

Contact: Andrea Anania

### FY 2010 STATE AUDIT REPORTS

**Action Requested:** Receive the following reports for the fiscal year ended June 30, 2010:

- State of Iowa Reports:
  - ◆ Comprehensive Annual Financial Report (CAFR) <http://auditor.iowa.gov/reports/1160-8990-B000.pdf>
  - ◆ Single Audit Report (SAR) <http://auditor.iowa.gov/reports/1160-8990-A000.pdf>
  - ◆ Reports of Recommendations:
    - ◆ SUI - BUILDUI System <http://auditor.iowa.gov/reports/1161-8010-BT01.pdf>
    - ◆ ISU - Accounts Receivable System <http://auditor.iowa.gov/reports/1161-8020-BT01.pdf>
    - ◆ UNI - Non-Student Accounts Receivable System <http://auditor.iowa.gov/reports/1161-8030-BT01.pdf>
- University Financial Reports:
  - ◆ University of Iowa <http://auditor.iowa.gov/reports/1161-8010-B000.pdf>
  - ◆ Iowa State University <http://auditor.iowa.gov/reports/1161-8020-B000.pdf>
  - ◆ University of Northern Iowa <http://auditor.iowa.gov/reports/1161-8030-B000.pdf>

**Executive Summary:** The Code of Iowa requires the State Auditor to conduct audits on all state entities, including the Regents institutions and the Board Office. The CAFR and SAR are released annually and contain information regarding the five Regents institutions, the Board Office, and the rest of state government. The State Auditor also provides an opinion on the university financial reports, which are also issued annually.

State Auditor David Vaudt is scheduled to make brief comments on these reports.

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#### STATE OF IOWA REPORTS:

- The CAFR provides a broad perspective of the state of Iowa's financial activity with a general overview of the condition of the state, audited financial statements of the state, and a statistical section containing financial and demographic information. The Auditor of State issued a qualified opinion due to a scope limitation.
    - ◆ The financial statements were prepared in accordance with governmental accounting principles generally accepted in the United States. The report noted that the financial statements present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund except the general fund and the aggregate remaining fund information of the State of Iowa as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended.
    - ◆ The net assets of the state primary government as of June 30, 2010, totaled \$12,606.0 million, an increase of \$500.5 million over the \$12,105.5 million (restated) as of June 30, 2009.
  - The SAR, required by federal law, covers the disbursement of federal funds by all state agencies, institutions, and universities, as well as a review of internal controls, compliance with federal laws and regulations, and follow-up on prior year federal comments. No findings were reported.
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REPORTS OF RECOMMENDATIONS:

- Report of Recommendations to the State University of Iowa on a Review of Selected General and Application Controls over the University's BUILDUI System (June 14, 2010 – July 19, 2010)
    - ◆ General Controls: The report included recommendations concerning password controls and vulnerability scans.
    - ◆ Application Controls: No recommendations were noted.
  - Report of Recommendations to Iowa State University of Science and Technology on a Review of Selected General and Application Controls over the University's Accounts Receivable System (March 29, 2010 – May 6, 2010)
    - ◆ General Controls: The report included recommendations concerning disaster recovery planning.
    - ◆ Application Controls: The report included recommendations concerning emergency planning and independent review of deleted cases and voided tickets.
  - Report of Recommendations to the University of Northern Iowa on a Review of Selected Application Controls over the University's Non-Student Accounts Receivable System June 10, 2010 – July 23, 2010
    - ◆ Application Controls: The report included recommendations concerning receivables object coding, monthly reconciliations, and overdue notices.
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UNIVERSITY FINANCIAL REPORTS (with audit opinion and internal control letter)

The auditors did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses.

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