

**Northeastern Illinois University**  
**Internal Audit Department**  
**FY 2024-2025**  
**Detailed Audit Plan**

2024		2025	
Audit Projects	Hours	Audit Projects	Hours
HR System – Workday Implementation <sup>(1)</sup>	250	Travel and Expense Administration <sup>(1)</sup>	220
Grants – CCAS <sup>(1)</sup>	150	Information Technology <sup>(1)</sup>	250
Information Technology – Security <sup>(1)</sup>	250	Property Control <sup>(1)</sup>	250
Degree Works <sup>(1)</sup>	200	COB – Big Center	250
E-Procurement <sup>(1)</sup>	250	Education Building	250
Revenue/Receivables-Tuition Waivers <sup>(1)(2)</sup>	250		
Administrative & Compliance Activities and Reporting		Administrative & Compliance Activities and Reporting	
FCIAA Certification Coordination	40	FCIAA Certification Coordination	40
Annual Planning/Risk Assessment	40	Annual Planning/Risk Assessment	40
Annual Report	30	Annual Report	30
Follow-up	40	Follow-up	40
Unplanned Activities	80	Unplanned Activities	80
Quality Assessment Review	20	Quality Assessment Review	150
Total Hours for 2024	1,600	Total Hours for 2025	1,600

<sup>(1)</sup>Audit areas listed in the State Accounting Manual (SAM) as part of the State of Illinois' internal control framework. Per FCIAA, major accounting activities should be considered for audit every two years. This factor has been considered as part of the risk ranking in the development of the annual planning risk assessment. Departmental/Center audits are anticipated to cover the majority of 11 functional areas identified in the Control Framework but will be further defined at the audit level risk assessment and the availability of audit resources.

<sup>(2)</sup>Tuition and Fee Waivers are required to be periodically reviewed based on IBHE Tuition and Fee Waiver Guidelines.

**Other Items for Audit Consideration:**

Petty Cash & Local Funds  
 Auxiliary Services-Parking, Rec. Center, etc.  
 Budget Process  
 Financial Aid

Student Services  
 Union Building Administration & Conferences  
 Capital Projects/Construction  
 Compliance Areas (Title IX, Cleary Act, PCI,  
 Record Retention, Ethics, etc.)  
 Grading & Registrar Office

Please note the plan is subject to change based upon staffing and unforeseen issues that may develop. Whenever possible, integrated audits will be performed to address technologies associated with the area under review. Any significant changes to the plan will be communicated to the NEIU Management and the Board of Trustees Audit Committee Chairperson.

**Approvals:**

Katrina E. Bell-Jordan 9/28/23  
 Dr. Katrina E. Bell-Jordan Date  
 Northeastern Illinois University Interim President

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 Anna Meresidis Date  
 Board of Trustees, Audit Committee Chairperson

## Internal Auditing Charter

### Purpose and Mission

The purpose of Northeastern Illinois University's (NEIU) Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value and improve NEIU's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit Department helps NEIU accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

### Standards for the Professional Practice of Internal Auditing

NEIU is committed to the professional practice of internal auditing. The Internal Audit Department will function in compliance with the Illinois Fiscal Control and Internal Auditing Act (FCIAA) and follow the by-laws and requirements established by the State Internal Advisory Board (SIAAB). As required by SIAAB, the Department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles of the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing* and the definition of Internal Auditing. At NEIU the Director of Internal Auditing performs the role of the Chief Auditor/Chief Audit Executive. The Director of Internal Auditing will report periodically to the President of the University and the Board of Trustees (BOT) Audit Committee regarding the Internal Audit Department's conformance to the Code of Ethics and the Standards.

### Organization and Authority

The Director of Internal Auditing will report functionally to the President of the University and the BOT Audit Committee and administratively to the Vice President of Finance and Administration. To establish, maintain and assure that NEIU's Internal Audit Department has sufficient authority to fulfill its duties, the President and the Board of Trustee Audit Committee will:

- Approve the Internal Audit Department's charter.
- Approve the two-year, annual internal *Audit Plan*.
- Approve the Internal Audit Department budget and resource plan (following normal university procedures.)
- Receive communications from the Director of Internal Auditing on the Internal Audit Department's performance relative to its plan and other activities.
- Approve decisions regarding the appointment and removal of the Director of Internal Auditing.
- Approve the remuneration of the Director of Internal Auditing (following Normal University procedures).
- Make appropriate inquires of management and the Director of Internal Auditing to determine whether there are inappropriate scope or resource limitations.



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The Director of Internal Auditing will have unrestricted access to, and may communicate and interact directly with the Board of Trustee's Audit Committee, including in private meetings, without management present.

- The Internal Auditing Department has full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- The Director is authorized to allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives and to issue reports.
- The Internal Auditing Department can obtain assistance from the necessary NEIU personnel, as well as specialized services from within or outside NEIU in order to complete engagements. Management's approval will be obtained when it is deemed necessary for resources external to NEIU.

### Independence and Objectivity

The Director of Internal Auditing will ensure that the Internal Audit Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Director determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.

Internal auditors will not have direct operational responsibilities or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for NEIU or its affiliates.
- Initiating or approving transactions external to the Internal Audit Department.
- Directing the activities of any NEIU employee not employed by the Internal Audit Department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Director of Internal Auditing has or is expected to have roles and/or responsibilities outside of Internal Audit, safeguards will be established to limit impairments to independence or objectivity.

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.

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- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgements.

The Director of Internal Auditing will confirm to Management and the Board of Trustees Audit Committee at least annually, the organizational independence of the Internal Audit Department.

The Director of Internal Auditing will disclose to the appropriate governance level, any interference and related implications in determining the scope of internal auditing, performing work, and/or communication results.

### Scope of Internal Audit Activities

Scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board of Trustees Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for NEIU. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of NEIU's strategic objectives are appropriately identified and managed.
- The actions of NEIU's officers, directors, employees, and contractors are in compliance with NEIU's policies, procedures, and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations of programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws and regulations that could significantly impact NEIU or its affiliates.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently and protected adequately.

The Director of Internal Auditing will report periodically to senior management and the Board of Trustees Audit Committee regarding:

- The Internal Audit Department's purpose, authority and responsibilities.
- The Internal Audit Department's plan and performance relative to its plan.
- The Internal Audit Department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by the Board Audit Committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to NEIU.

The Director of Internal Auditing also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The Internal Audit Department may perform advisory and related client service activities, the nature



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and scope of which will be agreed upon with the client, provided the Internal Audit Department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

### Primary Duties & Responsibilities

The primary responsibilities of the Internal Audit Department include:

- Submitting, annually by June 30, to the President of the University and the BOT Audit Committee a two-year, risk-based annual *Internal Audit Plan* for review and approval.
- Communicating to the President of the University and the BOT Audit Committee the impact of resource limitation on the *Internal Audit Plan*.
- Review and adjust the *Internal Audit Plan*, as necessary, in response to changes in NEIU's business, risks, operational programs, systems, and controls.
- Communicate to senior management and the BOT Audit Committee any significant interim changes to the *Internal Audit Plan*.
- Ensure each engagement on the *Internal Audit Plan* is executed, including the establishment of objectives and scope, the assignment of appropriate resources, the documentation of work programs and testing results and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow-up on engagement findings and corrective actions, and report periodically to senior management and the BOT Audit Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality and competency are applied and upheld.
- Ensure the Internal Audit Department collectively possesses or obtains the knowledge, skills and other competencies needed to meet the requirements of the Internal Audit Charter.
- Ensure that emerging trends and emerging issues that could impact NEIU are considered and communicated to senior management and the BOT Audit Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Audit Department.
- Ensure adherence to NEIU's relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit Charter. Any such conflicts will be resolved or otherwise communicated to the President of the University and the BOT Audit Committee.
- Ensure conformance of the Internal Audit Department with the *Standards* with the following qualifications:
  - If the Internal Audit Department is prohibited by law or regulation from conformance with certain parts of the *Standards*, the Director of Internal Auditing will ensure appropriate disclosures and will ensure conformance with all other parts of the *Standards*.

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- o If the *Standards* are used in conjunction with requirements issued by other authoritative bodies (i.e., Generally Accepted Governmental Auditing Standards (GAGAS), the Director of Internal Auditing will ensure the Internal Audit Department conforms with the *Standards*, even if the Internal Audit Department conforms to more restrictive requirements of other authoritative bodies.
- Ensure by September 30, of each year that a written report detailing how the *Internal Audit Plan* for the previous fiscal year was carried out, the significant findings and the extent to which recommended changes were implemented is provided to the President of the University and BOT Audit Committee.
- Ensure audits of major information systems of internal accounting and administrative control are considered for review at least once every two years. This includes review of the design of major, new information systems and major modifications of those systems before installation.
- Assist management in the coordination of the FCIAA certification of internal controls process.
- Assist in the investigation of potentially fraudulent activities and ensure due diligence is performed to identify fraud in planned audits.
- Coordinate with external auditors and regulatory agencies concerning the scope of work performed to reduce duplication and the optimization of audit coverage.

### Quality Assurance and Improvement Program

The Internal Audit Department will maintain a quality assurance and improvement program that covers all aspects of the Internal Audit Department. The program will include an evaluation of the Internal Audit Department's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Internal Audit Department's activities and identify opportunities for improvement.

The chief audit executive will communicate to senior management and the Board of Trustees Audit Committee on the Internal Audit Department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor from outside the NEIU organization.

### Approval/Signatures



Chrystal D. Temples, Director of Internal Auditing

9/28/2023

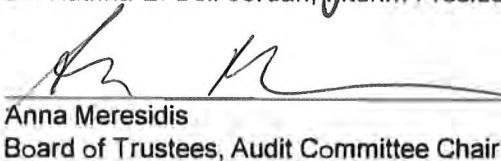
Date



Dr. Katrina E. Bell-Jordan, Interim President

9/28/23

Date



Anna Meresidis  
Board of Trustees, Audit Committee Chair

11/15/23


Date



## MEMORANDUM

DATE: September 29, 2023

TO: Dr. Katrina Bell-Jordan, Interim President

FROM: Christy Temples, Director of Internal Auditing 

CC: Anna Meresidis, Board of Trustees, Audit Committee Chair  
Manish Kumar, Vice President for Finance and Administration

SUBJECT: Auditor Independence Statement

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The purpose of this statement is to provide information regarding the independence of the Internal Audit Department personnel of Northeastern Illinois University (NEIU). This information is necessary to:

- Provide documentary evidence that the Internal Audit Department is monitoring the independence of office personnel; and
- Properly determine that audit engagements are staffed with independent personnel.

I have read the rules of professional conduct promulgated by the Institute of Internal Auditors. I understand that independence is to be maintained in spirit as well as in fact. I have determined to the best of my knowledge and belief that I do not have a direct financial interest in any organization, activity or affiliate of NEIU.

I have not accepted personal benefits from any University personnel, organization or affiliates which would impair my credibility or my independence in the minds of a reasonable person familiar with the facts.

I am an authorized fiscal agent and perform other administrative duties only for the Internal Audit Department of NEIU. I do not serve as an officer and/or director of any organizations that transact business with the University.

**INFORMATION ITEM: AUDIT FINDINGS PROGRESS REPORT**

The University’s 2022 Single Audit and Compliance Examination was released by the Illinois Office of Auditor General May 25, 2023.

The following summary provides the status of the individual audit findings and indicates if the finding is a recurring finding from previous years.

Here is the current status of the 2022 material findings:

- NEIU had 12 material audit findings
- 8 of 12 findings were repeated findings
- 7 of 12 findings have been reported as addressed
- 2 findings are in progress
- 3 will appear in the FY2023 reports

#	Previous	Finding	Status	Expected Completion
001	2020, 2021	Inadequate Internal Controls over Census Data	With the launch of Workday in April 2023, an address change report (PZADDR) was built to provide easy access to the benefits team. The report is generated every two weeks.	Complete
002	2017,2021	Weaknesses over Computer Security	UTS has instituted a standard business process for decommissioning legacy operations and a standard business process for enabling hard disk encryption on laptops. They’ve also established IT Change Management process and procedures.  UTS continues to review user access to applications and the network.	8/30/24
003	2019, 2021	Lack of Adequate Controls over Review of Internal Controls over Service Providers	UTS is maintaining an updated list of IT Service Providers, using the SOC review template to review SOC reports, and is	Complete



**INFORMATION ITEM: AUDIT FINDINGS PROGRESS REPORT**

#	Previous	Finding	Status	Expected Completion
			monitoring IT service providers for performance, problems and compliance with contract agreements.	
004		Lack of Adequate Reviews over year end Reports and Reconciliations	The Controller's Office hired a Chief Accountant in FY 2023 to help with year--end reconciliation and report close process. However, due to various implementations, we are expecting this finding to be repeated in FY 2023.	6/30/24
005	2020, 2021	Noncompliance with Grant Report Requirements	The Grants and Contracts Office will continue to review for funding agency websites to ensure reports are up to date with changes in reporting requirements. The published reports will be revised to meet the requirements of the funding agency. The Grants and Contracts Office will continue to ensure reports will be submitted and published as required by the funding agency in a timely manner.	6/30/24
006		Insufficient Controls over Expenses Charged to TRIO Grant	Principal Investigator and the Grants and Contracts Office instituted a review of expenditures charged to the grant to ensure expenses are allowable within federal requirements and grant agreement.	Complete
007		Insufficient Controls over Payroll Charged to Research Grant	Relevant units are consulted to ensure submission of accurate timesheets while awaiting official communication from the funder. Additionally, meetings are established within seven (7) business days	Complete

**INFORMATION ITEM: AUDIT FINDINGS PROGRESS REPORT**

#	Previous	Finding	Status	Expected Completion
			after the NIH PO/GMS initial review of the carry-forward request.	
008	2019, 2021	Weaknesses in Cybersecurity Programs and Practices	UTS established a project management framework, a data governance process. Additionally, UTS periodically reviews and reports on cybersecurity risks via the risk register.	Complete
009	2013, 2021	Lack of Disaster Contingency Plan	UTS established and tested a disaster contingency plan.	Complete
010	2018, 2021	Inadequate Controls over University Property and Equipment	A new inventory database was implemented to improve processes and make assets more visible, using RFID technology (tags and readers). Initial training upon use of the new database is complete. Additionally, policy was updated to align with changes to the process. Cleaning and updating of asset data continues.	5/31/24
011		Noncompliance with the Fiscal Control and Internal Auditing Act	The University hired a Director of Internal Audit in September 2023. However, due to lack of internal audit coverage until September 2023, this finding will repeat in FY2023.	6/30/24
012	2018, 2021	Weakness Regarding Clearing of Data from Electronic Devices	UTS worked with Property Control to establish a policy and procedure for ensuring data is removed from removable media before reuse or destruction.	Complete