

**Contact: Pam Elliott Cain**

**FY 2005 STATE AUDIT REPORTS**

**Action Requested:** Receive the following reports for the fiscal year ended June 30, 2005, that contain State Auditor's reports:

- State of Iowa Comprehensive Annual Financial Report (CAFR)
- State of Iowa Single Audit Report (SAR)
- University of Iowa –Financial Report and Report of Recommendations
- Iowa State University – Financial Report and Report of Recommendations
- University of Northern Iowa – CAFR and Report of Recommendations
- Iowa School for the Deaf – Report of Recommendations
- Iowa Braille and Sight Saving School – Report of Recommendations
- Board Office – Report of Recommendations

**Executive Summary:**

Iowa statutes require the State Auditor to conduct audits on all state entities, including the Regent institutions and the Board Office. On an annual basis, two State of Iowa audit reports are released that contain information regarding the five Regent institutions, the Board Office, and the rest of state government. The State Auditor provides audit reports on each university and reports of recommendations for each Regent institution and the Board Office.

The FY 2005 State Auditor's reports for the Regent institutions contained comments on federal issues, internal control, and statutory requirements and other matters. None were considered significant. Corrective actions are being taken on all findings.

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

**Statewide 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 CAFR may be accessed at the following web site: [http://das.sae.iowa.gov/financial\\_reports/index.html](http://das.sae.iowa.gov/financial_reports/index.html).
  - The reported noted that state appropriations of \$21.7 million were made from the Rebuild Iowa Infrastructure Fund (RIIF) for items that are inconsistent with the fund's legislatively established purpose, which was for public vertical infrastructure-related expenditures.
  - The net assets of the state primary government as of June 30, 2005, totaled \$10,790.4 million, an increase of \$444.4 million over the previous year.
- 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 SAR may be accessed at the following web site: <http://auditor.iowa.gov/reports/0560-8991-A000.pdf>.
  - The auditor concluded that the State of Iowa complied, in all material respects, with the applicable requirements of its major federal programs for the fiscal year ended June 30, 2005.

University Comprehensive Annual Financial Reports:

- State University of Iowa – <http://www.uiowa.edu/%7Efusas/2005financialreport.pdf>
- Iowa State University – <http://www.controller.iastate.edu/far/finrpt05.pdf>
- University of Northern Iowa – <https://access.uni.edu/reports/cafr/2005/AFR-2005.pdf>

Reports of Recommendations:

- State University of Iowa – <http://auditor.iowa.gov/reports/0561-8010-BR00.pdf>
- Iowa State University – <http://auditor.iowa.gov/reports/0661-8020-BR00.pdf>
- University of Northern Iowa – <http://auditor.iowa.gov/reports/0661-8030-BR00.pdf>
- Iowa School for the Deaf – <http://auditor.iowa.gov/reports/0561-8050-BR00.pdf>
- Iowa Braille and Sight Saving School – <http://auditor.iowa.gov/reports/0561-8040-BR00.pdf>
- Board Office – <http://auditor.iowa.gov/reports/0660-6150-BR00.pdf>

Findings Reported in the Single Audit Report:

- SUI
  - Federal Perkins Loan program Transfer – corrective action taken
  - Subrecipient Monitoring – corrective action planned
  - Refunds to Federal Perkins Loan Fund – corrective action taken
- ISU
  - Federal Supplemental Educational Opportunity Grants – corrective action taken

Findings Related to Internal Control:

- SUI
  - Segregation of Duties over Financial Statement Preparation – corrective action taken
- UNI
  - Segregation of Duties – corrective action taken
  - Payroll Deduction Reconciliation – corrective action taken
  - Bank Reconciliations – corrective action taken
  - Wage and Salary Overpayments – corrective action taken
  - “Quick Pays” – corrective action taken
- Board Office
  - Board Minutes - corrective action taken

Findings Related to Statutory Requirements and Other Matters:

- ISU
  - Supplemental Salary Approvals – corrective action taken
  - University Conflict of Interest Procurement Policy – corrective action taken