive policy or procedures to guide vendor's due diligence when onboarding third-party service provider and defining a service provider versus a vendor.
- The University has not established documented policies and procedures to monitor performance and contractual compliance of service providers.
- Even given the population limitation, they selected 10 service providers from the listing provided by the University, where the SOC report was required for Fiscal Year 2024 and noted the CUECs in these SOC reports were not mapped to existing internal controls at the University.

The finding was first reported in Fiscal Year 2019. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve controls over service providers.

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

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accountability over the State's resources.

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

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

The lack of a comprehensive university-wide population of service providers and the lack of a consistent process executed by the University departments to evaluate the service providers make it difficult to identify and assess risks that service providers have on security, integrity, availability, confidentiality, and security of University computer systems and data.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Partially Implemented.

NEIU Purchasing and UTS have implemented a Vendor Policy and are also working on a procedure to guide departments in monitoring vendor performance using the Vendor Report Card which will be incorporated to all new existing contracts as they are renewed.

4. The auditors recommend the University:

- **Periodically review and update user access.**
- **Ensure implementation of governance monitoring.**
- **Ensure documentation of responses to all identified incidents.**
- **Update all operating systems timely.**

FINDING: *Weaknesses in Computer Security – This finding has been repeated since FY2017.*

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

During their review of the University's computer security, the auditors noted the following:

- ERP access testing:
 - The user access review is not comprehensively performed to include the

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- appropriateness of all active permissions.
- 1 (10%) of 10 new accounts tested did not have documented approval.
- For 8 (67%) of 12 terminated users tested, there was no documented evidence that the employee level access was removed in a timely manner.
- For 10 (33%) of 30 users tested, the user's manager noted access was not appropriate due to termination or job function.
- For 2 (22%) of 9 users with administrative access tested, the users accounts remained after active the users were terminated or after the consolation period was completed.
- Student system access testing:
 - For 1 (10%) of 10 users tested, noted access was not appropriate due to job function per inquiry with the controller's office.
 - For 2 (67%) of 3 terminated users tested, a termination ticket was not documented as the users were deactivated before the termination process was formalized.
- Human Resource system access testing:
 - For 1 (10%) of 10 terminated users tested, termination was not executed timely (165 days).
 - 40 devices were running unsupported operation systems.
 - The data privacy training program has not been fully implemented, including developing a plan for monitoring the implementation of the governance process.
 - 2 (40%) of 5 incident resolutions tested were not documented to include resolution of incident or the total impact on the systems.

The 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.

The University officials stated the cause of the finding is due to the University experiencing staffing constraints, turnover, and completing priorities resulting in a lack of awareness of the 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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Failure to (1) periodically review users' access rights, (2) implement governance monitoring, (3) update operating systems, and (4) document incident response resolution could result in inappropriate access and manipulation of the University's data.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Partially implemented.

UTS continues to strengthen controls and oversight over our IT environment, aligning with the most recent IT security standards.

- 5. The auditors recommend the University document, approve, and maintain all system changes, in addition to requiring a post implementation review of those system changes.**

FINDING: *Lack of Adequate Change Management Controls – First reported 2023, Last reported 2024*

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

During their testing of 27 Human Resource system changes, the auditors noted the following:

- 19 (70%) change tickets were missing approvals, testing, or migration documentation.
- 4 (15%) change tickets were closed without the changes being made to the environment or documentation on why the changes were not made.

In addition, the University does not require a post implementation review for system changes.

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 to maintain

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accountability over the State's resources.

University officials stated the cause of the finding is due to staffing constraints and not having a University-wide Change Management Policy in place.

Failure to periodically review or monitor all implemented changes might lead to inappropriate changes being made to sensitive systems.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Under Study.

UTS will develop and implement an IT Change Management policy for all internally managed IT systems with appropriate workflow and approval tools along with a periodic review of the change review process.

Internal Business Units will ensure proper change management process as outlined in the audit recommendations for all major system configuration changes relating to specific business processes outside of UTS purview.

- 6. The auditors recommend the University's Registrar's Office implement greater controls to ensure that an accurate determination of the last date of attendance is used for withdrawal determinations reported to NSC and then to NSLDS.**

FINDING: *Noncompliance with Enrollment Reporting Requirements – New*

Federal Agency:	Department of Education
Assistance Listing Numbers:	84.268, 84.063
Program Names and Award Numbers:	Federal Direct Student Loans, Federal Pell Grant Loans
Program Expenditures:	\$10,983,995, \$12,186,160
Questioned Costs:	None

Northeastern Illinois University (University) did not have adequate procedures and controls in place to ensure that the effective date of students who unofficially withdrew was accurately reported to National Student Loan Data System (NSLDS).

CONDITIONS FOUND & CRITERIA

During their testing of the University's compliance with enrollment reporting requirements Direct loan programs via the NSLDS (OMB No. 1845-0035), the auditors noted the University did not update program-level and campus-level effective enrollment dates for the students' appropriate withdrawal date. They noted the following:

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- Two of 25 (8%) of the students originally tested withdrew during the Fall semester however were reported to NSLDS as withdrawn with an effective enrollment date for the last day of the spring semester.

NSLDS requires the that date the current enrollment status is to be reported when the change was first effective (See 4.4.2 of *NSLDS Enrollment Reporting Guide*)

- Five of 25 (20%) of the students originally tested withdrew during their respective fall and spring semester however were reported to NSLDS as withdrawn with an effective enrollment at the end of the semester and not updated retroactively.
- 15 of 15 (100%) additional students tested as a result of the error withdrew during their respective fall and spring semester however were reported to NSLDS as withdrawn with an effective enrollment at the end of the semester and not updated retroactively thus bringing total errors to 22 of 40 students (55%).

NSLDS requires the that date the current enrollment status is to be reported when the change was first effective (See 4.4.2 of *NSLDS Enrollment Reporting Guide*) and can be retroactively reported to reflect the accurate effective date (See 4.4.5 of *NSLDS Enrollment Reporting Guide*). The sample was not intended to be, and was not, a statistically valid sample.

NSLDS Enrollment Reporting Guide (4.4.5) does speak to continue education as a way of determination of student's enrollment status. However, this is only applicable when evaluating the end of the current school year, during the spring and summer semester, with respect to the upcoming school year' fall semester.

The University officials stated the errors noted were due to the two separate processes involved and how they capture and report data. The Registrar's Office reports monthly to National Student Clearinghouse (NSC) on student enrollment, including official withdrawals. The Registrar's Office is required to report annually on unofficial withdrawals. The Financial Aid Office identifies unofficial withdrawals at the end of each semester. Due to the different time periods of each process for collecting and reporting the dates, these errors occurred.

Failure to meet enrollment reporting requirements is noncompliance with federal regulations and could result in loss of loan/grant funding in future years.

UNIVERSITY RESPONSE:

The University agrees with the recommendation. The Registrar's Office will utilize the Financial Aid Office's last date of attendance report to back date the effective enrollment reported date for unofficially withdrawn students.

UPDATED RESPONSE:

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Implemented.

The Registrar's Office will incorporate Financial Aid's reporting frequency of unofficial withdrawals, a category strictly used by the Financial Aid office which the Registrar's Office does not recognize with their own data to resolve this issue in the reporting.

7. The auditors recommend the University improve its grant reporting and monitoring process to adhere with grant requests for reporting utilizing a calendar schedule and proper review before submission.

FINDING: *Noncompliance with Grant Report Requirements – This finding has been repeated since FY2020.*

Federal Agency:	Department of Education
Assistance Listing Numbers:	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)]
Program Expenditures:	\$2,160,298
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 the University's website.

During their testing of the University's compliance with the grant reporting requirements for HEERF, the auditors noted the University did not review the required reports to ensure accuracy and compliance with the reporting requirements of the grant agreement. They noted the following:

- Four of 4 (100%) Quarterly Public Reports improperly did not report the cumulative student aid disbursed for each undergraduate and graduate student.

The Department of Education Quarterly Budget and Expenditure Reporting Form requires the posting of cumulative student aid disbursed by quarter for both undergraduate and graduate.

- Two of 4 (50%) Quarterly Public Reports were posted 175 days and 84 days late to the University's website.

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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 to 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.

Failure to meet grant reporting requirements is noncompliance with federal regulations and could result in loss of grant funding in future years.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Implemented.

Internal processes for requesting and reporting grant information, as mandated by specific grants, have been updated to enhance the timeliness of posting requirements. In addition, training has been provided to ensure multiple individuals are equipped to handle these reporting duties. The Controller's Office will regularly monitor funding agency websites to stay current on any changes in reporting requirements. Published reports will be updated accordingly to comply with the funding agency's standards. Furthermore, the Controller's Office will ensure that reports are submitted and published on time, in line and the funding agency's deadlines.

- 8. The auditors recommend the University create a system of processes and controls to place holds on noncompliant student's accounts as required by the Act. In addition, they recommend the University develop a control to ensure reports are submitted timely to the IDPH to ensure accurate reporting at the University. They further recommend the University to work with IDPH on how to submit required information according to the Act.**

FINDING: *Noncompliance with College Student Immunization Act – First reported 2023, Last reported 2024*

Northeastern Illinois University (University) is not in compliance with the College Student Immunization Act and the Illinois Department of Public Health's (IDPH) administrative rules.

The auditors noted the following in their testing:

- The University did not submit the student immunization annual summary report to

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IDPH by the 8th week of the fall semester due to the IDPH not providing a link to submit the data at that requested time. As such, no supporting documentation was provided.

- The University does not place holds on the students' accounts if they do not provide proof of immunization, certification of medical exemption or a statement of religious objection.

The College Student Immunization Act (Act) (110 ILCS 20/2) states that no person shall attend a post-secondary educational institution without presenting proof that he or she has received such immunizations against preventable communicable diseases. The proof of immunization required by this Section shall be presented to the post-secondary educational institution. In addition, per the Act (110 ILCS 20/4), if no proof of immunization, certification of medical exemption or statement of religious objection from an enrolled student is in the possession of the post-secondary educational institution, the person shall be precluded from registering in a subsequent term or semester until such time as the appropriate documentation is presented to the institution. The institution shall not be liable for any monetary loss on the part of a student precluded from registering for failure to comply with the provisions of this Act.

The Act (110 ILCS 20/6) states within 8 weeks after the commencement of classroom instruction, the post-secondary educational institution shall file a report with the IDPH stating the number of persons attending the institution who had presented, proof of immunization, certification of medical exemption, statement of religious objection, and no proof of immunization. The report shall be on forms prepared by the IDPH.

University officials stated due to turnover within the health services department, the data provided previously to the IDPH was not able to be analyzed during the transition and was not accurately submitted. In addition, due to the large volume of students that are noncompliant with their immunizations (over 5,000 students) and lack of resources at the University, the University is unable to develop controls and processes to follow-up with students that are noncompliant. In addition, administration does not place a hold on student's account, causing no consequences if the student is noncompliant. University officials stated enrollment has consistently been lower than desired in recent years. Therefore, the University is concerned placing a hold on student accounts would cause more enrollment issues.

Failure to submit a required report to the IDPH and to maintain a listing of noncompliant students and ensuring that most, if not all, students have received required vaccinations, creates a noncompliance with the Act.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Under Study.

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Student Health Services continues to encourage students to provide immunization data. Additionally, Student Health Services offers free vaccinations to students. Lastly, technology solutions are being reviewed and considered to assist with timely reporting information to IDPH.

9. **The auditors recommend the University consult with the IBHE regularly to ensure agreed upon questions are formulated through the University system so accurate demographic information is identified. In addition, they recommend the University publish this information on the website so all users have access to pertinent information regarding childcare options, diversity, and population at the University.**

FINDING: *Noncompliance with the Student Parent Data Collection Act – New*

Northeastern Illinois University (University) did not comply with the Student Parent Data Collection Act.

During their review of the University's reporting requirements, the auditors noted the University did not participate in a consultation with the Illinois Board of Higher Education (IBHE) to prepare a question or questions for the purpose of determining the parental status or legal guardian status. While a consultation did not take place, the University reports student-parent data through IBHE's portal using Free Application for Federal Student Aid (FAFSA) data. While the University reports data to IBHE annually, the University did not include the prepared question in one or more forms that are used annually to collect demographic data from students. In addition, they noted the University did not publicize data reported to the Board of Higher Education annually on their website.

The Student Parent Data Collection Act (110 ILCS 149/10(a)) states the IBHE, in consultation with the Illinois Community College Board, public institutions of higher education, and advocates, shall prepare a question or questions to be placed on one or more forms that are used by an institution on an annual basis to collect demographic data from its students for the purpose of determining the parent status or legal guardian status of each of its enrolled students.

The Student Parent Data Collection Act (110 ILCS 149/10(b)) states the data collected under subsection (a) must be disaggregated by all variables collected normally, including, but not limited to, the student's race, ethnicity, income, gender, age, enrollment status, type of credential sought, receipt of financial aid, grade point average, persistence toward a degree or credential, and completion outcomes.

The Student Parent Data Collection Act (110 ILCS 149/20(a)) states on or before July 1, 2022 and annually thereafter, each public university shall report the data collected under Section 10 to the IBHE.

The Student Parent Data Collection Act (110 ILCS 149/20(b)) states each institution, the IBHE, and the Illinois Community College Board shall make the data reported under subsection (a) publicly available annually on their Internet website.

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University officials stated they did not participate in a consultation with the Board of Higher education to prepare a question or questions for the purpose of determining the parental status of each of its enrolled students due to using FAFSA data to submit data to the IBHE. As such, the University did not have forms used annually to collect demographic data from students and therefore, no report was posted to the University website.

Failure to participate in a consultation with the IBHE and publicize this information does not present data that could be beneficial in decision making regarding overall demographics and campus childcare.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Implemented.

Office of Institutional Research & Assessment (OIRA) has created a webpage on their website to capture and present the required Student Parent Data and will consult with IBHE regularly.

10. The auditors recommend the University develop a process and control to ensure accurate reports are submitted timely to the IBHE by required deadlines.

FINDING: *Failure to Timely Submit Required Salary Report – New*

Northeastern Illinois University (University) did not submit their salary report to the Illinois Board of Higher Education (IBHE) by the required deadline.

The University's Board of Trustees did not timely provide an annual report to the IBHE with the base salary and benefits of the University's President, all administrators, faculty members, and instructors employed by the University. The auditors noted the report was provided to the IBHE on November 5, 2023 which was past the required deadline. In addition, there were errors found by the University within the report that were corrected and subsequently provided in March 2024.

The Northeastern Illinois University Law (110 ILCS 680/25-165) requires the Board of Trustees to report to the IBHE, on or before July 1 of each year, the base salary and benefits of the president of the University and all administrators, faculty members, and instructors employed by the University.

University officials stated the report was not provided timely due to continuous turnover in the Human Resources department and difficulty reconciling data from the University's Information systems, as well as converting data to IBHE reporting requirements. In addition, an error in the delayed report was identified and required further submission which caused further delay.

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Failure to provide timely and accurate data of the base salary and benefits of the University and all administrators can lead to unfair or unreasonable wages and is a noncompliance with the Northeastern Illinois University Law.

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Implemented.

NEIU HR has build a custom report within Workday which will report the information in the format IBHE requires thus eliminating missed deadlines.

- 11. The auditors recommend the University implement controls and processes to ensure all guidelines are met, including obtaining signed Form I-9s, retaining documentation to support that all employees complete the required ethics training, reviewing payroll for accuracy to verify employees are paid the correct amount, and certifying the Statement of Economic Interest filers by the due date.**

FINDING: *Inadequate Controls Over Personnel Files – First reported 2023, Last reported 2024*

Northeastern Illinois University (University) was not in compliance with personal services guidelines.

During their testing, the auditors noted that the Statements of Economic Interest filers were certified on February 6, 2024, 5 days past the required deadline.

During their payroll testing, they noted the following:

- 1 of 25 (4%) personnel files examined did not contain a complete Employment Eligibility Verification (Form I-9) prior to the employee's hire date.
- 1 of 25 (4%) personnel files examined did not have documentation to support that the required ethics training was completed.
- 2 of 25 (8%) employees selected for testing were not paid properly during the period selected. One employee did not have a submitted, nor approved, timesheet for the period selected for testing and therefore was not paid. The other employee was overpaid for 10 pay periods, resulting in a total overpayment of \$187.

The Illinois Governmental Ethics Act (5 ILCS 420/4A-106.5) requires that on or before February 1 annually, the University employing persons required to file to certify to the Secretary of State the names and mailing addresses of those persons.

The Immigration Reform and Control Act of 1986 (8 U.S. Code § 1324a) as well as the Code of Federal Regulations (8 C.F.R. § 274a.2) require an entity to obtain an Employment Eligibility Verification Form (Form I-9) from all employees.

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The State Officials and Employees Ethics Act (5 ILCS 430/5-10) requires that each officer, member, and employee must complete, at least annually, an ethics training program conducted by the appropriate State agency.

The Illinois Wage Payment and Collection Act (820 ILCS 115/10) requires that employers keep records of names and addresses of all employees and of wages paid each payday and furnish each employee with a pay stub for each pay period.

University officials stated that the list was not certified by the required date due to turnover in the Ethics Officer position. The Interim Ethics Officer did not receive the list until February 6, 2024. University officials stated the missing I-9 was due to oversight with a 100% paper-based process and large demands on a limited HR staff. Additionally, University officials stated the one person who did not complete ethics training was an oversight. Finally, University officials stated the improper payments were due to limited HR staff, which affected proper review of payments.

Failure to maintain adequate controls over required filers, required employment forms and payroll could result in missing filings, unauthorized individuals being employed by the University, incorrect treatment of payroll and related deductions, and improper payments. Failure to maintain adequate controls over required training could result in noncompliance and untrained staff

UNIVERSITY RESPONSE:

The University agrees with the recommendation.

UPDATED RESPONSE:

Implemented.

The required forms are now electronically completed and maintained in Workday. The Ethics Officer is actively monitoring all required reporting for Statements of Economic Interests and other mandated items to ensure accuracy and compliance.

Emergency Purchases

A chief procurement officer making such emergency purchases is required to file affidavits or statements with the Procurement Policy Board and the Auditor General setting forth the amount expended (or an estimate of the total cost), the name of the contractor involved, and the conditions and circumstances requiring the emergency purchase. The Code also allows for quick purchases. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During the first quarter of FY24, NEIU had one emergency purchase for \$156,800 in other funds for labor, equipment, tools, and materials for the demolition and removal of the old

dust collector system, and installation a new dust collector system following a fire in the Fine Arts Woodshop.

Headquarters Designations

The State Finance Act requires all state agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each state agency is required to file reports of all its officers and employees for whom official headquarters have been designated at any location other than that at which official duties require them to spend the largest part of their working time.

As of July 8, 2024, NEIU had no employees assigned to locations others than official headquarters.