

Contact: Patrice Sayre

FY 2007 STATE AUDIT REPORTS

Action Requested: Receive the following reports for the fiscal year ended June 30, 2007:

- 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
- Report of Recommendations – Review of Selected General and Application Controls over the University's Payroll System (March 27 – May 11, 2007)

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 2007 State Auditor's reports for the Regent institutions contained comments on internal control, general controls, and application controls. None were considered significant. Corrective actions are being taken on all findings. The State Auditor report for the Board Office contained no comments.

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 2007 CAFR may be accessed at the following web site: http://das.sae.iowa.gov/images/cafr/2007_CAFR/FY07_CAFR.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, 2007, 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, 2007, totaled \$11,943.6 million, an increase of \$663.6 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 2007 SAR may be accessed at the following web site: <http://auditor.iowa.gov/reports/0860-8991-A000.pdf>.

UNIVERSITY ANNUAL FINANCIAL REPORTS:

- University of Iowa: <http://www.uiowa.edu/%7Efusas/2007/fy07financialreport.pdf>
- Iowa State University: <http://www.controller.iastate.edu/far/finrpt07.pdf>
- University of Northern Iowa: <https://access.uni.edu/reports/cafr/2007/AFR-2007.pdf>

REPORTS OF RECOMMENDATIONS:

- State University of Iowa: <http://auditor.iowa.gov/reports/0861-8010-BR00.pdf>
- Iowa State University: <http://auditor.iowa.gov/reports/0861-8020-BR00.pdf>
- University of Northern Iowa: <http://auditor.iowa.gov/reports/0861-8030-BR00.pdf>
- Iowa School for the Deaf: <http://auditor.iowa.gov/reports/0861-8050-BR00.pdf>
- Iowa Braille and Sight Saving School: <http://auditor.iowa.gov/reports/0861-8040-BR00.pdf>
- Board Office: <http://auditor.iowa.gov/reports/0860-6150-BR00.pdf>
- Iowa State University – Review of Selected General and Application Controls Over the University’s Payroll System: <http://auditor.iowa.gov/reports/0861-8020-BT01.pdf>

Findings Reported in the Single Audit Report:

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

Findings Related to Internal Control:

- SUI
 - ◆ Journal Entry Approval
 - ◆ Equipment Accounts Payable
- ISU
 - ◆ Department Reconciliation to Accounts Receivable System
- UNI
 - ◆ Wages and Salary Overpayments
 - ◆ Segregation of Duties
 - ◆ Timely Processing of Vouchers for Payment
 - ◆ Timely Recording of Wire Transfers
 - ◆ Bank Reconciliation
- IBSSS
 - ◆ Segregation of Duties
 - ◆ Disposal of Capital Assets

Findings Related to Statutory Requirements and Other Matters:

None

Findings Related to General Controls:

- ISU
 - Review of Selected General and Application Controls over the University’s Payroll System
 - ◆ Security Profile Changes
 - ◆ System Access

Findings Related to Application Controls:

- ISU
 - ◆ Hourly Timesheets
 - ◆ Formal Procedures Manual
 - ◆ Payroll Department Independent Review of Changes