

Contact: Patrice Sayre

FY 2008 STATE AUDIT REPORTS

Action Requested: Receive the following reports for the fiscal year ended June 30, 2008:

- State of Iowa:
 - ◆ Comprehensive Annual Financial Report (CAFR)
 - ◆ State of Iowa Single Audit Report (SAR)
- Reports of Recommendations:
 - ◆ University of Iowa
 - ◆ Iowa State University
 - ◆ University of Northern Iowa
 - ◆ Iowa School for the Deaf
 - ◆ Iowa Braille and Sight Saving School
 - ◆ Board Office
- Special Investigation Reports:
 - ◆ Report on Special Investigation of the University of Northern Iowa Camp Adventure Program (April 1, 2007 – March 31, 2008)
 - ◆ Report on Special Investigation of the University of Northern Iowa Malcolm Price Laboratory School (July 1, 2006 through March 31, 2009 and Prior Periods for Certain Students)

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. Two State of Iowa audit reports are released annually and contain information regarding the five Regents institutions, the Board Office, and the rest of state government. The State Auditor provides audit reports for each university and reports of recommendations for each Regents institution and the Board Office.

The FY 2008 State Auditor's reports for the Regent institutions contained comments on internal control and statutory requirements and other matters. None were considered significant. Corrective actions are being taken on all findings. The State Auditor report for the Iowa School for the Deaf and the Board Office contained no comments.

The State Auditor also conducted two special investigation reports at the University of Northern Iowa. State Auditor Vaudt is scheduled to make 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 FY 2008 CAFR may be accessed at the following web site: <http://auditor.iowa.gov/reports/0960-8990-B000.pdf>.
 - ◆ 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 and 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, 2008, 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, 2008, totaled \$12,352.4 million, an increase of \$408.8 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 FY 2008 SAR may be accessed at the following web site: <http://auditor.iowa.gov/reports/0960-8991-A000.pdf>.

REPORTS OF RECOMMENDATIONS:

- State University of Iowa: <http://auditor.iowa.gov/reports/0961-8010-BR00.pdf>
- Iowa State University: <http://auditor.iowa.gov/reports/0961-8020-BR00.pdf>
- University of Northern Iowa: <http://auditor.iowa.gov/reports/0961-8030-BR00.pdf>
- Iowa School for the Deaf: <http://auditor.iowa.gov/reports/0961-8050-BR00.pdf>
- Iowa Braille and Sight Saving School: <http://auditor.iowa.gov/reports/0961-8040-BR00.pdf>
- Board Office: <http://auditor.iowa.gov/reports/0960-6150-BR00.pdf>
- Report on Special Investigation of the University of Northern Iowa Camp Adventure Program: <http://auditor.iowa.gov/reports/0861-8030-BE01.pdf>
- Report on Special Investigation of the University of Northern Iowa Malcolm Price Laboratory School (July 1, 2006 through March 31, 2009 and Prior Periods for Certain Students): http://auditor.iowa.gov/specials/PriceLabSchool_Special.pdf.

Findings Reported in the Single Audit Report:

- SUI
 - ◆ Return of Title IV Funds
 - ◆ Federal Financial Reports

Findings Reported in the University's Report on Internal Control:

- SUI
 - ◆ Journal Entry Approval
- ISU
 - ◆ Bookstore Inventory
 - ◆ Employee Travel Reimbursement
- UNI
 - ◆ Wages and Salary Overpayments
 - ◆ Segregation of Duties
 - ◆ Employee Charges
 - ◆ Timely Recording of Wire Transfers and Automated Clearing House (ACH) Items
 - ◆ Bank Reconciliation
 - ◆ Capital Assets
 - ◆ Financial Reporting
 - ◆ Indirect Cost Report

Other Finding Related to Internal Control:

- IBSSS
 - ◆ Segregation of Duties

Findings Related to Statutory Requirements and Other Matters:

- UNI
 - ◆ Competitive Bidding