

Contact: Andrea Anania

STATE AUDIT REPORTS

Action Requested: Receive the following State Auditor's reports:

- University of Iowa
- Iowa State University
- University of Northern Iowa
- Iowa School for the Deaf
- Iowa Braille and Sight Saving School
- Board Office
- Review of Selected General and Application Controls over the ISU accounts payable and purchasing systems.

Executive Summary:

The State Auditor provides written reports on certain aspects concerning the Regent institutions and the Board Office for which they believe corrective actions are necessary. These reports are included in the Regent Exhibit Book.

The FY 2004 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.

The State Auditor performed the Review of Selected General and Application Controls at ISU to determine departmental compliance with certain established University guidelines. The report is for the period of March 28 through April 28, 2005. In the report, State Auditor David Vaudt recommended that ISU develop and implement procedures to improve information system controls related to risk assessments and security profile changes. Further follow-up is dependent on the State Auditor's Office.

State Auditor David Vaudt will be available at the meeting for questions.

Background:

Iowa Code Chapter 11 requires that the Regent institutions and the Board Office are audited annually by the State Auditor

Regent Procedural Guide §7.09 requires that institutions consult with the Board Office regarding preliminary audit comments and proposed responses.

Analysis:

Findings by the State Auditor in the statewide audits for FY 2004:

<u>Institution</u>	Federal Issues Reported in the State's <u>Single Audit Report</u>	<u>Internal Control</u>	<u>Statutory Requirements and Other Matters</u>
SUI	<ul style="list-style-type: none"> • Subrecipient Monitoring. • Effort Reports. • Due Diligence. 	<ul style="list-style-type: none"> • No matters reported. 	<ul style="list-style-type: none"> • No matters reported.
ISU	<ul style="list-style-type: none"> • Grant Management. 		<ul style="list-style-type: none"> • Capital Assets. • Untimely Deposits.
UNI	<ul style="list-style-type: none"> • Allowability of Expenditures. 	<ul style="list-style-type: none"> • Segregation of Duties. • Bank Reconciliation and Reviews. • Accruals. • Salary and Wage Overpayments. 	<ul style="list-style-type: none"> • No matters reported.
ISD	No matters reported.		
IBSSS	No matters reported.		
Board Office	No matters reported.		

Findings by the State Auditor in the Review of Selected General and Application Controls:

<u>Institution</u>	<u>General Controls</u>	<u>Application Controls</u>
ISU	<ul style="list-style-type: none"> • Risk Assessments. • Security Profile Changes. 	<ul style="list-style-type: none"> • No recommendations noted.