

Northeastern Illinois University
2018 Audit Finding Monitoring

Updated March 29, 2019

MATERIAL

FINDING	UNIVERSITY RESPONSE	CORRECTIVE ACTION	MARCH 2019 STATUS
001 Inadequate Controls over Student Receivables and Tuition Billings	The University accepts the recommendation. The student accounts with credit balances were improperly classified due to timing issue. The incorrect student tuition fee rates billed to students was due to human error when the student tuition rates were updated in the system during the current academic year.	The University will ensure better oversight with regard to student billing and tuition rates by establishing multiple reviews of student billing rates in our student database by other staff in the Finance and Administration division. This will ensure that students are billed accurate student tuition and fee rates. Additionally, the University will run a process to address credit balances more frequently as to avoid the timing issue towards the end of the fiscal year.	Addressed
003 (Repeat) Inaccurate Calculation and Untimely Return of Title IV Funds	The University accepts the recommendation. Due to the volume of withdrawals -- official and unofficial -- and the manual process required to process R2T4 calculations, staffing issues prevented timely returns.	The University's checks and balances of ensuring all steps are followed within the appropriate time period are tightened and that the office administering the calculation is fully staffed.	Addressed
006 Inaccurate Annual Performance Report for Gaining Awareness and Readiness for Undergraduate Programs.	The University accepts the recommendation. All internal controls were followed but the error occurred in inputting it on the final spreadsheet. NEIU will make this correction in the April 2019 APR report.	NEIU has strong internal controls in place for ensuring accuracy in match documentation; however the University will improve its match reporting procedures by adding a new control to its recording process.	Addressed
007 (Repeat) Time and Effort Reports Not Submitted or Timely Submitted.	The University accepts the recommendation. Late time and effort reports were due to oversight by the Principal Investigator.	The NEIU Time & Effort Policy has been updated with longer response time frames in order to reflect and accommodate the various schedules of highly active faculty and PI's. Directions that are explicit in how to complete the forms when an employee is unavailable, as well as an instructional template, are now additionally attached to assist in timely completion.	Addressed
008 Failure to Communicate Required Information to Subrecipients	The University accepts the recommendation. Procedure for review of sub awards versus contracts was not stringent enough.	NEIU has strong internal controls in place to ensure correct identification of sub-recipient and contractor/service provider. However, the university will strengthen its procedure for communicating information to Principal Investigators to ensure that, once identified, the correct expense code is assigned. We are confident that this added step will ensure integrity of the University's financial statements.	Addressed

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009 (Repeat) Inaccurate FISAP Reporting.	The University agrees with the recommendation.	Established accounting personnel now monitor and accurately record Perkins administrative cost allowances to ensure they are coded to the correct accounts. Additional personnel establish in financial aid specifically work and monitor JLD accounts, to assist in accurate reporting.	Addressed
011 (Repeat) Noncompliance with the Open Meetings Act	The University accepts the recommendation and already updated its training calendar.	The University has updated its new Trustee orientation program to place a greater emphasis on the requirement to complete the IL Open Meetings Act training. This includes providing new Trustees at their orientation with the number of days remaining to complete the training from the date of their appointment. The Assistant Secretary to the Board of Trustees will regularly engage with new Trustees to ensure compliance by their deadline.	Addressed
0013 (Repeat) Noncompliance with the Fiscal Control and Internal Auditing Act	The University agrees with the recommendation and has already initiated the peer review and audit plan.	Corrective action has been implemented for all identified areas. The NEIU Internal Auditing Department has completed the Quality Assessment Review in FY2019. The FY2019-FY2020 Audit Plan was completed and approved prior to start of the new fiscal year as required. In addition, a two-year, risk based audit planning process has been re-established and audits are being completed to ensure there is adequate coverage of the areas identified within the Fiscal Control and Internal Auditing Act.	Addressed
015 Noncompliance with the Public Funds Act	The University agrees with the recommendation.	The University has already strengthened its internal control procedures over the Public Funds Act. Specific action steps have been developed that include calendar reminders and identification of back-up personnel assigned to task.	Addressed
016 (Repeat) Inadequate Controls over Contractual Agreements.	The University agrees with the recommendation. The incomplete or missing clauses, vendor refusal to sign contracts which contain certifications that are not material to the purchase, is an occasional challenge presented by vendor legal departments. The non-preparation of contract was caused by a purchasing department oversight.	<p>The University's Director of Purchasing discussed the audit finding with staff, understands and acknowledges that contracts must include all relevant standard terms and conditions and State required certifications. Staff will review contracts to ensure Vendor has not taken any exceptions to the stated contract language.</p> <p>The University has already revised the two-party contract templates to include all State required Terms & Conditions and also the required State Certifications.</p> <p>The Director of Purchasing will monitor and provide continuous training to purchasing staff on current State regulations.</p>	Addressed

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002 (Repeat) Reporting to NSLDS	The University accepts the recommendation. The delayed submission to NSLDS was due to the time required to resolve data records.	The University will build in an additional procedure for students reported via NSC and erroring with NSLDS due to having no financial aid history so that manual entries can be made in NSLDS within 3-4 business days. This will allow sufficient response time in the instance manual entries are not accepted.	In Progress
004 Noncompliance with the Federal Perkins Loan Cohort Default Rate	The University accepts the recommendation. After contacting ECSI, NEIU's Federal Perkins Loan servicer, the auto placement of Perkins borrowers for collection was apparently suspended during fiscal year 2018, resulting in borrowers not receiving collection notices on a timely basis.	The University will work with our Federal Perkins loan servicer, ECSI, to ensure that borrowers are appropriately automatically place for collection in order to encourage borrowers who may default to either make payment, setup a new payment terms or possibly consolidate their loans. Student Payment Services will also request to fill at least one of the three previously vacated positions in the Student Loans area that specifically support Perkins loan collection.	In Progress
005 Inadequate Program and Required Records of Student Financial Assistance Programs	The University agrees with the recommendation.	The University will develop a population selection to identify students missing the forwarded SAP status for fall term and verify the accuracy for this group. The University installed upgrades in Banner for this award cycle which resolves the COA recalculation for individual terms.	In Progress
010 (Repeat) Noncompliance with the Abused and Neglected Child Reporting Act	The University accepts the recommendation and now utilizes its new employee orientation process for employees to sign statements acknowledging their understanding of the reporting requirements under the Act.	The Office of Human Resources will continue to maintain a log of all new hire paperwork. If anything is missing the employee is contacted immediately or at orientation will be asked to complete any missing paperwork.	In Progress
012 (Repeat) Time Sheets Not Required and Not Timely Completed and Approved	The University agrees with the recommendation and has already begun implementing time reporting.	Instructors started submitting time sheets September, 2018, Adjuncts started in January, 2019 and the Graduate Students will start March, 2019. The Office of Human Resources/Payroll will continue to manually track time sheet submissions.	In Progress
0014 Weakness regarding clearing of data from surplus computer equipment.	The University agrees with the recommendation.	The University Technology Services and Property Control offices will review internal procedures for computer surplus data controls, including reviewing what are required by CMS.	In Progress

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017 (Repeat [FY16]) Inadequate Controls Over University Property and Equipment	The University agrees with the recommendation.	The property control office updated its user manual and will conduct ongoing training of the responsible inventory managers throughout the University.	In Progress
018 Failure to Perform Employee Performance Evaluations Timely	The University agrees with the recommendation.	The Office of Human Resources will strengthen the procedural elements of its performance evaluation processes while continuing to ensure compliance by maintaining a spreadsheet to track annual reviews (excluding faculty and students) and probationary reviews for Civil Service employees only.	In Progress
019 (Repeat) Lack of Disaster Contingency Plan	The University agrees with the recommendation and is addressing the plan as part of the IT Modernization project.	In FY2019, funding was identified to complete the IT Modernization project, which includes a disaster recovery solution.	In Progress
020 (Repeat) Noncompliance with Payment Card Industry Security Standards	The University agrees with the recommendation and has partially addressed.	University Technology Service is currently working with a PCI compliance vendor in completing the SAQ for NEIU	In Progress
021 Computer Security Weakness	The University agrees with the recommendation.	The University's Technology Services department (UTS) is streamlining its client refresh processes. These processes will also improve with the rollout of the University IT Infrastructure Modernization projects. UTS will be implementing Security awareness and training for employees.. The University will continue to work on a permanent solution to address this issue.	In Progress