

REPORT DIGEST

**SOUTHERN ILLINOIS
UNIVERSITY**

SYNOPSIS

**FINANCIAL AUDIT AND
COMPLIANCE
EXAMINATION**

(In accordance with 0 1 73.44Q3.4(h 0 10(♦1222r(w) 304001877r 0 13.44Q3547.5

The University did not have adequate controls over loan reporting. Specifically, the University did not report changes in enrollment status of students in the required time frame to the National Student Clearinghouse for Federal Students Loan Programs.



Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SOUTHERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION AND SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2009

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	FY2009	FY2008
OPERATING REVENUES		
Student tuition and fees		
Auxiliary enterprises		

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

NEED TO IMPROVE CONTROLS OVER LOAN REPORTING

The University did not have adequate controls over loan reporting.

Changes in enrollment status of students not reported timely

The Carbondale Campus did not report changes in enrollment status of students in the required timeframe to the National Student Clearinghouse (NSC) for federal student loan programs. Out of 33 enrollment status changes tested, 25 were not reported to the NSC. The NSC is Carbondale's enrollment reporting service.

The National Student Loan Data System (NSLDS) Enrollment Reporting Guide requires schools to confirm and report the enrollment status of students who receive Federal student loans. As with any school/servicer arrangement for the administration of Title IV programs, the school remains responsible for submitting timely, accurate, and complete enrollment reporting roster files and for maintaining proper documentation in accordance with Federal Regulation 34 CFR 682.610(c).

A student's enrollment status determines eligibility for deferment, grace periods, and repayments, as well as the Federal Government's payment of interest subsidies. Enrollment reporting is critical for effective administration of the Title IV student loan programs. (Finding 1, pages 12-13) **This finding was first reported in 2007.**

We recommended the University implement policies and procedures to prevent backdated withdrawals of students and ensure the timely and accurate reporting of information to the National Student Clearinghouse. We also recommended the campus reevaluate its controls for identifying the withdrawal and graduation dates for its students.

University agrees with auditors

University officials accepted our recommendations. (For the previous University response, see Digest Footnote #1.)

OTHER FINDINGS

The remaining two findings are reportedly being given attention by the University. We will review the University's progress toward the implementation of our recommendations in our next audit.

AUDITORS' OPINION

Our auditors stated the financial statements of the University as of June 30, 2009 and for the year then ended are fairly presented in all material respects.

WILLIAM G. HOLLAND, Auditor General

WGH:GSR:pp

SPECIAL ASSISTANT AUDITORS

Crowe Horwath LLP were our special assistant auditors for this audit.

DIGEST FOOTNOTE

#1 INADEQUATE CONTROLS OVER LOAN REPORTING – Previous University Response

University officials accepted the recommendation that the University implement policies and procedures to prevent backdated withdrawals of students and ensure the timely and accurate reporting of information to the National Student Clearinghouse.