



**GOVERNORS STATE  
UNIVERSITY**

**Board of Trustees  
Budget, Finance and Audit Committee**

**December 9, 2022**

**Engbretson Hall**

*For Public Distribution*

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**GOVERNORS STATE UNIVERSITY  
BOARD OF TRUSTEES**

**Budget, Finance, & Audit Committee Meeting  
December 9, 2022 at 9:00am**

*To be conducted by audio and video conference\* as permitted by Public Act 101-0640  
and Illinois Governor's Disaster Proclamation dated November 10, 2022.*

**James Kvedaras, Chair**

9:00am**	<b>I.</b>	<b>CALL TO ORDER AND ROLL CALL</b>	<b>Tab #'s</b>
9:02am	<b>II.</b>	<b>PUBLIC COMMENT*</b> Consistent with Public Act 91-0715 and reasonable constraints determined by the Board of Trustees, at each regular or special meetings of the Board or its committees that is open to the public, members of the public may request a brief time on the approved agenda of the meeting to address the Board on relevant matters within its jurisdiction.	
9:04am	<b>III.</b>	<b>APPROVAL OF MEETING AGENDA</b>	1
9:06am	<b>IV.</b>	<b>APPROVAL OF MINUTES</b> 1. October 7, 2022, Budget, Finance, & Audit Committee Meeting	2
9:08am	<b>V.</b>	<b>INFORMATION ITEMS</b>  1. Budget to Actual Report for period July 1, 2022, through September 30, 2022 (FY 2023) <i>Presenter: Ms. Sandra Zurawski, Executive Director, Budget and Financial Planning</i>  2. Procurement Activities of \$100,000 to \$249,999 for the period of September 1, 2022 to October 31, 2022 <i>Presenter: Ms. Tracy Sullivan, Associate Vice President, Procurement and Business Services</i>  3. Income Producing Contracts over \$100,000 <i>Presenter: Dr. Corey S. Bradford, Sr. Vice President of Administration, and Finance</i>	3  4  5

		4. Report on Tuition and Fee Waivers <i>Presenter: Dr. John L. Perry, Executive Director of Financial Aid and Scholarships</i>	6
		5. Reporting on Contributions to University Related Organizations/ Foundation Report <i>Presenter: Mr. William Davis, Vice President, Institutional Advancement, Marketing and Communications</i>	7
		6. Internal Auditor Report FY 2022 <i>Presenter: Mr. Kristoffer Evangelista, Chief Internal Auditor</i>	8
9:18am	<b>VI.</b>	<b>ACTION ITEMS</b>	
9:20am	<b>VII.</b>	<b>CLOSED SESSION (if needed)</b>  Please note: pursuant to the Illinois Open Meetings Act, 5 ILCS 120, the Board may vote to conduct deliberations regarding certain topics in sessions closed to the public. The public portion of the meeting will resume after Closed Session. The following topics may be the subject of discussion during Closed Session at this meeting pursuant to Section 120/2(c)(29): "meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America."	
9:23am	<b>VIII.</b>	<b>OLD BUSINESS/NEW BUSINESS</b>	
10:25am	<b>IX.</b>	<b>ADJOURN</b>	

Notice to GSU Community and Members of the Public:

1) If you require accommodations to participate fully in the meeting, please contact Therese King Nohos (contact info below) to request them.

2) If you wish to make a public comment, please register in advance to do so by contacting Therese King Nohos by 5 pm on Thursday, December 8, 2022.

3)\*If you wish to watch the meeting via Zoom, a link is provided below for your use.

Contact Information: Therese King Nohos; tnohos@govst.edu; 708.855.1553.

**Zoom Link:**

<https://us02web.zoom.us/j/85421245747?pwd=WXZFMmNWRVpPdk13OVpsaFY2aTNZQT09>  
**Passcode: 372597**

Please click the General Invitation Link herein to join the meeting with Passcode: **372597**  
Or one-tap mobile: US: +13092053325,88181694702# or +13126266799,88181694702#

*\*\*Times are approximate*

**MINUTES OF  
THE BUDGET, FINANCE & AUDIT COMMITTEE'S  
REGULAR QUARTERLY MEETING**

The regularly scheduled meeting of the Budget, Finance & Audit Committee (the "Committee") of the Board of Trustees of Governors State University (the "Board" and "GSU," respectively), an Illinois body politic and corporate, was held in person and via audio-videoconference at GSU's University Park Campus in Engbretson Hall on October 7, 2022. The meeting was scheduled to begin at 10:30 am but started at 11:15 am due to the length of the preceding meeting of the Executive Committee of the Board. The purpose of the meeting was to conduct the business described in the Agenda posted for public notice before 10:30 am on October 5, 2022 in accordance with Section 120/2.02 of the Illinois Open Meetings Act. 5 ILCS 120/2.02. Before the meeting, each Trustee received a book with materials corresponding to action and discussion items, a copy of which is maintained with the Board records.

**I. MEETING DETAILS**

Meeting Chair: James Kvedaras, Committee Chair

Minutes Recorded By: Therese King Nohos, General Counsel, on behalf of James Kvedaras, Committee Chair

**II. ATTENDEES**

Chair Kvedaras confirmed a quorum was present given the presence of the following four (4) Committee members in attendance:

- James Kvedaras, Chair
- Pedro Cevallos-Candau, Trustee (via Zoom) was present until approximately 12:50 pm
- Lluvia Hernandez Aguirre, Student Trustee (via Zoom) was present except for a brief period during which no actions were voted on
- Angela M. Sebastian, Trustee
- John Brudnak, Trustee (via Zoom) joined the meeting at approximately 12:55 pm.

President Cheryl Green, Ph.D., *ex-officio* Board member and chief executive officer of GSU, was present as were the following members of the President's Cabinet:

- Joshua R. Allen, MPS, SHRM-SCP, Vice President of Human Resources (via Zoom)
- Corey S. Bradford, Sr., Ph.D., Vice President Administration and Finance/ Board Treasurer
- Janelle A. Crowley, Ph.D., Chief of Staff, President's Office
- William A. Davis, MS, Vice President, Institutional Advancement, Marketing and Communications
- Maureen Kelly, Executive Director for Government and Community Affairs
- Paul McGuinness, MA, Vice President for Student Affairs and Enrollment Management
- Therese King Nohos, JD, Vice President, General Counsel/Board Chief Legal Counsel
- Beverly Schneller, Ph.D., Provost and Vice President for Academic Affairs

### **III. ABSENCES**

Trustees Kevin Brookins was absent.

### **IV. CALL TO ORDER**

**Meeting called to order by Chair Kvedaras at 11:13 am.**

### **V. CHAIR'S REMARKS**

Chair Kvedaras welcomed all in attendance, including Lluvia Hernandez Aguirre, the new Student Trustee.

### **VI. PUBLIC COMMENT**

No public comment was made.

## **VII. AGENDA**

Chair Kvedaras asked for a motion to approve the agenda. Trustee Sebastian so moved. Chair Kvedaras seconded the motion. Upon a roll call vote, the Trustees **unanimously approved the agenda.**

## **VII. MINUTES**

Chair Kvedaras asked for a motion to approve the meeting minutes of the Committee's May 24, 2022 meeting. Trustee Sebastian so moved. Chair Kvedaras seconded the motion. Upon a roll call vote, the Trustees **unanimously approved the meeting minutes.**

## **VIII. INFORMATION ITEMS**

Those information items identified in the Agenda were presented to the Committee as follows:

- Executive Director Sandra Zurawski presented the Budget to Actual Report for July 1, 2021 to June 30, 2022;
- Associate Vice President Tracy Sullivan presented the Report on Procurement Activities between \$100,000 and \$249,999 for May 1, 2022 through August 31, 2022;
- Associate Vice President Tracy Sullivan presented the Diversity Vendor Report;
- Vice President Corey S. Bradford, Sr., presented the Report on Income-Producing Contracts\*;
- Vice President Corey S. Bradford, Sr., presented the Report on FY2021 Audits\*\*; and
- Vice President Paul McGuinness presented a report on efforts to retain students struggling with debt.\*\*\*

\*Regarding income-producing contracts (e.g., grants), Trustee Sebastian inquired into the status of recruiting preschool students under Head Start Grant, which had been the subject of a prior audit finding. Dean Shannon Dermer advised that the grant's enrollment number requirements likely will be adjusted downward given the national challenge to recruit and retain qualified early childhood educators but no action has been taken as of yet.



**\*\***An extended discussion regarding FY2021 Audits ensued. Vice President Bradford explained that the institution is subject to three annual audits. For FY2021, independent auditors gave an unmodified (i.e., “clean”) opinion as to the institution’s financial statements. In total, there were 15 audit findings, 14 of which were not material weaknesses. The single identified material weakness related to the reporting of employee census data to the State University Retirement System (“SURS”)—a finding every Illinois state university received. A copy of Vice President Bradford’s presentation is attached to these minutes. Trustee Sebastian asked for a status report on rolling out electronic timesheets to all employees and was advised that the University is working on rolling out the Kronos electronic timekeeping system to non-exempt employees now and will work on faculty next. Trustee Sebastian also asked for a status update on the hiring of an additional internal auditor and was advised that a search is continuing. Trustee Sebastian asked whether the findings concerning information technology would be addressed by the strategic plan and was advised that they would be so addressed.

**\*\*\***An extended discussion ensued regarding efforts to retain students struggling with debt. Vice President McGuinness presented a report on efforts to retain struggling enrolled students and recruit formerly enrolled students who stopped out without obtaining a degree. A copy of Vice President McGuinness’ presentation is attached to these minutes.<sup>1</sup>

## **IX. ACTION ITEMS**

The second action item listed in the Agenda, consideration and possible recommendation of the FY2024 Operating Appropriations Budget as presented to the Board for approval and submission and Illinois Board of Higher Education (“IBHE”), was inadvertently put to vote without motion or a second, the omission being of no consequence pursuant to *Robert’s Rules of Order* (12<sup>th</sup> ed.), Rules 49.21(2) and (5) and 50.25 (outlining informalities and modifications of regular rules for committees). Vice President Bradford presented the proposal. **Upon roll call vote, the proposed recommendation passed unanimously with Trustees Cevallos-**

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<sup>1</sup> These meeting minutes reflect the proceedings categorically and not chronologically. Thus, for example, all Information Items are grouped together, although they were not necessarily discussed in the order recorded.

**Candau, Hernandez Aguirre, Kvedaras, and Sebastian voting in favor and no trustee abstaining or voting against.**

Next, Chair Kvedaras asked for a motion to consider recommending the FY2023 Operating Budget as presented for approval by the Board and submission to the IBHE. Trustee Sebastian so moved and Committee Chair Kvedaras seconded. Vice President Bradford presented the proposal. **Upon roll call vote, the proposed recommendation passed unanimously with Trustees Cevallos-Candau, Hernandez Aguirre, Kvedaras, and Sebastian voting in favor and no trustee abstaining or voting against.**

Chair Kvedaras then asked for a motion to consider recommending the Capital Improvement Budget for FY2024 to the Board for approval and submission to the IBHE. Trustee Sebastian so moved and Committee Chair Kvedaras seconded. Vice President Bradford presented the proposal. **Upon roll call vote, the motion passed unanimously with Trustees Cevallos-Candau, Hernandez Aguirre, Kvedaras, and Sebastian voting in favor and no trustee abstaining or voting against.**

Chair Kvedaras then asked for a motion to consider recommending the Investment Policy to the Board for approval. Trustee Sebastian so moved and Committee Chair Kvedaras seconded. Vice President Bradford presented the proposal. **Upon roll call vote, the motion passed unanimously with Trustees Cevallos-Candau, Hernandez Aguirre, Kvedaras, and Sebastian voting in favor and no trustee abstaining or voting against.**

Trustee Cevallos-Candau left the meeting after the prior vote at approximately 12:50 pm.

Trustee John Brudnak joined the meeting at approximately 12:55 pm.

**X. ADJOURNMENT**

There being no further business, Chair Kvedaras asked for a motion to adjourn and so moved. Trustee Sebastian seconded. **The motion passed upon unanimous roll call vote and the meeting was adjourned at approximately 1:15 pm.**

Approved by: \_\_\_\_\_

James Kvedaras  
Committee Chair



# GOVERNORS STATE UNIVERSITY

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## FISCAL YEAR 2021 AUDIT AND FINANCIAL RESULTS

# AUDIT SUMMARY

- As required by the Illinois State Auditing Act (30 ILCS 5/), the University is subject to Financial Audit, Federal Compliance Audit (Single Audit), and State Compliance Audit (“Audits”) by the State of Illinois Office of the Auditor General (OAG) on an annual basis.
- The audits for the Fiscal Year Ended June 30, 2021 were conducted on behalf of the OAG by the independent auditing firm Borschnack Pelletier & Company.
- The University is subject to a large number of laws, rules and regulations. Just the Illinois Statutory Mandates alone, the University is subject to about 749 mandates. In addition to this, the University is also required to comply with the Illinois Administrative Rules, Federal Laws/Regulations, Accounting Principles/Standards, and the Information Systems and Cybersecurity Standards.
- The auditors have expressed an unmodified opinion (clean opinion) on the University’s Fiscal Year 2021 financial statements. This means that GSU financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the University as of and for the year ended June 30, 2021 in accordance with the accounting principles generally accepted in the United States of America.
- For Fiscal Year 2021, the University’s audit ended with 15 audit report findings. Except for the finding on census data (which was issued to all Illinois State public universities), none of the findings were considered as material weakness.

# FINANCIAL POSITION, AT A GLANCE

## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
Total Assets	\$ 194,996	\$ 194,668	\$ 328	0.2%
Total Liabilities	66,726	72,337	(5,611)	-7.8%
Net Deferred Inflows (Outflows) of Resources	3,931	19,361	(15,430)	-79.7%
<b>Total Net Position</b>	<b>\$ 124,339</b>	<b>\$ 102,970</b>	<b>\$ 21,369</b>	<b>20.8%</b>

- Net position represents the University's equity and is a way to measure the financial health of the University.
- The University's financial position shows stronger financial resources as the University amortized debt and grew unrestricted net assets.
- Deferred inflows and outflows pertains to the changes in actuarial calculation related to pension and other post-employment benefits (OPEB), as provided by the State of Illinois. The significant decrease was mainly due to the effect of the State's prior period adjustments related to OPEB.

*Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.*

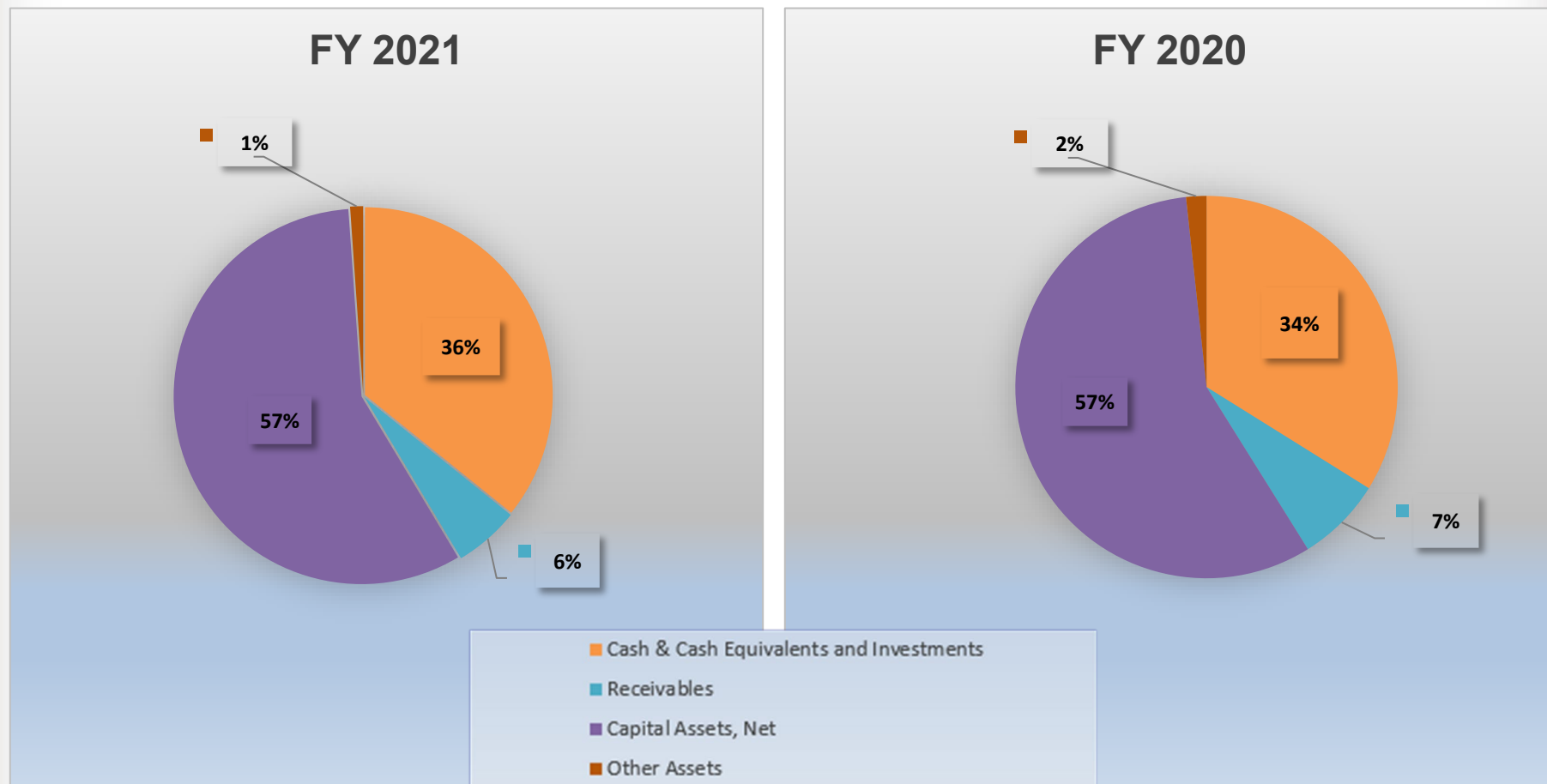
# COMPONENTS OF ASSETS

## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
Cash & Equivalents	\$ 59,847	\$ 52,203	\$ 7,644	14.6%
Restricted Cash and Investments	9,940	13,749	(3,809)	-27.7%
Accounts Receivable, Net	4,200	4,856	(656)	-13.5%
Grants Receivable	5,255	2,354	2,901	123.2%
State Appropriation Receivable	-	4,957	(4,957)	-100.0%
Student Loans Receivable, Net	1,493	1,908	(415)	-21.7%
Capital Assets, Net	112,087	111,297	790	0.7%
Other Assets	2,174	3,344	(1,170)	-35.0%
<b>Total Assets</b>	<b>\$ 194,996</b>	<b>\$ 194,668</b>	<b>\$ 328</b>	<b>0.2%</b>

*Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.*

# CASH & CASH EQUIVALENTS/INVESTMENTS AND CAPITAL ASSETS REPRESENT A SIGNIFICANT PORTION OF THE UNIVERSITY'S ASSETS





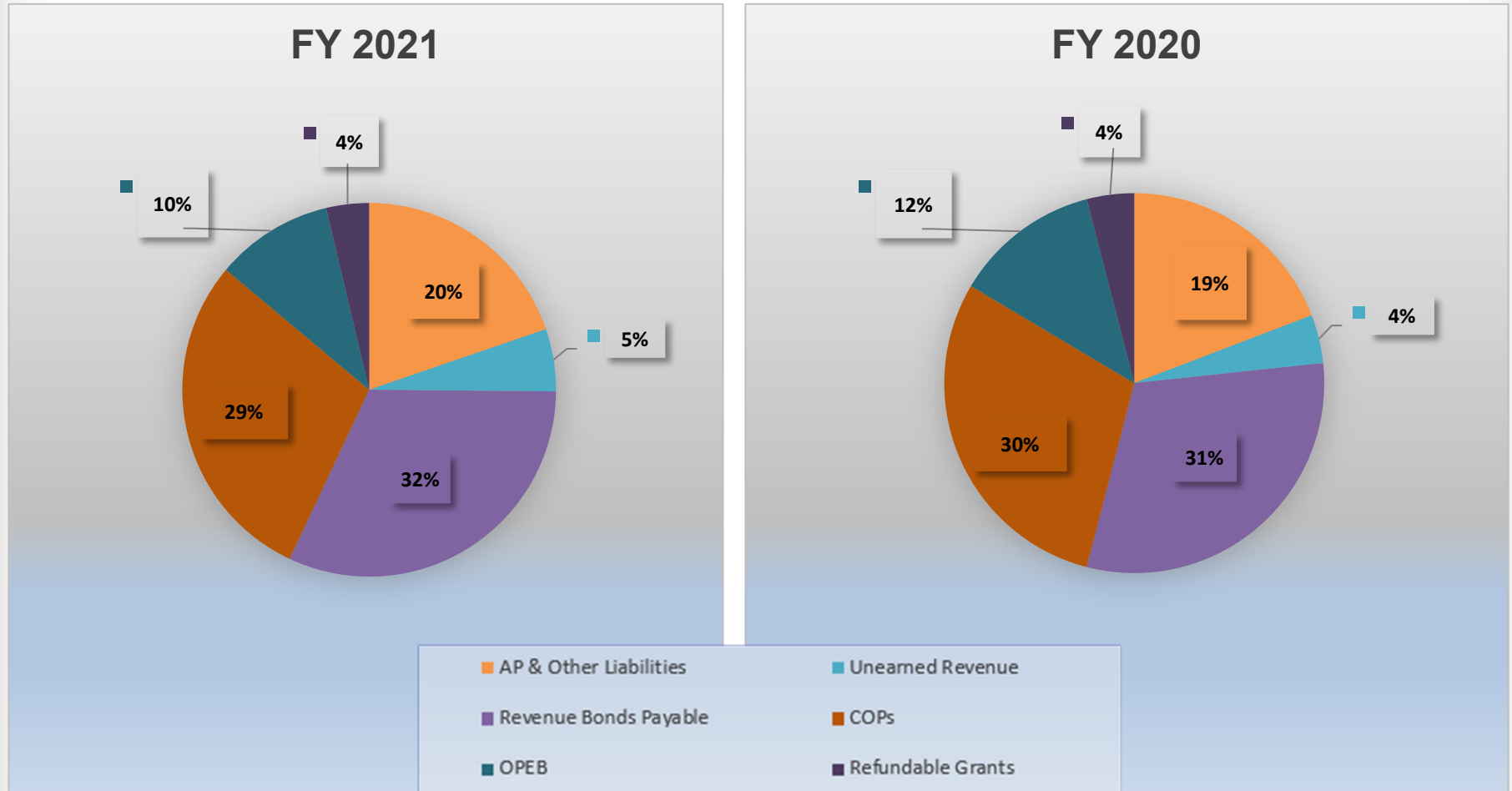
# COMPONENTS OF LIABILITIES

## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
Accounts Payable	\$ 8,275	\$ 9,474	(\$ 1,199)	-12.7%
Accrued Compensated Absences	4,459	3,805	654	17.2%
Unearned Revenue	3,604	2,983	621	20.8%
Revenue Bonds Payable	21,263	22,219	(956)	-4.3%
Certificates of Participation Payable	19,415	21,342	(1,927)	-9.0%
Other Post Employment Benefits (OPEB) Payable	6,569	8,997	(2,428)	-27.0%
Refundable Grants	2,475	2,915	(440)	-15.1%
Other Liabilities	666	602	64	10.6%
<b>Total Liabilities</b>	<b>\$ 66,726</b>	<b>\$ 72,337</b>	<b>(\$ 5,611)</b>	<b>-7.8%</b>

*Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.*

# LONG-TERM DEBT (REVENUE BONDS AND CERTIFICATES OF PARTICIPATION) REPRESENTS A SIGNIFICANT PORTION OF THE UNIVERSITY'S LIABILITIES



# COMPONENTS OF NET POSITION

## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
Net Investments in Capital Assets	\$ 79,294	\$ 78,159	\$ 1,135	1.5%
Restricted Expendable	2,178	2,258	(80)	-3.5%
Unrestricted	42,867	22,553	20,314	90.0%
<b>Total Net Position</b>	<b>\$ 124,339</b>	<b>\$ 102,970</b>	<b>\$ 21,369</b>	<b>20.8%</b>

- Net investments in capital assets consist of capital assets net of accumulated depreciation, reduced by the outstanding debt obligations that are attributable to the acquisition, construction or improvement of those assets (net of the related unspent proceeds of those debt obligations). Balance increased by \$1.1 million (1.5%) primarily due to the costs incurred during FY 2021 in connection with the various deferred maintenance projects and acquisitions of equipment, computer software, and library collections, net of depreciation expense.
- Restricted expendable consists of resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. This includes the University's share of the Federal Perkins Loan Program fund, and the amount held for debt service (principal and interest) due July 1<sup>st</sup>. There is no significant change during FY 2021 as compared to FY 2020.
- Unrestricted consists of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. Balance significantly increased by \$20.3 million (20.8%) due to the positive operating results during FY 2021 (\$4.5 million), coupled with the State's allocation adjustment on the University's proportionate share of OPEB balances (\$16.9 million).

*Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.*

# RESULTS OF OPERATIONS, AT A GLANCE

## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
Total Revenues	\$ 133,179	\$ 109,272	\$ 23,907	21.9%
Total Expenses	128,705	99,718	28,987	29.1%
<b>Net Income (Loss)</b>	<b>\$ 4,474</b>	<b>\$ 9,554</b>		

- The University has generated positive operating results for both FY 2021 and FY 2020.
- The significant increases in revenues and expenses are mostly attributable to the payments made on behalf of the University by the State of Illinois for retirement and medical insurance benefits (recognized both as revenues and expenditures in the financial statements, in accordance with accounting standards).

*Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.*

# COMPONENTS OF REVENUES

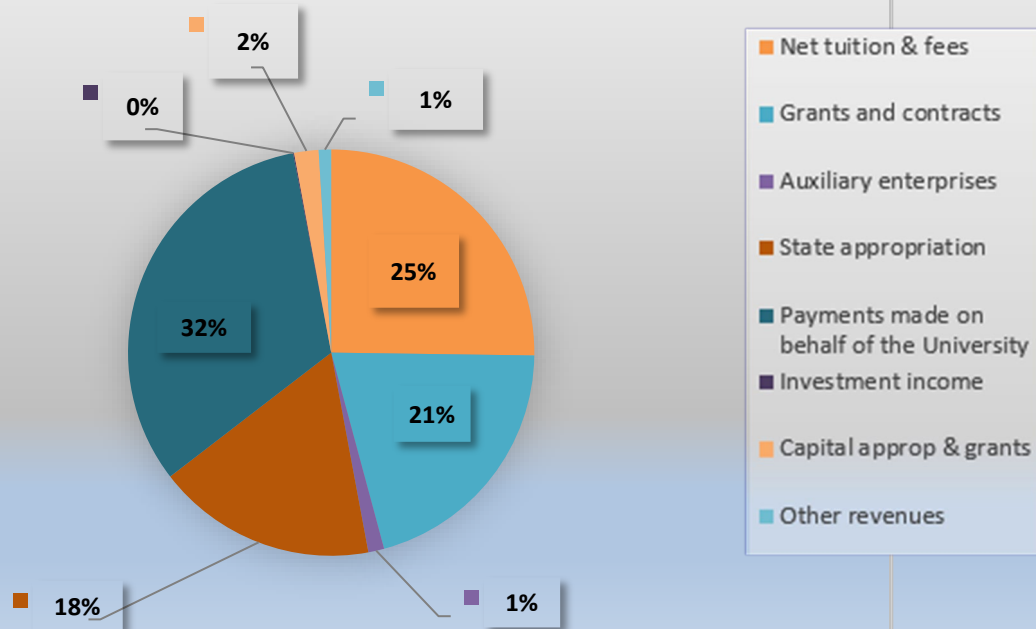
## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
Net Tuition & Fees	\$ 33,437	\$ 34,855	(\$ 1,418)	-4.1%
Grants and Contracts	27,283	21,286	5,997	28.2%
Auxiliary Enterprises	1,673	3,345	(1,672)	-5.0%
State Appropriation	23,193	23,193	-	0.0%
Payments Made on Behalf	43,606	22,379	21,227	94.9%
Investment Income	110	961	(851)	-88.6%
Capital Appropriations and Grants Provided by the State of Illinois	2,567	1,106	1,461	132.1%
Other Revenues	1,310	2,147	(837)	-39.0%
<b>Total Revenues</b>	<b>\$ 133,179</b>	<b>\$ 109,272</b>	<b>\$ 23,907</b>	<b>21.9%</b>

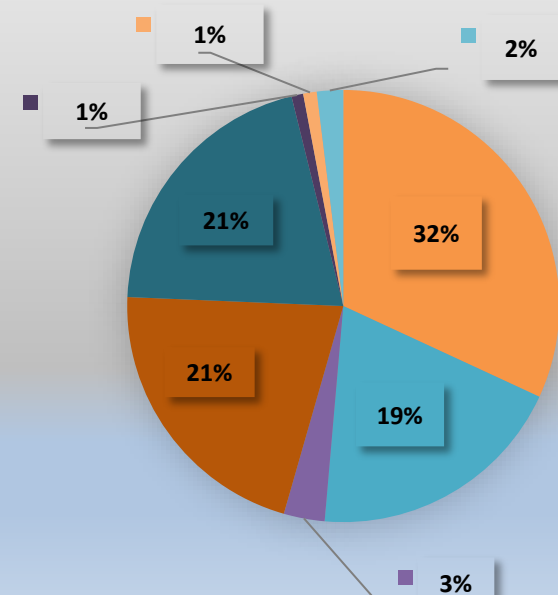
*Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.*

# TUITION & FEES, GRANTS & CONTRACTS, AND APPROPRIATIONS FROM THE STATE (INCLUDING PAYMENTS ON-BEHALF) REPRESENT A SIGNIFICANT PORTION OF THE UNIVERSITY'S REVENUES

FY 2021



FY 2020



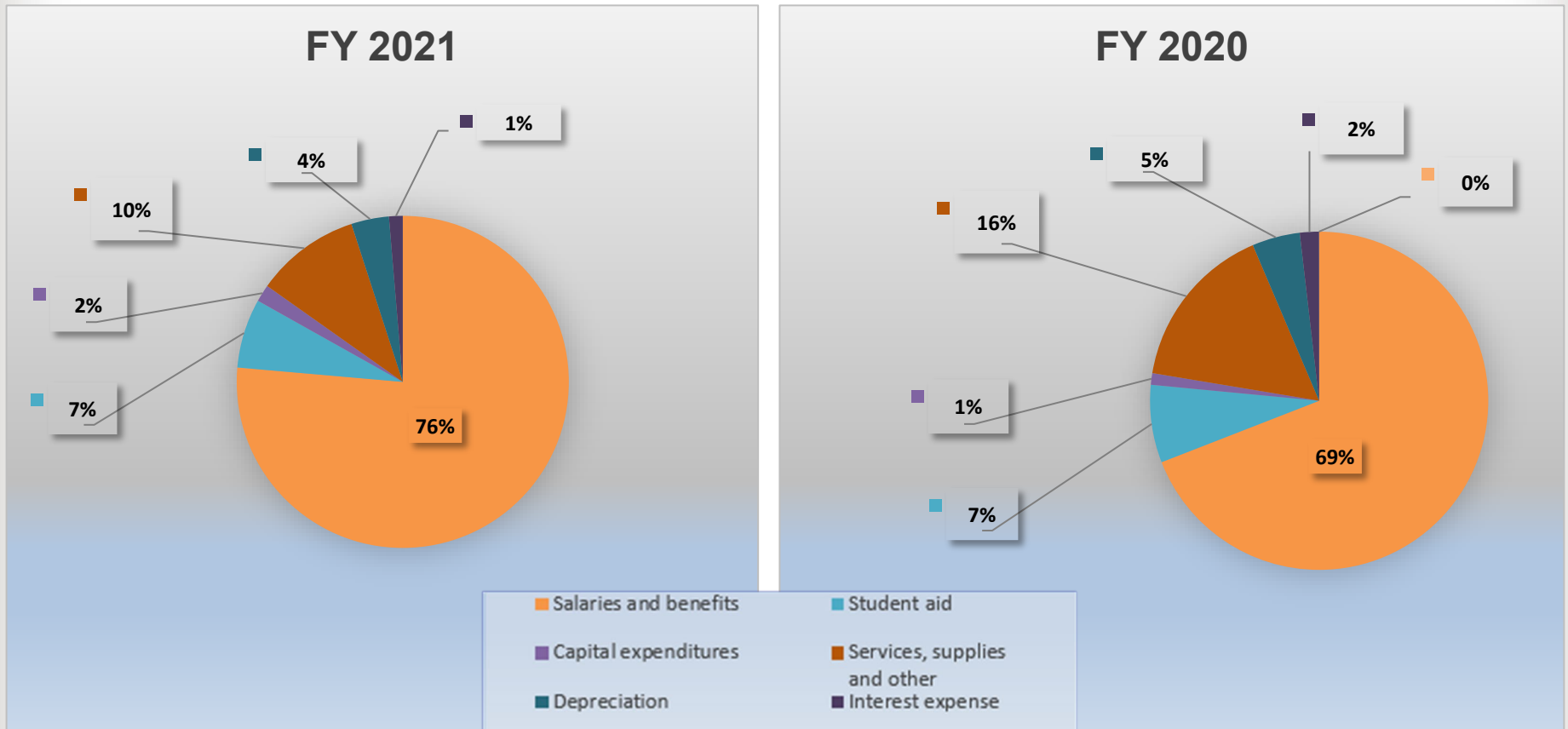
# COMPONENTS OF EXPENSES

## (Amounts in '000)

	FY 2021	FY 2020	\$ Change	% Change
<i>Salaries</i>	\$ 53,113	\$ 49,931	\$ 3,182	6.4%
<i>Benefits</i>	45,342	18,958	26,384	139.2%
Total Salaries and Benefits	98,455	68,889	29,566	42.9%
Student Aid	8,635	7,408	1,227	16.6%
Capital Expenditures	2,142	1,103	1,039	94.2%
Services, Supplies and Others	13,061	15,930	(2,869)	-18.0%
Depreciation	4,702	4,563	139	3.0%
Interest Expense	1,710	1,825	(115)	-6.3%
<b>Total Expenses</b>	<b>\$ 128,705</b>	<b>\$ 99,718</b>	<b>\$ 28,987</b>	<b>29.1%</b>

Note: Amounts shown above were obtained from the FY 2021 and FY 2020 audited financial statements.

# SALARIES AND BENEFITS REPRESENT A SIGNIFICANT PORTION OF THE UNIVERSITY'S EXPENSES





# AUDIT REPORT FINDINGS - FINANCIAL AUDIT

Finding Number	Finding Title	Finding Description	Corrective Action	Status of Corrective Action
2021-001	<p>Inadequate Controls Over Census Data (Repeat)</p> <p><b>(Note: This finding was issued to all the 9 IL public universities)</b></p>	<p>No initial reconciliation performed on employee census data with SURS.</p> <p>No process developed to annually obtain census data changes from SURS and reconcile against University records.</p> <p>One employee (out of 512 employees tested) was improperly excluded from SURS.</p>	<p>Procedures have been established to ensure census data events are reported to SURS timely and accurately.</p> <p>The University will continue to work with SURS to annually reconcile its active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary, in accordance with the reconciliation process developed by SURS.</p> <p>On the one employee noted by the auditors that was improperly excluded from SURS, the University worked with SURS and determined the actual impact. The related retroactive contributions were already remitted by the University to SURS.</p>	Implemented.

# AUDIT REPORT FINDINGS - FEDERAL COMPLIANCE

Finding Number	Finding Title	Finding Description	Corrective Action	Status of Corrective Action
2021-002	Exit Counseling (New)	The University did not timely provide exit counseling for 5 students who ceased half-time study at the University.	Procedures have been updated and report is now generated every 2 weeks to capture all students who graduated, totally withdrew, and dropped below half-time to ensure that exit counseling letters are sent out timely.	Implemented.
2021-003	Enrollment Reporting (New)	The University did not accurately and timely report changes in student enrollment (graduated status) for 2 students to the U.S. Department of Education's National Student Loan Data System (NSLDS).	Procedures have been updated, and the Registrar's Office has also worked to create a new validation warning code that will help identify possible reporting date issues and ensure timely and accurate reporting to the NSLDS.	Implemented.
2021-004	Fiscal Operations Report (New)	Did not report accurate information for two items related to Federal Perkins Loan Program. Second submission of the report, which included final changes, corrections and edits, was not timely filed (34 days late).	Procedures have been updated to ensure that reporting requirements and deadlines are met. The Office of Financial Aid will work with the Office of Financial Services to review and ensure that Federal Perkins Loan information are accurately reflected in the report.	Implemented.
2021-005	Federal Perkins Loan Cohort Default Rate Too High (Repeat)	The Federal Perkins Loan cohort default rate as of June 30, 2021 (for borrowers who entered repayment during Fiscal Year 2020) was 16.67%, which exceeded the 15% threshold.	<p>The University will continue to closely monitor and communicate with students entering on default on a month-to-month basis, in addition to sending defaulted student loans to the Illinois State Comptroller's Offset system.</p> <p>OAG considers this finding as Level 3 (low level), which means no internal control deficiencies as the University has done all the federally required due diligence procedures.</p>	Implemented. The University has made significant improvement in its Perkins cohort default rate; from 38.96% in FY19 and 22.67% in FY20, to 16.67% in FY21.

# AUDIT REPORT FINDINGS - STATE COMPLIANCE

Finding Number	Finding Title	Finding Description	Corrective Action	Status of Corrective Action
2021-006	Child Abuse Reporter Training <i>(Repeat)</i>	Certain employees either did not receive the training or did not have the proper training documentation.	The University now asks new employees to take their online training before or during new hire orientation. The University is also in the process of automating its onboarding process, which will require all new hires to complete training using the up-to-date forms through the PeopleAdmin system.	Partially implemented. The automation of onboarding process is underway.
2021-007	Noncompliance with the Campus Security and Enhancement Act of 2008 <i>(Repeat)</i>	1 employee hired for a security sensitive position without any evidence the criminal background investigation was ever obtained; 5 employees did not have a criminal background investigation completed prior to employment.	The University has secured a new vendor to conduct criminal background investigations prior to hiring employees for all positions, not just security sensitive positions, and has developed a formalized comprehensive policy on criminal background checks similar to other State universities. This was passed by the Board on 6/10/22 (Section II.A.24 of the GSU Board of Trustees Regulations).	Partially implemented. The University is in the process of evaluating conducting background checks for current employees who hold security sensitive positions but have no background check on file and will perform such check if feasible.
2021-008	Internal Audit Deficiencies <i>(Repeat)</i>	Not all major systems of accounting and administrative controls were included in the audit at least every 2 years; no Internal Audit Report provided to the auditors for 6 audits that were reported as completed.	Audit supporting documentation for the 6 audits were completed after the auditors' testing, covering all major systems. The Office of Internal Audit is currently hiring an Internal Audit staff to provide additional support to the department.	Partially implemented. The hiring of an additional Internal Audit staff to provide additional support is underway.
2021-009	Time Sheets Not Properly Maintained <i>(Repeat)</i>  <b><i>(Note: This finding was issued to 6 of the IL public universities)</i></b>	The University is not maintaining time sheets for its faculty members and advisors in compliance with the State Officials and Employees Ethics Act (Act).	The University is currently developing a policy, revising its procedures, and reviewing existing time reporting requirements for faculty employees in connection with its implementation of an electronic timekeeping system.	In-progress.

# AUDIT REPORT FINDINGS - STATE COMPLIANCE (I.T.)

Finding Number	Finding Title	Finding Description	Corrective Action	Status of Corrective Action
2021-010	Weaknesses in Cybersecurity Programs and Practices ( <i>Repeat</i> )  <b>(Note: This finding was issued to 8 of the IL public universities)</b>	University had not implemented adequate internal controls related to cybersecurity programs and practices.	Establish a formal cybersecurity plan; provide cybersecurity training to contractors; ensure employees complete cybersecurity training; develop and document risk management and data classification methodology to manage security risks; develop and communicate the University security program.	Partially implemented. Two remediations completed. Several remediations are 75%-99% completed and several under 25% complete.
2021-011	Computer Security Weaknesses ( <i>Repeat</i> )  <b>(Note: This finding was issued to 7 of the IL public universities)</b>	User accounts not removed for terminated employees; no formal guidelines established for configuration of virus detection software.	Maintain a complete inventory of all computers; improved processes (including automation), documentation, policies, procedures, and logging changes to user access and rights to applications are planned as part of an account lifecycle management reconstruction; establish formal policies and guidelines for virus detection systems.	In-progress. Two remediations at 25% completed.
2021-012	Lack of Review of Internal Controls Over Service Providers ( <i>New</i> )  <b>(Note: This finding was issued to 7 of the IL public universities)</b>	University did not obtain or conduct timely independent internal controls reviews over its service providers.	The University has established a vendor risk management process, which covers cloud service providers, and has hired an Extra Help employee to help make additional progress. As of this time, ITS has satisfactorily completed reviews for more than 50% of the University's service providers.	In-progress. All four remediations are between 50%-75% completed.
2021-013	Remote Access to University Information Systems ( <i>New</i> )	University has not developed and documented adequate policies and procedures governing remote access to the University's information systems.	Maintain records of users' acknowledgment and acceptance of Policy 64 (Computing and Networking); develop, document and disseminate policies and procedures governing the security and control of remote access, and governing incident and breach notification requirements.	Partially implemented. One remediation completed. A few remediation still to start.
2021-014	Inadequate Controls Over Access Rights ( <i>New</i> )	University did not maintain adequate controls over user access rights to applications and data.	Maintain an accurate listing of ERP users; re-evaluate procedures for the assignment of access rights to ERP system users and regularly re-determine if the rights granted remain appropriate; establish a period of separation and inactivity after which student accounts are disabled.	In-progress. Remediation at 25% completed.
2021-015	Weaknesses With Payment Card Industry Data Security Standards ( <i>New</i> )	University had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).	Establish a separate PCI DSS policy; hired an Extra Help employee to assist with PCI DSS compliance efforts; document the PCI DSS compliance of each service provider; complete an annual inventory and review of all payment points and terminal locations; perform an upgrade of non-compliance credit card readers; provide an annual security training to employees involved in the processing of cardholder data.	Partially implemented. One remediation completed. All others at 25% completed.

# Questions and Answers



# Reentry or Stop Out Recruitment



# Types of Stop Outs

# Reentry Recruitment

1. **Active Student Not Attending** - A continuing student at Governors State University is defined as any degree-seeking student or non-degree seeking student whose continuous enrollment at GSU has not been interrupted for more than six (6) consecutive semesters/terms. **Policy 32**
2. **Reentry Inactive Students** - After the sixth semester/term of non-enrollment, the student must then reapply for admission. **Policy 32**
3. **Readmissions** - Readmissions involving students who left while on **academic probation or who were suspended** from Governors State University. **Policy 19**

**Policy 32** - A continuing student at Governors State University is defined as any degree-seeking student or non-degree seeking student whose **continuous enrollment at GSU has not been interrupted for more than six (6) consecutive semesters/terms**, including summer term. After the sixth semester/term of non-enrollment, the student must then reapply for admission.

**Policy 19** - This policy provides for the possible petition for readmission by students, who left the university on **academic probation or who were suspended** from the University.



# Stop Outs Recruitment

# Reentry Recruitment

**Active Student Not Attending** - A *continuing student* at Governors State University is defined as any degree-seeking student or non-degree seeking student whose continuous enrollment at GSU has not been interrupted for more than **six (6) consecutive semesters/terms**.

- Active students regardless of enrollment status are considered continuing students
- These students receive ongoing communication related to
  - Enrolling in classes
  - Financial aid and scholarship
  - Employment on campus
  - Campus based events
  - Academic support and resources
  - Career services
  - University announcements
- Special communication from Retention Specialists

# Reentry Recruitment

## Reentry Inactive Students (No Shows are also included)

The inactive student file is sent to the **National Clearinghouse to determine students' status**

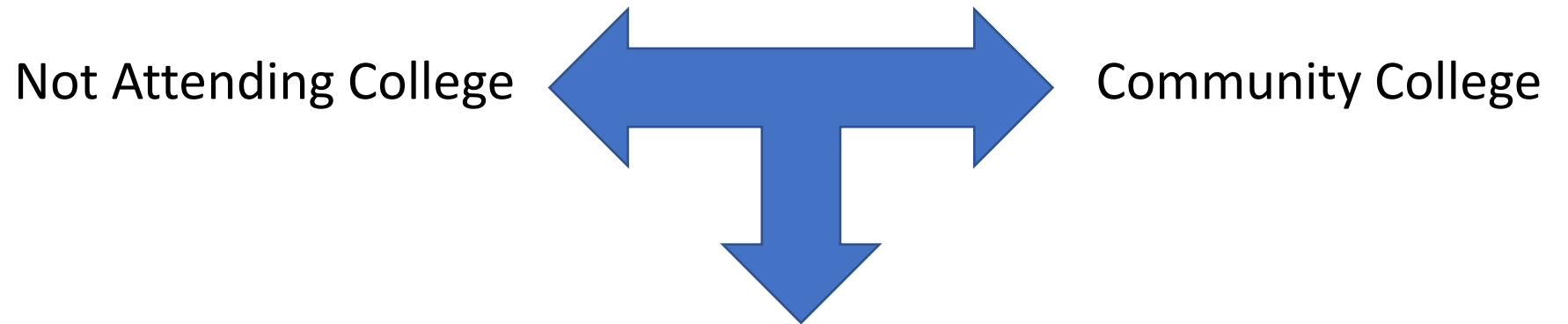
- **Enrollment** at another institution
  - University
  - Community College
  - Not attending college
- **Degree** obtained
  - No degree
  - Associates
  - Bachelor



# Reentry Recruitment

## Reentry Inactive Students

- The **Clearinghouse** enrollment status and/or degree obtainment **determines relationship** on how the Admissions Office will **recruit** these former students.



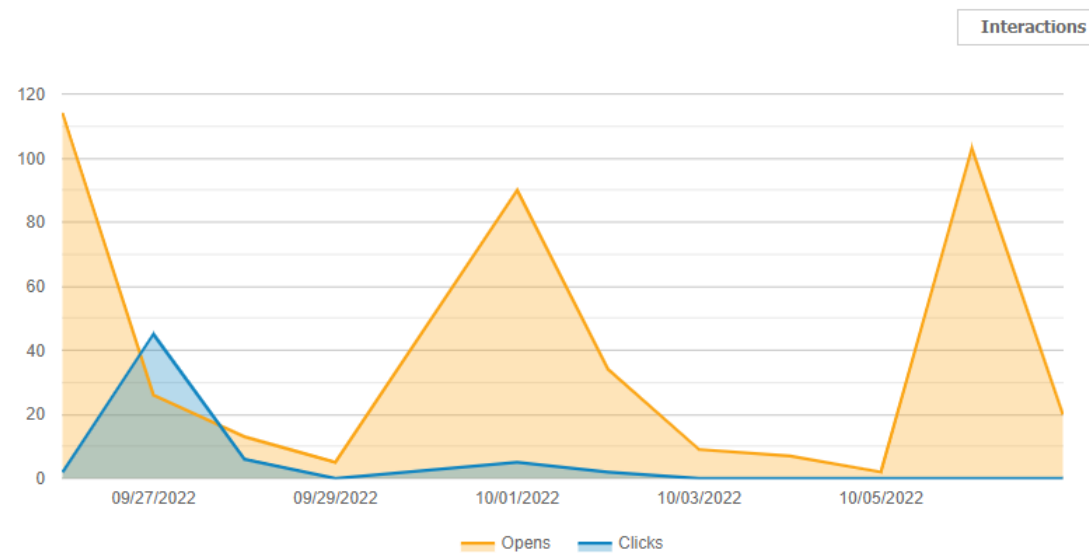
### Recruitment Campaign

- Email • Text
- Voice • US Mail
- Campus Visits

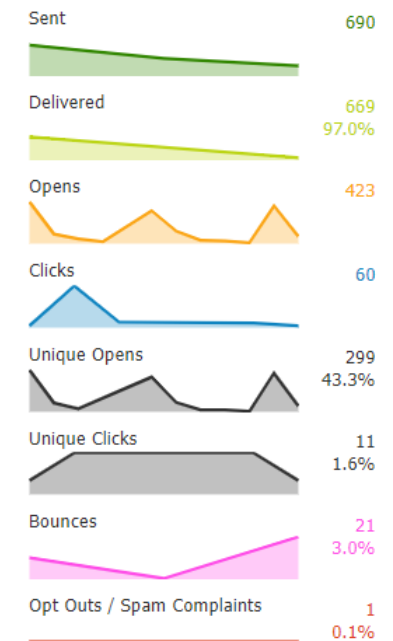
# Reentry Recruitment

Example of Slate CRM analytics from September 26, 2022

Current Status **Scheduled/Running**  
 Start Date/Time 09/26/2022 01:00 PM  
 Stop Date/Time Sending until 10/28/2022 01:00 PM  
 Opt Out Allow Unsubscribe (default)



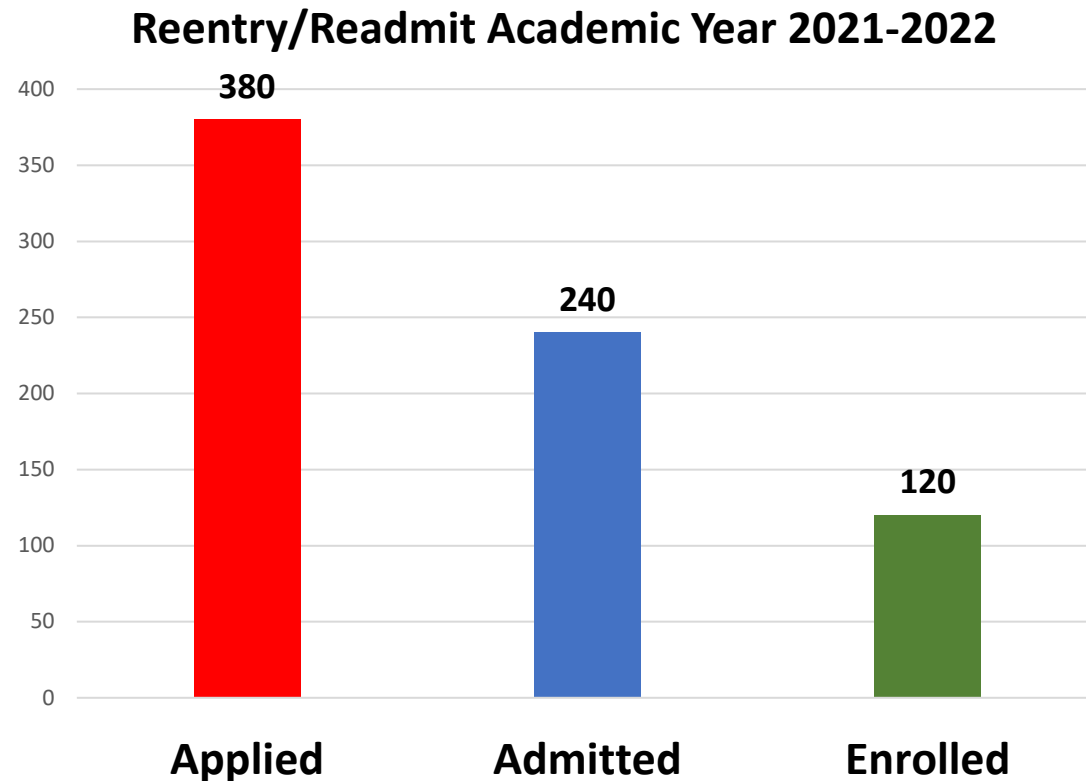
Statistics current as of 08:28:12 AM ET. [Refresh](#)



BFAC 035

# Reentry Recruitment

Enrollment funnel for **inactive reentry** for the Academic Year 2021-2022





# Biden-Harris Administration's Student Debt Relief Plan

<https://www.govst.edu/student-debt-relief-plan/>

## Biden-Harris Administration's Student Debt Relief Plan

You're eligible for student loan debt relief if your annual federal income was **below \$125,000 (individual or married, filing separately) or \$250,000 (married, filing jointly or head of household) in 2020 or 2021.**

- **\$20,000 in debt relief:** If you received a **Pell Grant in college** and meet the income threshold, you'll be eligible for up to \$20,000 in debt relief.
- **\$10,000 in debt relief:** If you **did not receive a Pell Grant** in college and meet the income threshold, you'll be eligible for up to \$10,000 in debt relief.



# Reentry Recruitment

## Step 1: Check if you're eligible

You're eligible for student loan debt relief if your annual federal income was below \$125,000 (individual or married, filing separately) or \$250,000 (married, filing jointly or head of household) in 2020 or 2021.

## Step 2: Prepare

Here's what you can do to get ready and to make sure you get our updates:

- [Log in to your account on StudentAid.gov](#) and make sure your contact info is up to date. We'll send you updates by both email and text message, so make sure to [sign up to receive text alerts](#).

## Step 3: Submit your application (when available)

The application will be available online in October 2022.

**Deadline is Dec. 31, 2023, to submit your application.**

# Reentry Recruitment

## Governors State University

Office of Financial Aid

### Update on the Biden-Harris Administration's Student Debt Relief Plan

\* \* \*

Dear GSU Community,

The U.S. Department of Education has recently provided an [update](#) on the Biden-Harris Administration's [Student Debt Relief Plan](#). Be sure to visit the Department of Education's [Frequently Asked Questions](#) page to find out more information on the student debt relief program.

Additionally, to make sure that everyone is aware of and up-to-date on this incredibly important information, the Office of Financial Aid has included these updates on our website. Please visit [GSU's Student Debt Relief Plan webpage](#) to access this information:

<https://www.govst.edu/student-debt-relief-plan/>

\* \* \*

# Thank you



### GSU Operating Budget to Actual

#### FY2022

For the fiscal year 2022, June 1, 2021 to June 30, 2022, we anticipate operating revenues in excess of expenditures resulting in a surplus of \$965,011 compared to the previously reported a minimal surplus of \$12,574 due to the reclassification of purchases that qualify for capitalization.

#### FY2023

Fall enrollment is indicative of the projected revenue budget. We anticipate equal and offsetting expenditures. As the result of the lingering COVID-19 concerns, we continue to experience reduced expenditures related to travel as well as supply chain scarcity of commodities and market goods. Additional salary costs are the result of the recently approved salary increases.

Appropriation monies from the Illinois Office of the Comptroller are vouchered and continue to be received timely.

### Governors State University Budget to Actual by Major Category As of September 30, 2022 (Unaudited)

Category Name	FY2022 Projected Actual	FY2023 Operating Budget	FY2023 Actuals Sep 30, 2022 (Unaudited)*	FY2023 Projected Actual	Projected Ending Balances (Budget- Actual)
<b>Revenues:</b>					
Income Fund	\$33,697,081	\$34,146,700	\$18,057,373	\$34,146,700	\$0
Appropriation	24,353,300	24,353,300	12,009,329	24,353,300	0
<b>Total Revenues</b>	<b>\$58,050,381</b>	<b>\$58,500,000</b>	<b>\$30,066,702</b>	<b>\$58,500,000</b>	<b>\$0</b>
<b>Expenses:</b>					
Personnel Services	\$47,317,031	\$48,399,209	\$15,858,989	\$49,215,839	(\$816,630)
Fringe Benefits	1,496,299	1,449,578	499,026	1,449,578	0
Contractual	6,979,833	6,986,732	3,889,743	6,471,693	515,039
Commodities	598,736	718,875	205,278	655,278	63,597
Permanent Improvement	19,131	0	0	0	0
Travel	150,054	377,931	64,937	139,937	237,994
Equipment	367,519	315,105	112,790	315,105	0
Telecom	123,454	194,195	159,114	194,195	0
Auto Operations	33,313	37,375	26,150	37,375	0
Awards	-	21,000	300	21,000	0
Reserve**	0	0	0	0	0
<b>Total Expenses:</b>	<b>\$57,085,370</b>	<b>\$58,500,000</b>	<b>\$20,816,327</b>	<b>\$58,500,000</b>	<b>\$0</b>
<b>Surplus (Deficit)</b>	<b>\$965,011</b>	<b>\$0</b>	<b>\$9,250,375</b>	<b>\$0</b>	<b>\$0</b>

**Notes:** \*\* Historical Years Surplus adequate funds to support BOT Reserve requirement for FY2023.

**Resource/Contact:** Sandra Zurawski, Executive Director, Budget & Financial Planning;  
 szurawski@govst.edu; 708.534.4981

**Procurement Activities of \$100,000 to \$249,999  
for the Period of September 1, 2022 through October 31, 2022**

There are no procurement activities that require reporting during this time period.

**Resource/Contact:** Ms. Tracy Sullivan, Associate Vice President for Procurement and Business Services; [tsullivan@govst.edu](mailto:tsullivan@govst.edu); 708.235.2179

**Quarterly Report of Income Producing Contracts of \$100,000 or More  
For the Period Ended September 30, 2022 (Q1FY23)**

***Federal Grants:***

<b>Provider Name</b>	<b>Type of Contract</b>	<b>Income Q1FY23</b>	<b>Principal Investigator (PI)/ College/Department</b>	<b>End Date</b>
U.S. Small Business Administration	Shuttered Venue Operators Grant	\$133,596	Svetlana Rogachevskaya CAS/Div. of Communication- Visual and Performing Arts	1/16/2023
U.S. Department of Commerce	Cluster Grants	\$29,124	Jun Zhao; Olumide Ijose COB/ Management	9/30/2023
U.S. Department of Health & Human Services, passed through the Illinois Department of Human Services	Block Grants for Prevention and Treatment of Substance Abuse	\$8,230	Cheryl Mejta CHHS/Addiction Studies and Behavioral Health	6/30/2023
U.S Department of Education, passed through the Illinois Board of Higher Education	IL Tutoring Initiative Grant	\$1,432	Shannon Dermer COE	6/30/2023



***State Grants:***

Provider Name	Type of Contract	Income Q1FY23	Principal Investigator (PI)/ College/Department	End Date
IL State Board of Education	Pre-K Block Grant, and Pre-K Expansion Grant	\$5,381	Erin Soto COE/Family Development Ctr	6/30/2023

***Others:***

Provider Name	Type of Contract	Income Q1FY23
Various Clients - Extended Learning	Training programs for professional development/continuing professional education to individuals, school districts, and employees of certain private organizations	\$202,425
Clearwire Spectrum Holdings	Broadband Lease of Excess Channels	\$53,632

Note: The above agreements and concessionary contracts generate income to the University throughout the fiscal year.

**Resource/Contact:** Corey S. Bradford, PhD, Vice President for Administration and Finance; cbradford2@govst.edu; 708.235.7421.

**FY2022 University Tuition and Fee Waivers  
 As Reported to the Illinois Board of Higher Education**

University tuition and fee waivers are offered by the University to waive the tuition and/or fees for a student under specific circumstances. Some waiver programs are mandatory (i.e., required by statute) and others are discretionary. The University has identified the specific tuition and fee waiver programs in which it participates according to the Standard Tuition and Fee Waiver Chart of Accounts, established by the Illinois Board of Higher Education (IBHE).

**Estimated Costs and Participants**

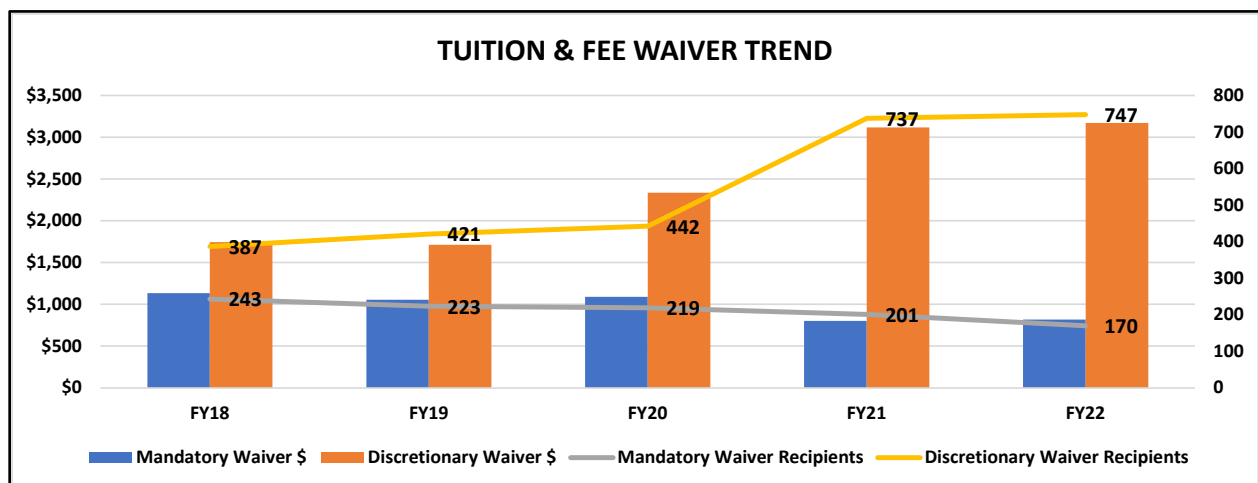
The IBHE Tuition and Fee Waiver Forms specify the numbers of participants and costs (tuition vs fee) of GSU's waiver programs. Additionally, IBHE is provided with a written summary of GSU's Waiver Offerings and Procedures.

**FY2022** (Details, as reported to IBHE, in the schedules to follow.) (in thousands of dollars)

Unduplicated Summary Tuition and/or Fees	Number of Recipients	Total Value of Waivers	# of UnderGrad Recipients	# of Grad Recipients
<b>Mandatory Waiver Category Total***</b>	170	\$ 818.6	65%	35%
<b>Discretionary Waiver Category Total***</b>	747	\$ 3,170.9	68%	32%
<b>Total count of Waivers****</b>	917	\$ 3,989.5	67%	33%

**FY2021**

Unduplicated Summary Tuition and/or Fees	Number of Recipients	Total Value of Waivers	# of UnderGrad Recipients	# of Grad Recipients
<b>Mandatory Waiver Category Total***</b>	201	\$ 800.6	65%	35%
<b>Discretionary Waiver Category Total***</b>	737	\$ 3,115.9	71%	29%
<b>Total count of Waivers****</b>	938	\$ 3,916.5	70%	30%



\*\*\* Each recipient is counted only once in the unduplicated count even if they benefited from multiple waivers during the academic year.



**GOVERNORS STATE UNIVERSITY  
 UNDERGRADUATE TUITION AND FEE WAIVERS  
 FISCAL YEAR  
 2022**

(in thousands of dollars)		Tuition Waived		Fees Waived	
	(unduplicated)	(duplicated)		(duplicated)	
	Number of Recipients	Number of Waivers	Value of Waivers	Number of Waivers	Value of Waivers
MANDATORY WAIVERS					
Teacher Special Education					
General Assembly					
ROTC					
DCFS	5	7	14.3	7	3.6
Children of Employees	24	45	74.1		
Senior Citizens	6	13	19.9		
Honorary Scholarships					
Veterans Grants & Scholarships*	75	139	278.3	139	69.5
Other (please specify) **					
SUBTOTAL	110	204	\$ 386.6	146	\$ 73.1
DISCRETIONARY WAIVERS					
Faculty/Administrators	6	10	15.7	10	3.9
Civil Service	10	16	26.6	16	6.7
Academic/Other Talent	341	564	861.8	564	215.3
Athletic	102	182	341.8	182	85.6
Gender Equity in					
Intercollegiate Athletics	13	26	66.8	26	16.6
Foreign Exchange Students					
Out-of-State Students					
Foreign Students	1	2	5.3	2	1.3
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals					
Research Assistants					
Teaching Assistants					
Other Assistants					
Student Employment					
Interinstitutional/Related Agencies	32	68	111.3	68	27.8
Retired University Employees					
Children of Deceased Employees					
Contract/Training Grants					
All Other (please specify)***					
SUBTOTAL	505	868	\$ 1,429.3	868	\$ 357.2
TOTAL	615	1,072	\$ 1,815.9	1,014	\$ 430.3

\*Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

\*\*Other waiver categories must be approved by the Board of Higher Education prior to reporting.

GOVERNORS STATE UNIVERSITY  
 GRADUATE TUITION AND FEE WAIVERS  
 FISCAL YEAR  
 2022

A	B	C	D	E	F
		Tuition Waived		Fees Waived	
	(unduplicated)	(duplicated)		(duplicated)	
(in thousands of dollars)	Number of Recipients	Number of Waivers	Value of Waivers	Number of Waivers	Value of Waivers
<b>MANDATORY WAIVERS</b>					
Teacher Special Education	5	13	31.5	13	7.9
General Assembly					
ROTC					
DCFS					
Children of Employees					
Senior Citizens	5	11	17.3		
Honorary Scholarships					
Veterans Grants & Scholarships*	50	106	241.7	106	60.5
Other (please specify) **					
<b>SUBTOTAL</b>	60	130	\$ 290.5	119	\$ 68.4
<b>DISCRETIONARY WAIVERS</b>					
Faculty/Administrators	32	56	137.4	56	34.4
Civil Service	24	49	96.7	49	24.2
Academic/Other Talent	6	11	29.5	11	7.3
Athletic	8	22	38.9	22	9.8
Gender Equity in					
Intercollegiate Athletics	-				
Foreign Exchange Students					
Out-of-State Students					
Foreign Students	13	25	60.8	25	15.1
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	3	3	4.4	3	1.1
Research Assistants	3	6	13.2	6	3.3
Teaching Assistants	25	44	118.6	44	29.7
Other Assistants	71	138	389.0	138	97.2
Student Employment					
Interinstitutional/Related Agencies	57	116	219.1	116	54.7
Retired University Employees					
Children of Deceased Employees					
Contract/Training Grants					
All Other (please specify)***					
<b>SUBTOTAL</b>	242	470	\$ 1,107.6	470	\$ 276.8
<b>TOTAL</b>	302	600	\$ 1,398.1	589	\$ 345.2

\*Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

\*\*Other waiver categories must be approved by the Board of Higher Education prior to reporting.

Governors State University recognizes Tuition and Fee Waiver Categories, as specified by the Illinois Board of Higher Education, Administrative Code 1075 Tuition and Fee Waiver Guidelines. Mandatory Waivers and Discretionary Waivers:

**Mandatory Waiver** means a waiver that an institution is required by State statute to grant to students who meet the specific parameters and criteria included in the statute. Many of these mandates are unfunded by the state and therefore, the monies are supported by the University Income Fund.

**Discretionary Waiver** means a waiver that is granted at the discretion of the institution and includes the following categories:

- Faculty and Staff Waiver means a discretionary waiver awarded to public university faculty, staff, or other employees, or their dependents.
- Student Talent or Merit Waiver means a discretionary waiver awarded to students based on talent in a particular field, academic merit, or special status.
- Student Need Waiver means a discretionary waiver granted to students demonstrating financial need to provide financial assistance to students who demonstrate financial need or hardship e.g., GSU Dual Degree Program (DDP) – Promise.
- Student Service Waiver means a discretionary waiver granted to students to support the University mission, goals, and objectives through participation in outside contracts; graduate or undergraduate research, teaching, or other assignments; training or grant programs; external internship programs; clinical portions of degree programs conducted at other institutions; or other student experiences.

### **Waiver Eligibility and Selection Criteria**

Each waiver program has specific eligibility and selection criteria. For Faculty/Staff waivers, the eligibility criteria are established by the GSU Board of Trustees Regulations, Section II.B.6i. and II.C.7h. It is the responsibility of the Department of Human Resources, as the unit awarding the waiver, to verify and document that the student meets all eligibility criteria before his/her application may be considered.

For Student Talent/Merit waivers and Student Service waivers, the University has established minimum eligibility criteria, which are summarized below. Units may add additional eligibility criteria and have established selection criteria for each waiver program. Only students who meet these eligibility criteria may be awarded a waiver under that program. It is the responsibility of the unit awarding the waiver to verify and document that the student meets all eligibility criteria before his/her application may be considered. Because more students may apply than waivers are available, selection criteria have also

been established which indicate how priority will be determined. Units must evaluate each student's application considering the selection criteria and award waivers according to the priority established.

### **Program Effects**

The most critically important effect that is common to all the waiver programs operated at GSU is that they are positively associated to a statistically significant degree with graduation rates among the students who have held them. We make this claim in the aggregate because, for many of the waiver programs, we have too few students participating in them in any given year to evaluate them in a methodologically rigorous way. Taken together, however, the result we stated above seems to hold.

As is clear from the specification of waiver criteria offered below, many of the programs require students to have achieved a G.P.A. of 3.0 (or higher) to be eligible for the waivers. As a result, the holders of many of our waivers have already performed at a relatively high academic level. One might argue that these students are already, by virtue of that past performance, more likely to graduate than their peers. Even so, our experience with these students convinces us that the waivers they have received help to retain them in their programs of study and to encourage their completion of those programs above and beyond the levels of retention and completion that seem apparent among their non-waiver-holding, high-performing peers.

**Resource/Contact:** Sandra Zurawski, Executive Director, Budget & Financial Planning;  
szurawski@govst.edu; 708.534.4981

**University Contributions to University-Related Organization  
For the Fiscal Year Ended June 30, 2022**

Governors State University (“University”) recognizes the Governors State University Foundation (“Foundation”) as a University-Related Organization.

The Foundation has an ongoing contract with the University, which includes provisions requiring the Foundation to comply with Section VI of the “University Guidelines 1982 (as amended 1997)” as adopted by the State of Illinois Legislative Audit Commission. The contract requires the University to provide the Foundation with personnel and operational services at no cost. The estimated value of these services for the fiscal year ended June 30, 2022 is \$344,591 (unaudited), which includes all direct payroll expenses and fringe benefits.

**Contributions to the University of \$25K or more  
For the Fiscal Year Ended June 30, 2022**

The Foundation provided the University with support in the amount of \$1,006,493 (unaudited) for the fiscal year ended June 30, 2022, which consists of the following:

	<u>Amount</u>
Support given to University departments	\$ 709,844
Support given for Scholarships	<u>296,649</u>
Total	<u><u>\$ 1,006,493</u></u>

**Resource/Contact:** William A. Davis, Vice President for Institutional Advancement, Marketing and Communications; Chief Executive Officer, GSU Foundation; wdavis3@govst.edu; 708.235.7494.

**EXECUTIVE SUMMARY**  
**ANNUAL INTERNAL AUDIT REPORT**  
**FISCAL YEAR 2022**

The purpose of the annual internal audit report is to provide information and highlight the outcomes of the activities of the University's internal audit function for Fiscal Year 2022. The Office of Internal Audit is committed to assist management in identifying and remediating significant risks and promoting efficiencies across the University. Special thanks to the Office of the President, Office of the Vice President for Administration and Finance, and the Budget, Finance and Audit Committee of the Board of Trustees for their continued support.

Key accomplishments of the Office of Internal Audit for Fiscal Year 2022 are as follows:

- Completion of 12 audit and review engagements, and one (1) consulting project resulting to 62 audit recommendations
- Coordination of the FCIAA internal control evaluation and submission of the required certifications for the University and GSU Foundation resulting to three (3) audit recommendations
- Performance of a University-wide comprehensive risk assessment to determine the priorities of the internal audit activity

**Internal Audit Recommendation Summary**

The following table highlights the number of audit issues and the status of implementation of corrective action plans to remediate the risks.

Project	Internal Audit Findings			Internal Audit Recommendation		
	Deficiency	Process Improvement	Total	Implemented	In Progress	Under Study
FCIAA internal control certification		3	3	1	1	1
Mandate: Meningococcal Disease	3		3	3		
Mandate: Admissions Process Veterans	1		1		1	
Pre-Implementation: Slate Advancement	3		3		3	
Tuition and Fee Revenues and Rec.	3		3	1	2	
Cellular stipend program	10	1	11	4	6	1
Pre-Implementation: Slate Admissions	4		4	1	3	
Pre-implementation: Electronic Time	2		2		2	
Purchasing Cards (P-Cards)	15	3	18	13	5	
Records Mgmt. & State Records Act	5		5		5	
Property control	5	1	6	4	2	
Deferred maintenance program	3		3		3	
Accreditation compliance		3	3	3		
<b>Total</b>	<b>54</b>	<b>11</b>	<b>65</b>	<b>30</b>	<b>33</b>	<b>2</b>

**Personnel/Professional Development**

The Office of Internal Audit was staffed by the Chief Internal Auditor for the entire fiscal year. Professional development enables the Office of Internal Audit to provide quality service to its clients. The Chief Internal Auditor achieved the required continuing professional education by the professional organizations and internal auditing standards.

**Participation in University Initiatives**

The Office of Internal Audit continues to partner with management to support key initiatives. Some of the efforts included participating in various committees as ex officio member or trusted advisor, coordinating risk efforts, and providing ad hoc support.

## EXECUTIVE SUMMARY

### TWO-YEAR INTERNAL AUDIT PLAN FOR FISCAL YEARS 2023 AND 2024

#### Background

The Fiscal Control and Internal Auditing Act (30 ILCS 10/2003(a)) requires each State agency's Internal Audit program to include a Two-Year Internal Audit Plan, identifying the audits scheduled, that is approved by the University President. Further, the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing requires that the Chief Internal Auditor must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals, to be approved by the University President, and reported to the Board of Trustees.

#### Risk Assessment Process

The Chief Internal Auditor conducted its annual risk assessment process to determine the priorities of the internal audit activity, including the audit activities required by the State regulations. To facilitate the risk assessment process, the Chief Internal Auditor developed a risk assessment survey designed to obtain inputs directly from the University functional unit/department heads about their knowledge of risks within the functional areas or processes of the University, and the controls in place to manage those risks. The completed risk assessment surveys were reviewed and analyzed for the purpose of assessing the levels of risk within each functional area or process. Based on the results, a risk ranking procedure was applied in determining the high-risk areas or processes to be prioritized in the internal audit activity.

#### Two-Year Internal Audit Plan

Based on the results of the risk assessment and further assessments made, the Office of Internal Audit proposed the Two-Year Internal Audit Plan for Fiscal Years 2023 and 2024. The Two-Year Internal Audit Plan depicts a viable plan (taking into consideration the audit resources and planned details of testing) and at the same time addresses the risk areas identified during the risk assessment process. Non-audit activities (i.e., professional development, administrative duties, holidays and benefit leaves) were also included in the Two-Year Internal Audit Plan to reflect the total budgeted hours of the Internal Audit function for the entire fiscal year. Below is the summary of the Two-Year Internal Audit Plan:

Fiscal Year 2023	Fiscal Year 2024
FCIAA evaluation and certification	FCIAA evaluation and certification
Compliance audits and internal control reviews (1)	Compliance audits and internal control reviews (1)
Electronic data processing (EDP) audit (1)	Electronic data processing (EDP) audit (1)
Special audit/unanticipated project (1)	Special audit/unanticipated project (1)
Audit Required by Illinois Administrative Code (1)	Other audits and reviews (3)
Other audits and reviews (2)	Risk assessment
Risk assessment	Annual Internal Audit Plan
Annual Internal Audit Plan	Non-audit activities
Non-audit activities	