

Contact: Andrea Anania

STATE AUDIT REPORTS

Action Requested: Receive the following reports:

- ▶ State of Iowa Reports – FY 2015:
 - ◆ Comprehensive Annual Financial Report <http://auditor.iowa.gov/reports/1660-8990-B000.pdf>
 - ◆ Single Audit Report <http://auditor.iowa.gov/reports/1660-8990-A000.pdf>
- ▶ University Financial Reports – FY 2015:
 - ◆ University of Iowa <http://auditor.iowa.gov/reports/1661-8010-B000.pdf>
 - ◆ Iowa State University <http://auditor.iowa.gov/reports/1661-8020-B000.pdf>
 - ◆ University of Northern Iowa <http://auditor.iowa.gov/reports/1661-8030-B000.pdf>
- ▶ Other Reports:
 - ◆ Report of Recommendations to the State University of Iowa on a Review of Selected General and Application Controls over the University's Peoplesoft Human Resources Information System
May 11, 2015 – July 31, 2015 <http://auditor.iowa.gov/reports/1661-8010-BT01.pdf>
 - ◆ Report of Recommendations to the University of Northern Iowa on a Review of Selected General and Application Controls over the University's eBusiness Payroll and Human Resources System
April 1, 2015 – May 27, 2015 <http://auditor.iowa.gov/reports/1661-8030-BT01.pdf>

Executive Summary: The Code of Iowa requires the Auditor of State 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 Auditor of State also provides an opinion on the university financial reports, which are issued annually.

Auditor of State Mary Mosiman 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, 2015, and the respective changes in its financial position and, where applicable, its cash flows for the year then ended.
 - ◆ The state's combined (governmental and business-type activities) net position as of June 30, 2015, totaled \$15,501.3 million, a decrease of 2.7% from the \$15,939.2 million as of June 30, 2014.
 - ▶ 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 for any of the Regent institutions or the Board Office.
-

UNIVERSITY FINANCIAL REPORTS

Each report includes the Auditor of State's opinion, which may be found near the beginning of each report and an internal control letter at the end of each report. Auditors:

- ▶ Reported the financial statements present fairly in all material respects, the financial positions as of June 30, 2015;
- ▶ Did not identify any deficiencies in internal control considered to be material weaknesses at SUI or UNI;
- ▶ Did identify a deficiency in internal control on financial reporting at ISU considered to be a material weakness. Auditors made a recommendation, ISU implemented corrective procedures, and the response was accepted.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the University's financial statements will not be prevented or detected and corrected on a timely basis; and

- ▶ Reported no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, auditors noted certain immaterial instances of non-compliance or other matters at each university which will be reported to management in separate departmental reports.

OTHER REPORTS

- ▶ Report of Recommendations to the State University of Iowa on a Review of Selected General and Application Controls over the University's Peoplesoft Human Resources Information System
May 11, 2015 – July 31, 2015

The report included recommendations on the following:

General Controls

- ◆ HRIS Authentication

- ▶ Report of Recommendations to the University of Northern Iowa on a Review of Selected General and Application Controls over the University's eBusiness Payroll and Human Resources System
April 1, 2005 – May 27, 2015

The report included recommendations on the following:

General Controls

- ◆ Student Employee Access
- ◆ Payroll Staff Passwords

Application Controls

- ◆ Payroll Changes