

Identifying Material Weaknesses

As you are going through the FCIAA (Fiscal Control and Internal Auditing Act) Certification process, you must identify any potential material weaknesses. A material weakness occurs if your unit does not have procedures in place to meet the following State of Illinois requirements:

1. Resources are utilized efficiently, effectively, and in compliance with applicable law.
2. Obligations and costs are in compliance with applicable law.
3. Funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.
4. Revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.
5. Funds held outside the state Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

In keeping with these requirements, the University of Illinois System requires all units to have fiscal and administrative controls in place. If your unit does not have procedures in place to meet these requirements, or if your unit has procedures in place, but they are largely not followed, a material weakness would exist.

Incidental occurrences of noncompliance with these requirements would generally not constitute a material weakness.