



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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Des Moines, Iowa 50319-0006

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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

March 14, 2024

Auditor of State Rob Sand today released a report on the Iowa College Student Aid Commission for the year ended June 30, 2022.

The Commission is responsible for the administration of state-funded student financial aid through grants, scholarships and loan repayment assistance programs. The Commission is responsible for administering the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), a federal grant. The Commission also has statutory and regulatory authority over approving degree-granting and non-degree granting postsecondary educational institutions to offer programs to Iowans and for ensuring nonpublic schools provide financial protections to Iowa students.

Sand recommended the Commission review information reported in its GAAP package to ensure the GAAP package information is complete and accurate. The Commission responded favorably to this recommendation.

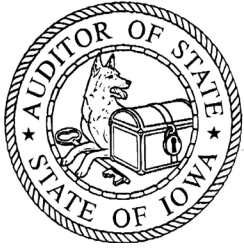
A copy of the report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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**REPORT OF RECOMMENDATIONS TO THE
IOWA COLLEGE STUDENT AID COMMISSION**

JUNE 30, 2022

Iowa College Student Aid Commission



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STATE OF IOWA

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March 5, 2024

Iowa Department of Education
Iowa College Student Aid Commission
Des Moines, Iowa

To Julie Ntem, Executive Director of the Iowa College Student Aid Commission:

I am pleased to submit to you the Report of Recommendations for the Iowa College Student Aid Commission for the year ended June 30, 2022. The report includes findings pertaining to the Commission's internal control which resulted from the fiscal year 2022 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa College Student Aid Commission throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

Iowa College Student Aid Commission



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March 5, 2024

Iowa Department of Education
Iowa College Student Aid Commission
Des Moines, Iowa

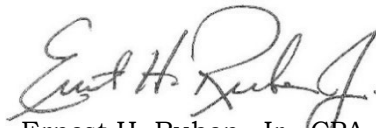
To Julie Ntem, Executive Director of the Iowa College Student Aid Commission:

The Iowa College Student Aid Commission is a part of the State of Iowa and, as such, has been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2022.

In conducting our audits, we became aware of certain aspects concerning the Commission's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include those reported in the State's Report on Internal Control. These recommendations have been discussed with Commission personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Commission's responses, we did not audit the Iowa College Student Aid Commission's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa College Student Aid Commission, citizens of the State of Iowa and other parties to whom the Iowa College Student Aid Commission may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Commission during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Commission are listed on page 5 and they are available to discuss these matters with you.


Ernest H. Ruben, Jr., CPA
Chief Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Tim McDermott, Director, Legislative Services Agency

Report of Recommendations to the
Iowa College Student Aid Commission

June 30, 2022

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

(1) Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package. Departments submit their GAAP packages to DAS-SAE by the first week of September of each year.

Condition – The following conditions were noted:

Iowa College Aid understated unearned revenue by \$458,413 related to Coronavirus State and Local Fiscal Recover Funds (SLFRF). This was properly adjusted for reporting purposes.

Cause – Although policies and procedures are in place to review GAAP package information, the review did not identify the misstatements.

Effect – The amount reported as unearned revenue was misstated requiring adjustments to the financial statements.

Recommendation – Iowa College Aid should implement procedures to ensure information reported to DAS-SAE on the GAAP package is accurate.

Response – Iowa College Aid received SLFRF funds in fiscal year 2021 and fiscal year 2022. The Department of Management requires a monthly, quarterly and annual reporting of these funds. Based on the reporting that was required these funds were fully obligated to be spent by our partners in fiscal year 2022. Due to the nature of the work, we do, our partners are school districts. This funding is also based on a reimbursement basis so we cannot pay it out until they have submitted the requests to us. There are current procedures in place that track unearned revenue regarding SLFRF funding. The process includes monthly reporting of revenues and expenditures that we believe will satisfy this recommendation so that it is accurately reflected in future GAAP packages.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa College Student Aid Commission

June 30, 2022

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa College Student Aid Commission

Staff

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Chief Deputy
Ryan J. Pithan, CPA, Manager
Karen J. Kibbe, Senior Auditor II
Amila Tursunovic, Assistant Auditor