

Chicago State University Board of Trustees Audit Committee Meeting

December 12, 2007

Academic Library – Auditorium

7:40 a.m. – 8:20 a.m.

Board Members Present

Trustee Jim Reynolds, Chairman

Trustee Betsy Hill, Ex-Officio

Trustee Rev. Richard Tolliver, Ph.D.

Trustee Juwaun Sutton, Student Trustee

Others Present

President Elnora D. Daniel

Mr. John Meehan, Internal Auditor

Dr. Alan Robertson, Interim Vice President for Finance, Facilities, and External Affairs

Ms. Nancy Hall-Walker, Vice President for Labor and Legal Affairs

Dr. Erma Brooks Williams, Senior Executive Director for Board and Governmental Affairs

Call to Order

Chairman Reynolds called the meeting to order. A quorum was verified. Dr. Williams noted that the meeting had been posted as mandated by the Illinois Open Meetings Act.

Dr. Alan Robertson submitted a written Corrective Action Plan Update on the 2006 audit findings. He informed the Trustees that the 2007 audit should be available in January or February 2008. The expected audit findings include problems related to property control, travel exceptions, and failure to file contracts with the Illinois Comptroller's Office.

Finding #1

Grant agreements and procedures have been established to address this finding.

Finding #2

Automated accrued compensated absence policies and procedures are being implemented.

Finding #3

Federal nursing loans have been written off. Enforcements have been implemented to make certain this does not occur again.

Finding #4

Student financial aid scholarships are being coordinated by the Offices of Foundation and Financial Aid.

Finding #5

No travel reimbursement checks will be issued without proper documentation.

Finding #6

Processes have been implemented so payments are not made to vendors before approval of the contract. Decentralization of contract approval has been implemented. The issue related to time sheets is still being examined.

Finding #7

Corrective action is being implemented.

Finding #8

Controls have been implemented.

Finding #9

An external property control contractor has been hired to rectify this problem.

Finding #10

The taxable fringe benefit issue is being addressed.

Finding #11

The issue related to failure to file contracts with the state may be a repeat finding. Controls have been implemented.

This finding is being addressed.

Finding #12

Decentralization of this process will correct this problem.

In summary, Chairman Reynolds noted that 80 - 100% of the findings related to basic human errors, lack of training and lack of oversight by leadership. He questioned individual suitability and competency in carrying out their responsibilities. Dr. Robertson commented that the University has experienced severe budget cuts that have hampered the University's ability to pay market rate salaries. Also, he noted that it is challenging in a unionized environment to make personnel changes in critical areas. Trustees responded that there are alternatives to such constraints and recommended that the University should consider looking at retirees in non-profit organizations.

Internal Auditor John Meehan submitted a written travel summary for the president and vice presidents.

Adjournment/Public and Employee Comments

The meeting adjourned at 8:20 a.m. There were no public and employee comments.