

Contact: Andrea Anania

STATE AUDIT REPORTS

Action Requested: Receive the following reports:

- State of Iowa Reports – FY 2013:
 - ▶ Comprehensive Annual Financial Report <http://auditor.iowa.gov/reports/1460-8990-B000.pdf>
 - ▶ Single Audit Report <http://auditor.iowa.gov/reports/1460-8990-A000.pdf>
- University Financial Reports – FY 2013:
 - ▶ University of Iowa <http://auditor.iowa.gov/reports/1461-8010-B000.pdf>
 - ▶ Iowa State University <http://auditor.iowa.gov/reports/1461-8020-B000.pdf>
 - ▶ University of Northern Iowa <http://auditor.iowa.gov/reports/1461-8030-B000.pdf>
- 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 ePost and Effort Reporting (PAR) Systems
May 29, 2013 – July 19, 2013 <http://auditor.iowa.gov/reports/1461-8010-BT01.pdf>
 - ▶ Report of Recommendations to the University of Northern Iowa on a Review of Selected General and Application Controls Over the University's Student Information System
June 12, 2012 – July 16, 2012 <http://auditor.iowa.gov/reports/1361-8030-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 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, 2013, 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, 2013, totaled \$15.2 billion, an increase of \$1.2 million over the \$14.0 billion (restated) as of June 30, 2012.
- 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: (1) the Federal Work-Study Program; and (2) Allergy, Immunology and Transplantation Research; see pages 82 and 88, respectively. No findings were reported for SUI, UNI, ISD, IBSSS, 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.

- ▶ SUI, ISU, and UNI – Auditors reported that the financial statements present fairly in all material respects, the financial positions as of June 30, 2013;
- ▶ SUI, ISU, and UNI – Auditors did not identify any deficiencies in internal control over financial reporting considered to be material weaknesses. 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
- ▶ SUI – Auditors did identify deficiencies in internal control over financial reporting considered to be significant. Auditors identified items which were not properly classified and recorded. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 ePost and Effort Reporting (PAR) Systems
May 20, 2013 – July 19, 2013

The report included recommendations on the following:

General Controls

- ◆ Risk Assessments

- ▶ Report of Recommendations to the University of Northern Iowa on a Review of Selected General and Application Controls Over the University's Student Information System
June 12, 2012 – July 16, 2012

The report included recommendations on the following:

General Controls

- ◆ Student Information System

Application Controls

- ◆ User Access
 - ◆ Service Organization Controls
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