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**Illinois Auditor General releases University of Illinois ‘transition’ audit**  
*University recommendations being implemented*

URBANA, Ill. — The University of Illinois today welcomed the findings of a self-requested, 20-month long audit of University financial management by the Illinois Auditor General. The audit disclosed no material weaknesses in internal controls of the University or improper use of public funds appropriated by the Illinois General Assembly. The auditor general provided 18 University recommendations for improvement in certain areas, all of which the University accepted and has already begun to implement.

U of I Board of Trustees Chairman Christopher G. Kennedy said the audit findings confirmed high expectations for transparency and adherence to best practices in the conduct of University business.

“On behalf of the University and the Board of Trustees, I want to express our thanks to the state Legislative Audit Commission and the Auditor General for this audit,” Kennedy said. “University internal controls are intact and University management will continue to be held to high standards of professionalism and the adherence to business operating processes prescribed by the University and the state.”

The University, which has an annual operating budget of \$5 billion, routinely undergoes auditing scrutiny by a wide array of authorities. These include annual financial and compliance audits of University finances by an external auditing firm under the auspices of the state auditor general, as well as audits by federal agencies in connection with millions of dollars in research grants and contracts the U of I receives. In addition, the Executive Director of University Audits annually conducts internal audits on a wide variety of relevant matters.

Nevertheless, University trustees in January 2010 approved a resolution to authorize a “transition” audit of certain University transactions because of the significant change in the composition of the board in September 2009, when seven of nine trustees appointed by the governor were replaced. The reconstituted board requested that the transition audit “focus on purchasing, finance and investment, and construction transactions that required board approval during the period 2007 through 2009 to determine whether the approval process followed all applicable laws, rules, practices and procedures.” As requested by the board, the management audit was authorized by the Legislative Audit Commission (Resolution #139) in March 2010.

An audit closing conference requested by the University was held on November 14, 2011, and responses to the audit findings and recommendations were provided by the University a week later. The auditor general's office received the complete cooperation of current and former members of the U of I board and senior administrators, and the board chairman was directly advised on a regular basis of audit progress and findings.

The auditor general's management audit report for the University is divided in four parts:

- Chapter One—"Introduction and Background," including one recommendation for the Board of Trustees and one recommendation for University management.
- Chapter Two—"Purchasing Transactions," including seven recommendations for University management.
- Chapter Three—"Finance and Investment Transactions," including one recommendation for the Board of Trustees and one recommendation for University management.
- Chapter Four—"Construction Transactions," including nine recommendations for University management.

The majority of the University recommendations made by the auditor general related to the retention of transaction documentation or the adequacy of the transactions documentation. The Board of Trustees and University management responses to the recommendations include any relevant facts and circumstances, or any information pertinent to the recommendation. Attached to the news release is an executive summary of each of the audit recommendations and the Board/University's responses.

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The University of Illinois is a world leader in research and discovery, the largest educational institution in the state with more than 77,000 students, 22,000 faculty and staff, and campuses in Urbana-Champaign, Chicago and Springfield. The U of I awards more than 19,000 undergraduate, graduate and professional degrees annually.