

Contact: Andrea Anania

STATE AUDIT REPORTS

Action Requested: Receive the following reports:

- State of Iowa Reports:
 - ▶ Comprehensive Annual Financial Report <http://auditor.iowa.gov/reports/1360-8990-B000.pdf>
 - ▶ Single Audit Report <http://auditor.iowa.gov/reports/1360-8990-A000.pdf>
- University Financial Reports:
 - ▶ University of Iowa <http://auditor.iowa.gov/reports/1361-8010-B000.pdf>
 - ▶ Iowa State University <http://auditor.iowa.gov/reports/1361-8020-B000.pdf>
 - ▶ University of Northern Iowa <http://auditor.iowa.gov/reports/1361-8030-B000.pdf>
- Reports of Recommendations:
 - ▶ Report of Recommendations to Iowa State University of Science and Technology on a Review of Selected General and Application Controls over the Room and Board System
April 9, 2012 – May 1, 2012 <http://auditor.iowa.gov/reports/1361-8020-BT01.pdf>
 - ▶ Report of Recommendations to the University of Hospital and Clinics on a Review of Selected General and Application Controls Over the GE Centricity System
May 28, 2012 – July 30, 2012 <http://auditor.iowa.gov/reports/1361-8010-BT01.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 Comprehensive Annual Financial Report (CAFR) and the State Audit Report (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 issued annually.

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

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 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 governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the state of Iowa as of June 30, 2012, 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, 2012, totaled \$14,029.8 million, an increase of \$910.3 million over the \$13,119.5 million (restated) as of June 30, 2011.
- 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.

The report included findings at ISU concerning the Federal Work-Study Program and findings at UNI concerning the Federal Perkins Loan Program; see pages 89 and 95, respectively. No findings were reported for SUI, ISD, IBS, or the Board Office.

UNIVERSITY FINANCIAL REPORTS (includes Auditor of State opinion and internal control letter)

The state auditor reported that:

- ▶ The financial statements present fairly in all material respects, the respective financial positions of SUI, ISU, and UNI;
- ▶ Auditors did not identify any deficiencies in internal control over financial reporting considered to be material weaknesses for SUI, ISU, and UNI; and
- ▶ Auditors identified deficiencies in internal control over financial reporting at UNI considered to be significant. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The UNI report included the following findings:

Internal Control Deficiencies

- ◆ Capital Assets
- ◆ Student Information System

REPORTS OF RECOMMENDATIONS

- ▶ Report of Recommendations to Iowa State University of Science and Technology on a Review of Selected General and Application Controls over the Room and Board System
April 9, 2012 – May 1, 2012

The report included recommendations on the following:

General Controls

- ◆ Generic User ID's
- ◆ Review of Access Rights
- ◆ Encryption of Laptops

Application Controls

- ◆ Deletion Capabilities

- ▶ Report of Recommendations to the University of Hospital and Clinics on a Review of Selected General and Application Controls Over the GE Centricity System
May 28, 2012 – July 30, 2012

The report included recommendations on the following:

General Controls

- ◆ Encryption of Laptops