

WESTERN 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, 2023

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

WESTERN 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, 2023

TABLE OF CONTENTS

	<u>Page</u>
University Officials	1
Compliance Report	
Summary	3
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 <i>Government Auditing Standards</i>	5
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 Required by the Uniform Guidance, and the Schedule of Federal and Nonfederal Financial Activity	7
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	12
Current Findings – Federal Compliance and Questioned Costs	13
Prior Finding Not Repeated	17
Supplementary Information	
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards	23
Schedule of Federal and Nonfederal Financial Activity	24

WESTERN 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, 2023

University Officials

President	Dr. Guiyou Huang
Provost and Academic Vice President	Dr. Mark A. Mossman (11/01/23 – Present) Dr. Manoochehr Zoghi (07/01/22 – 10/31/23)
Vice President for Student Success	Mr. John Smith (08/01/22 – Present) Dr. David Braverman (07/01/21-07/31/22)
Vice President for Finance and Administration	Mr. Paul Edwards (07/01/23 – Present) Ms. Shannon Sutton, Interim (7/01/21-6/30/23)
Vice President of Enrollment Management*	Dr. Amber Evans (08/01/21 – 06/30/23)
Vice President for Quad Cities Campus Operations	Dr. Kristi Mindrup
Executive Director of Financial Affairs	Ms. Ketra Roselieb
Director of Internal Auditing	Ms. Rita Moore (01/09/23 - Present) Mr. Michael Sowinski (07/01/21-12/17/22)
General Counsel	Ms. Victoria R. Smith (9/16/23 - Present) Ms. Elizabeth Duvall (07/01/22 – 9/15/23)

* Division of Enrollment Management was discontinued as of 06/30/23

WESTERN 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, 2023

Board of Trustees (as of June 30, 2023)

Chair	Doug Shaw, Peoria
Vice Chair	Greg Aguilar, East Moline
Secretary	Kisha M. J. Lang, Maywood
Member	Cody Cornell, Columbia
Member	Kirk Dillard, Hinsdale
Member	Polly Radosh, Good Hope
Member	Carin Stutz, Chicago
Member	Derek Wise, Venice

University offices are located at:

Macomb Campus
1 University Circle
Macomb, Illinois 61455-1390

Quad Cities Campus
3300 River Drive
Moline, Illinois 61265-588

WESTERN 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, 2023

FEDERAL COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this audit of the Western 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 Principals, 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.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	3	2
Repeated Findings	1	1
Prior Recommendations Implemented or Not Repeated	1	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
------------------------	--------------------	-----------------------------------	---------------------------	----------------------------

Current Findings – *Government Auditing Standards*

None

Current Findings – *Federal Compliance and Questioned Costs*

2023-001	13-14	2023/ 2022	Inadequate Internal Control over Student Enrollment Reporting	Material Weakness and Noncompliance
2023-002	15	New	Inadequate Internal Control over Return of Title IV Funds	Material Weakness and Noncompliance

WESTERN 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, 2023

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2023-003	16	New	Inadequate Internal Control over Verification Requirements	Significant Deficiency

Prior Findings Not Repeated

A	17	2022/2020	Inadequate Internal Controls over Census Data	
---	----	-----------	---	--

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Dr. Guiyou Huang, President, on February 9, 2024. The responses to the recommendations were provided by Ms. Deanna Eden, Assistant Comptroller, in a correspondence dated February 14, 2024.

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
Western 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, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of Western Illinois University (the "University"), collectively, a component unit of the State of Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated February 22, 2024.

Our report includes a reference to another auditor who audited the financial statements of the Western Illinois University Foundation, the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

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. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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 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. 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.

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Western Illinois University

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Plante & Moran, PLLC

Cincinnati, Ohio
February 22, 2024

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
Western 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 Western 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, 2023. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2023.

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.

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Western Illinois University

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.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Western Illinois University

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

The results of our auditing procedures disclosed other 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 2023-001 and 2023-002. 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.

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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Western Illinois University

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 to be material weaknesses.

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 weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003 to be a significant deficiency.

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.

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 responses.

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, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated February 22, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Western Illinois University

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 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 and Nonfederal Financial Activity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

Cincinnati, Ohio
February 22, 2024

WESTERN 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, 2023

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
84.007, 84.033, 84.038, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
84.002	Adult Education
84.173	Special Education Cluster
97.067	Homeland Security Grant
84.425C, 84.425M	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as a low-risk auditee? Yes No

Western Illinois University
(A Component Unit of the State of Illinois)
Current Findings – Federal and Questioned Costs
For the Year Ended June 30, 2023

2023-001. Finding: Inadequate Internal Control over Student Enrollment Reporting

Federal Agency: U.S. Department of Education

Assistance Listing Number: 84.063, 84.268

Program Expenditures: \$38,687,691

Program Name: Federal Pell Grant Program, Federal Direct Student Loans

Award Number(s): P063P211391, P063P221391, P063P231391, P268K221391, and P268K231391

Questioned Costs: None

Western Illinois University (University) did not have adequate procedures in place to complete accurate and timely enrollment reporting for all students within the required time period.

During our testing of Pell or Direct Loan borrowers, we noted 21 out of 40 (53%) students campus-level record and program-level record were not updated within the required time frame, ranging from 11-52 days late. For 19 out of the 21 students noted above, we also noted the enrollment effective date was incorrect (19 out of 40 students tested, 48%). The sample was not a statistically valid sample.

The University is required to report enrollment reporting changes no less than every 60 days. During the year, there were underlying problems with how data was being submitted to the National Student Clearinghouse (NSC), resulting in enrollment status changes and degree confirmations not being reported timely for 21 students tested or accurately for 19 students tested. Noted, while the University had a policy in place to ensure enrollment reporting for degree confirmations and status changes were being submitted to the NSC at least every 30 days, there was a flaw in the University's process that caused enrollment status changes and degree confirmations submitted to the NSC to not ultimately be submitted to National Student Loan Data System (NSLDS), resulting in enrollment reporting changes to be reported greater than 60 days after program enrollment effective date (for 21 students tested) and in some cases, with incorrect enrollment effective date (for 19 out of the 21 students noted above).

For the Federal Pell Grant Program, 34 CFR Section 690.83(b)(2) requires an institution to submit in accordance with deadline dates established by the secretary, through publication in the Federal Register, other reports and information the secretary requires and shall comply with the procedures the secretary finds necessary to ensure that the reports are correct.

For the Federal Direct Student Loans, 34 CFR Section 685.309(b) requires changes in student status to be reported to the NSLDS within 30 days of the change or included in a Student Status Confirmation Report (SSCR) sent to the NSLDS within 60 days of the status change.

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure enrollment reporting is accurate and timely.

University officials indicated the University did not have adequate procedures in place to ensure all required campus-level data and program-level data was being reported to NSLDS via NSC due to a flaw in their process causing degree confirmations to be overridden with other enrollment information prior to submission. The University did not have an appropriate enrollment reporting timeline to ensure student status changes were reported in the required time frame.

Western Illinois University
(A Component Unit of the State of Illinois)
Current Findings – Federal and Questioned Costs
For the Year Ended June 30, 2023

2023-001. Finding: Inadequate Internal Control over Student Enrollment Reporting (Continued)

Without sufficient controls around enrollment reporting there is a greater risk that student enrollment data will not be reported accurately or timely. Inaccurate or untimely reporting of student enrollment data can result in inconsistencies between the University's records and the National Students Loan Data System as well as potential delays in the repayment of federal loans. (Finding Code No. 2023-001, 2022-002)

RECOMMENDATION

We recommend the University implement controls to ensure that all enrollment status changes and degree confirmations are being appropriately reported through NSC to NSLDS and that submissions of degree confirmations to NSC are appropriate to ensure enrollment status changes are reported at least every 60 days. We also recommend these controls be monitored to ensure that all necessary information is reported within the required time frame.

UNIVERSITY RESPONSE

The University agrees with the finding. Procedural changes have been identified and internal controls will be implemented moving forward to ensure that enrollment status changes and degree confirmations are being appropriately submitted and reported, and that they are done so in a timely manner.

Western Illinois University
(A Component Unit of the State of Illinois)
Current Findings – Federal and Questioned Costs
For the Year Ended June 30, 2023

2023-002. Finding: Inadequate Internal Control over Return of Title IV Funds

Federal Agency: U.S. Department of Education

Assistance Listing Number: 84.063, 84.268, 84.007, 84.379

Program Expenditures: \$39,082,749

Program Name: Federal Pell Grant Program, Federal Direct Student Loans, Federal Supplemental Education Opportunity Grants, Teacher Education Assistance for College and Higher Education Grants

Award Number(s): P063P211391, P063P221391, P063P231391, P268K221391, P268K231391, P007A231313, P379T221391, and P379T231391

Questioned Costs: None

Western Illinois University (University) did not have adequate procedures in place to complete timely return of Title IV funds for all students within the required time period.

During our testing of borrowers that withdrew from the University, we noted 6 out of 25 (24%) students return of Title IV funds were not processed within the 45 day window, ranging from 2-12 days late. The sample was not a statistically valid sample.

A school participating in Title IV aid programs must establish and maintain proper administrative and fiscal procedures and initiate returns within 45 days after the determined date of withdrawal (34 CFR 668.173(b)).

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure return of Title IV funds is accurate and timely.

University management indicated staffing shortages during the 2022-2023 aid year caused this to occur.

Without sufficient controls in place to return Title IV funds there is a greater risk that the school does not return funds timely or that students may not receive post-withdrawal disbursements timely. (Finding Code No. 2023-002)

RECOMMENDATION

We recommend the University implement controls to ensure that all refunds of Title IV funds are initiated within 45 days of the date of determination for the students withdrawal. We also recommend these controls be monitored to ensure that all necessary refunds are completed within the required time frame.

UNIVERSITY RESPONSE

The University agrees with the finding. Additional procedures have been put in place and additional staffing efforts will be allocated to ensure timing requirements are met as it relates to Title IV funds.

Western Illinois University
(A Component Unit of the State of Illinois)
Current Findings – Federal and Questioned Costs
For the Year Ended June 30, 2023

2023-003. Finding: Inadequate Internal Control over Verification Requirements

Federal Agency: U.S. Department of Education
Assistance Listing Number: 84.063
Program Expenditures: \$12,171,226
Program Name: Federal Pell Grant Program
Award Number(s): P063P211391, P063P221391, and P063P231391
Questioned Costs: None

Western Illinois University (University) did not have adequate procedures in place to complete accurate and timely updating of verification statuses in the Common Origination and Disbursement (COD) database for all students within the required time period.

During our testing of borrowers that had been selected for verification at the University, we noted 6 out of 25 (24%) students whose verification status was not properly reflected in the COD records. The sample was not a statistically valid sample.

The University is required to update the verification status for all borrowers in the COD timely for those selected for verification. During the year, there was a misunderstanding of the waived verification requirements allowable under Dear Colleague Letter “Changes to 2022-2023 Verification Requirements” (GEN-22-06), which caused 6 out of 25 students to not have their verification status updated in the COD.

A school participating in Title IV aid programs must establish and maintain proper administrative and fiscal procedures and verify an applicant’s FAFSA information and maintain up to date accurate information in COD (34 CFR 668.53(a)).

Uniform Guidance (2 CFR 200.303(a)) requires non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure verification status for students is updated accurately and timely.

University management indicated there was a misunderstanding of the waived verification requirements which caused this error.

Failure to have sufficient controls around verification requirements, resulted in the University not accurately or timely updating the verification status in the COD to report that required verifications occurred for students selected by the Department of Education for verification. (Finding Code No. 2023-003)

RECOMMENDATION

We recommend the University implement controls to ensure that all students verification statuses are updated accurately and timely in the COD.

UNIVERSITY RESPONSE

The University agrees with the finding. The University's internal controls have been updated as the Department of Education has released the COVID suspension of the verification process.

WESTERN ILLINOIS UNIVERSITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Year ended June 30, 2023

A. **FINDING** (Inadequate Internal Controls over Census Data)

During the previous audit period, the 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.

During the current audit period, the reconciliation was prepared and no other exceptions were noted in related to the June 30, 2021 census data. (Finding Code No. 2022-001, 2021-001, 2020-001)

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing	Pass-Through/Contract Number	FY 2023 Expenditures	Amount Provided to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Education Opportunity Grants	84.007	P007A231313	270,101	-
			270,101	
Federal Work-Study Program <i>Federal Work-Study Program - 2022-2023</i>	84.033	P033A231313	426,955	-
			426,955	-
Federal Perkins Loan Program Federal Capital Contributions	84.038	P038A071313	826,384	-
Federal Pell Grant Program <i>Federal Pell - 2021-2022</i>	84.063	P063P211391	(41,050)	-
<i>Federal Pell - 2022-2023</i>	84.063	P063P221391	12,201,878	-
<i>Federal Pell - 2023-2024</i>	84.063	P063P231391	10,398	-
			12,171,226	-
Federal Direct Student Loans <i>Federal Direct Student Loans - FY22</i>	84.268	P268K221391	(94,495)	-
<i>Federal Direct Student Loans - FY23</i>	84.268	P268K231391	26,610,960	-
			26,516,465	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) <i>Teach Grant - 2021-2022</i>	84.379	P379T221391	(1,886)	-
<i>Teach Grant - 2022-2023</i>	84.379	P379T231391	126,843	-
			124,957	-
TOTAL DEPARTMENT OF EDUCATION			\$ 40,336,088	\$ -
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			\$ 40,336,088	\$ -
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Specialty Crop Block Grant Program - Farm Bill Passed-Through Illinois Department of Agriculture <i>Utilizing Hyperspectral Reflectance Imagery to Improve Fertilizer Efficiency and Sustainability of Hydroponic Lettuce</i>	10.170	SC-20-18	\$ 412	\$ -
Passed-Through University of Illinois <i>Variety Trial for Ginger and Best Practices for Illinois Farmers</i>	10.170	107533-19014	272	-
			684	-
Organic Agriculture Research and Extension Initiative Passed-Through Purdue University <i>Bio-Intensified Field Crop Rotations in the Upper Midwest</i>	10.307	F9002856502025	140	-
Agriculture and Food Research Initiative <i>Oilseed Pennycress: A New Cash Cover-Crop for the Midwest</i>	10.310	2019-69012-29851	2,099,681	1,773,409
Passed-Through Illinois State University <i>Advancing Field Pennycress as a New Oils Feed Biodiesel Feedstock That Does Not Require New Land Commitments</i>	10.310	A180071S001	457	-
			2,100,138	1,773,409
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA) <i>Improving Access to Locally Produced, Health Food in IL Food Deserts</i>	10.326	20207000131290	3,038	-
TOTAL DEPARTMENT OF AGRICULTURE			\$ 2,104,000	\$ 1,773,409

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing	Pass-Through/Contract Number	FY 2023 Expenditures	Amount Provided to Subrecipients
<u>DEPARTMENT OF DEFENSE</u>				
Basic Scientific Research Passed-Through University of North Texas <i>Tech Proposal for Advanced Ballistic Tech: A Mechanism Based Approach to Design</i>	12.431	GF70037-1	\$ 716,681	\$ 247,591
TOTAL DEPARTMENT OF DEFENSE			\$ 716,681	\$ 247,591
<u>DEPARTMENT OF JUSTICE</u>				
National Institute of Justice Research, Evaluation, and Development Project Grants <i>Validation of a LC-DAD-ESI/MS/MS Method for the Accurate Measurement of THC</i>	16.560	2020QBX0021	\$ 66,644	\$ -
TOTAL DEPARTMENT OF JUSTICE			\$ 66,644	\$ -
<u>NATIONAL SCIENCE FOUNDATION</u>				
STEM Education <i>Building a Pathway for Recruiting and Preparing STEM Teachers in West Central Illinois</i>	47.076	2243323	\$ 14,468	\$ -
<i>Improving Career Readiness for Engineering Students Through Mentored Living Learning</i>	47.076	2221404	11,830	-
			<u>26,298</u>	<u>-</u>
Mathematical and Physical Sciences <i>Multiscale Approach to Understand Outflows During High Mass Star Formation</i>	47.049	1814063	13,183	-
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 39,481	\$ -
<u>DEPARTMENT OF ENERGY</u>				
Office of Science Financial Assistance Program Passed-Through Illinois State University <i>Interrogating Pennycress Natural and Induced Variation to Improve Abiotic Stress</i>	81.049	A210036S005	\$ 179,596	\$ -
TOTAL DEPARTMENT OF ENERGY			\$ 179,596	\$ -
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 3,106,402	\$ 2,021,000
SPECIAL EDUCATION CLUSTER (IDEA):				
<u>DEPARTMENT OF EDUCATION</u>				
Special Education Preschool Grants Passed-Through Illinois State Board of Education <i>Fed-Sp Ed-Preschool Discretionary Illinois Starnet - 2023</i>	84.173A	2023-4605-00-26-062-5440-51	\$ 869,389	\$ -
			<u>869,389</u>	<u>-</u>
TOTAL DEPARTMENT OF EDUCATION			\$ 869,389	\$ -
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			\$ 869,389	\$ -

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing	Pass-Through/Contract Number	FY 2023 Expenditures	Amount Provided to Subrecipients
OTHER PROGRAMS:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Farmers Market and Local Food Promotion Program <i>USDA Local Food Promotion Program</i>	10.175	AM22LFPPIL110700	\$ 33,560	\$ -
Agriculture and Food Research Initiative Passed-Through University of Illinois <i>Illinois Beef Experiential Learning and Industry Exposure Fellowship</i>	10.310	10765118814	11,054	-
Rural Cooperative Development Grants <i>Rural Cooperative Development Grant Program 2022</i>	10.771	13055277443	64,529	-
			64,529	-
Socially-Disadvantaged Groups Grant <i>Illinois Socially Disadvantaged Groups Grant 2023</i>	10.871	13055277443256	42,018	-
TOTAL DEPARTMENT OF AGRICULTURE			\$ 151,161	\$ -
<u>DEPARTMENT OF DEFENSE</u>				
Procurement Technical Assistance For Business Firms Passed-Through Illinois Department of Commerce and Economic Opportunity <i>IL Procurement Technical Assistance Center FY22</i>	12.002	22-601104	\$ (931)	\$ -
<i>IL Procurement Technical Assistance Center FY23</i>	12.002	23-601104	75,603	-
<i>IL Procurement Technical Assistance Center FY24</i>	12.002	24-601104	204	-
			74,876	-
TOTAL DEPARTMENT OF DEFENSE			\$ 74,876	\$ -
<u>DEPARTMENT OF JUSTICE</u>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Passed-Through Illinois Criminal Justice Information Authority <i>Arrest Grant-Improve Criminal Justice Response to Domestic/Date Violence Sex Assault Stalking</i>	16.590	389003	\$ 15,522	\$ -
Body Worn Camera Policy and Implementation <i>Small, Rural and Tribal Body Worn Camera Program</i>	16.835	28632472	19,900	-
TOTAL DEPARTMENT OF JUSTICE			\$ 35,422	\$ -
<u>DEPARTMENT OF TRANSPORTATION</u>				
Formula Grants for Rural Areas and Tribal Transit Program Passed-Through Illinois Department of Transportation <i>Rural Transit Assistance Center FY19-21</i>	20.509	5012	\$ (70)	\$ -
<i>Rural Transit Assistance Center FY22-24</i>	20.509	1177-2021-03	436,368	-
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 436,298	\$ -
<u>DEPARTMENT OF THE TREASURY</u>				
Coronavirus Relief Fund Passed-Through Illinois Network of Child Care Resource & Referral Agencies <i>COVID-19: Child Care Restoration Grant</i>	21.019	None	\$ 20,611	\$ -

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing	Pass-Through/Contract Number	FY 2023 Expenditures	Amount Provided to Subrecipients
Coronavirus State and Local Fiscal Recovery Funds Passed-Through Department of Commerce & Economic Opportunity <i>COVID-19: Collaborative Strategies for Small Business Development in West Central Illinois</i>	21.027	21-483002	108,140	26,825
TOTAL DEPARTMENT OF THE TREASURY			\$ 128,751	\$ 26,825
SMALL BUSINESS ADMINISTRATION				
Small Business Development Centers Passed-Through Illinois Department of Commerce & Economic Opportunity <i>SBDC CARES Act Supplemental Funding</i>	59.037	20-543127	\$ 4,950	\$ -
<i>SBDC CY22 Federal</i>	59.037	22-561127	112,408	-
<i>SBDC CY23 Federal</i>	59.037	23-801127	5,343	-
			122,701	-
Congressional Grants <i>SBA Earmark Funding for the Rural Affairs Market Grocery Store Initiative</i>	59.059	SBAHQ22I0016	22,606	-
<i>SBA Durbin: Promoting Small Business Startups, Sustainability, and Transition</i>	59.059	SBAHQ22I0013	16,320	-
			38,926	-
TOTAL SMALL BUSINESS ADMINISTRATION			\$ 161,627	\$ -
DEPARTMENT OF EDUCATION				
Adult Education - Basic Grants to States Passed-Through Illinois Community College Board <i>Central Illinois Adult Education Service Center/Curriculum Publications Clearing 2022</i>	84.002	WIU-LEAD-22	\$ 650	\$ -
<i>Central Illinois Adult Education Service Center/Curriculum Publications Clearing 2023</i>	84.002	WIU-LEAD-23	439,698	-
<i>DAISI Project FY23</i>	84.002	WIU-DAISI-23	202,862	-
<i>I-Pathways IL FY23</i>	84.002	WIU-IPATH-23	184,818	-
			828,028	-
Undergraduate International Studies and Foreign Language Programs <i>WIU Global Citizens: Illinois International Scholars Initiative</i>	84.016A	P016A2200	55,510	-
Education Stabilization Fund Passed-Through Illinois Board of Higher Education <i>COVID-19: Governor's Emergency Education Relief Funding (GEER)</i>	84.425C	21GEERWIU	518,138	-
<i>COVID-19: Governor's Emergency Education Relief Funding II (GEER)</i>	84.425C	601GEE2200WIU	366,287	-
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Strengthening Institutions Programs</i>	84.425M	P425M200132	637,602	-
			1,522,027	-
TOTAL DEPARTMENT OF EDUCATION			\$ 2,405,565	\$ -
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Every Student Succeeds Act/Preschool Development Grants Passed-Through Illinois Board of Higher Education <i>Quality Matters: Preparing and Supporting the Early Childhood Workforce</i>	93.434	21EC405	\$ 119,617	\$ -
Passed-Through Illinois Network of Child Care Resource & Referral Agencies <i>Diverse Workforce Supports for Equity Project</i>	93.434	NONE	56,595	-
<i>Early Childhood PLA Assessment Pilot Program</i>	93.434	NONE	7,295	-
<i>Early Childhood PLA Assessment In Spanish</i>	93.434	NONE	7,956	-
			191,463	-
Temporary Assistance for Needy Families Passed-Through Illinois Department of Human Services				

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing	Pass-Through/Contract Number	FY 2023 Expenditures	Amount Provided to Subrecipients
<i>Low Income Degree Scholarship Program FY22</i>	93.558	FCSAG05316	1,505	-
<i>Low Income Degree Scholarship Program FY23</i>	93.558	FCSBG06472	33,272	-
			<u>34,777</u>	
Community Services Block Grant Discretionary Awards Passed-Through Illinois Board of Higher Education <i>WIU Early Childhood Access Consortium for Equity FY22-FY24</i>	93.570	601ECC2200WIU	312,821	-
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ 539,061	\$ -
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
AmeriCorps Passed-Through Illinois Department of Public Health <i>AmeriCorps Project 21-22</i>	94.006	FCSBY06258	\$ 96,621	\$ 25,575
<i>AmeriCorps Project 22-23</i>	94.006	FCSBY06633	122,852	-
			<u>219,473</u>	<u>25,575</u>
Volunteers in Service to America <i>Vista Community Outreach</i>	94.013	13VSNIL001	48,248	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 267,721	\$ 25,575
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Homeland Security Grant Program Passed-Through Illinois Emergency Management Agency <i>Jail and Cyber Intelligence Officers Shsp FFY19</i>	97.067	19WIUCYBJL	166,999	-
<i>FFY18 Homeland Security 18 SWIUTRG</i>	97.067	18SWIUTRG	341	-
<i>FFY19 Homeland Security 19 SWIUTRG</i>	97.067	19SWIUTRG	331,172	-
<i>FFY20 Homeland Security 20 SWIUTRG</i>	97.067	20SWIUTRG	27,070	-
<i>FFY19 Homeland Security Preparedness Projects & Program Management 19WIU</i>	97.067	19WIU	5,205	-
<i>FFY19 Law Enforcement Office Analyst Program ISPS</i>	97.067	196WIUISPS	1,581	-
<i>FFY19 Homeland Security 19WIUILETSB Shsp</i>	97.067	19WIUILETSB/19UAWIULET	61,825	-
<i>FFY20 Homeland Security Preparedness Projects & Program Management 20WIU</i>	97.067	20WIU	691,631	-
<i>FFY20 Homeland Security 20ILETSBS</i>	97.067	20ILETSBS	264,523	-
<i>FFY21 Homeland Security 21UAWIU</i>	97.067	21UAWIU	29,857	-
<i>FFY21 Homeland Security 21SHWINTEL</i>	97.067	21SHWINTEL	15,202	-
<i>FFY21 Homeland Security 21SHWIUET</i>	97.067	21SHWIUET	15,330	-
<i>WIU Emergency Operations Center</i>	97.067	22EOCWIU	9,472	-
			<u>1,620,208</u>	<u>-</u>
Passed-Through Illinois Law Enforcement Training and Standards Board <i>FFY18 Homeland Security Intelligence Gathering and Information Sharing Shsp</i>	97.067	NONE	13	-
			<u>13</u>	<u>-</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 1,620,221	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 50,132,582	\$ 2,073,400

WESTERN ILLINOIS UNIVERSITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE 1 – BACKGROUND

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the University. The SEFA includes all federal awards received directly from federal agencies as well as federal financial awards passed through other agencies.

Summary of Significant Accounting Policies – Basis of Presentation

The SEFA includes the federal awards activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Because the SEFA 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 assets, or cash flows of the University.

NOTE 2 – FEDERAL STUDENT LOAN PROGRAMS

During the fiscal year ended June 30, 2023, the University issued new loans to students under the Federal Direct Student Loan Program. The loan amounts issued during the year are disclosed on the SEFA. The University is responsible only for the performance of certain administrative duties with the respect to federally guaranteed student loan programs and accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the University at June 30, 2023.

In addition, the University participates in the Federal Perkins Loan Program. The Loan program is directly administered by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year, loans made during the year and administrative cost allowance are included in the federal expenditures presented in the SEFA. The outstanding balance at June 30, 2023 was \$404,100. There were no new loans issued through the Federal Perkins Program during the year ended June 30, 2023.

NOTE 3 – NON-CASH ASSISTANCE

The University did not receive any federal non-cash assistance during the fiscal year ended June 30, 2023.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2023

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA ¹	\$	50,132,582
Total Schedule A	\$	<u>50,132,582</u>

Schedule B - Total Financial Component

Total operating expenses ²	\$	197,399,667
Total nonoperating expenses ²		2,838,415
Federal loan balances: ^{1,4}		
Perkins Loan Program		1,135,172
Total value of new federal loans: ^{1,5}		
Federal Direct Student Loans		26,516,465
Other noncash federal award expenditures ³		-
Total Schedule B	\$	<u>227,889,719</u>

Schedule C

Total Schedule B	\$	227,889,719	100.000%
Total Schedule A		<u>50,132,582</u>	<u>21.999%</u>
Total nonfederal expenses	\$	<u>177,757,137</u>	<u>78.001%</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