



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

NORTHEASTERN ILLINOIS UNIVERSITY

Single Audit

Release Date: June 2, 2022

For the Year Ended June 30, 2021

FINDINGS THIS AUDIT: 8			AGING SCHEDULE OF REPEATED FINDINGS				
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2020	21-01	21-04, 21-06 21-08	
Category 2:	0	7	7	2019		21-03, 21-05	
Category 3:	0	0	0	2018		21-07	
TOTAL	0	8	8	2017		21-02	
FINDINGS LAST AUDIT: 11							

INTRODUCTION

This digest covers the Northeastern Illinois University (University) Single Audit for the year ended June 30, 2021. A separate digest covers the University's Financial Audit and Compliance Examination as of and for the year ended June 30, 2021. In total, this report contains 8 findings, three were reported in the Financial Audit and all eight were reported in the Compliance Examination.

SYNOPSIS

- (21-04) The University did not timely submit disbursement records of the Federal Pell Grant Program to the Department of Education's Common Origination and Disbursement System.
- (21-07) The University did not communicate required program information and monitor subrecipients of federal awards.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

REPORTING OF DISBURSEMENTS TO THE COMMON ORIGINATION AND DISBURSEMENT SYSTEM

The 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.

**10 disbursement transactions
totaling \$22,793 were reported 9
days late**

During testing of 23 students with 49 disbursement transactions who received Federal Pell Grant Program funds totaling \$99,972, we noted 5 (22%) students with 10 disbursement transactions totaling \$22,793 were reported to the COD System 9 days late. (Finding 4, pages 23-24)

We recommended the University continue to improve its internal control process to ensure all student disbursement records are reported to the COD system timely in accordance with the federal requirements.

University agrees with auditors

University officials agreed with the finding.

INADEQUATE CONTROL OVER SUBRECIPIENTS

The University did not communicate required program information and monitor subrecipients of federal awards.

**University did not communicate or
timely communicate required
information for all 8 subrecipients
tested to comply with conditions of
awards**

During testing of eight subrecipients, with pass-through federal expenditures totaling \$1,472,962, on five programs of the Research and Development Cluster, Higher Education Institutional Aid, Twenty-First Century Community Learning Centers, and Gaining Early Awareness and Readiness for Undergraduate Programs, we noted the following:

- The University did not timely communicate the required federal award information to five subrecipients (63%) to comply with federal statutes, regulations, and terms and conditions of the award. The communication through the agreements were made 203 to 321 days late.
- The University did not communicate the required federal award information to three subrecipients (38%) to comply with federal statutes, regulations, and terms and conditions of the award.
- The University did not verify that subrecipients undergo an audit when the subrecipients federal awards exceeded the threshold.
- The University erroneously classified a contractor as a subrecipient. (Finding 7 pages 29-31) **This finding has been repeated since 2018.**

We recommended the University implement uniform procedures across all departments to serve as a guideline in communicating required subaward information to subrecipients, verify subrecipients to determine whether or not an audit is required, and properly classify contractors from subrecipients.

University agreed with auditors

University officials agreed with the finding.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the University. We will review the Agency's progress towards the implementation of our recommendations in our next Single Audit.

AUDITOR'S OPINION

The auditors conducted a Single Audit of the University as required by the Uniform Guidance. The auditors stated the University complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the Agency's major federal programs for the year ended June 30, 2021.

This Single Audit was conducted by Roth & Co., LLP

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JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

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FRANK J. MAUTINO
Auditor General

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