

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE _____

August 5, 2013

Contact: Andy Nielsen
515/281-5834

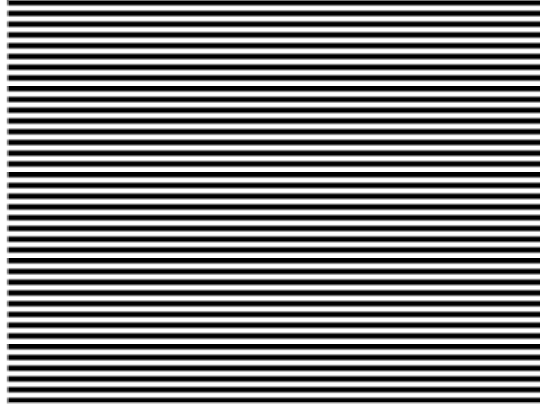
Auditor of State Mary Mosiman today released a report on the Iowa College Student Aid Commission for the year ended June 30, 2012.

The Commission is responsible for guaranteeing loans made by eligible lenders to eligible students and administering the program. The Commission is also responsible for establishing an effective system for the collection of delinquent loans.

Mosiman recommended the Commission review information reported in its GAAP package to ensure the GAAP package information is complete and accurate and review internal controls and related policies regarding travel. The Commission responded corrective action is being implemented.

A copy of the report is available for review in the office of the Iowa College Student Aid Commission, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1360-2840-0R00.pdf>.

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

JUNE 30, 2012

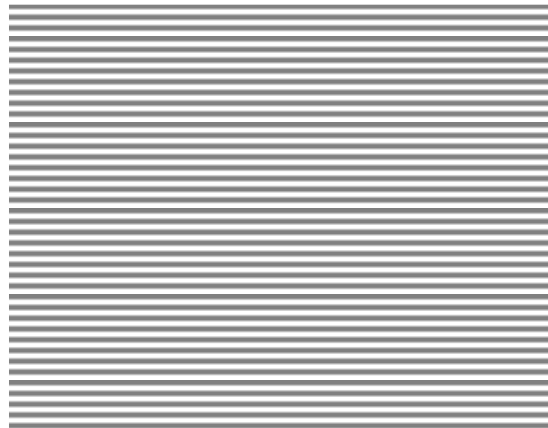
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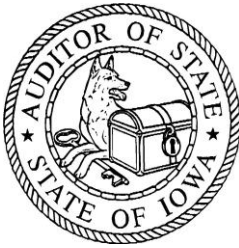
**AUDITOR
OF STATE**

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July 31, 2013


To Karen Misjak, 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 Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2012.

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 page. We believe you should be aware of these recommendations, which include those reported in the State's Report on Internal Control as well as another finding related to internal control. These recommendations have been discussed with Commission personnel and their responses to the 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 6 and they are available to discuss these matters with you.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2012

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

Financial Reporting – The Commission records receipts and disbursements on the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded on the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS–SAE) in a GAAP package. The GAAP package is to be submitted to DAS–SAE by the first week of September each year.

The Commission incorrectly recorded accrual activity on I/3 to fiscal year 2013, resulting in an understatement of accounts receivable of \$722,081 for fiscal year 2012. The receivable was not reported in the Commission's GAAP package.

Recommendation – The Commission should ensure the GAAP Package information reported is complete and accurate.

Response – The Commission received funds from another agency at the end of July for June. These funds were recorded in fiscal year 2013 and should have been recorded in fiscal year 2012. This error was not discovered in time to prepare corrective journal entries to the previous fiscal year. In the future the Department will look for ways to monitor deposits during the hold open period.

Conclusion – Response accepted.

Other Finding Related to Internal Control:

Travel Disbursements – Per the Department of Administrative Services Procedure 210.102, “employees shall submit an actual receipt provided by the supplier for each meal, travel or other work related allowable cost”. For one employee, meals were reimbursed for the “estimated” cost of the meal rather than the actual cost.

Recommendations – Travel claims submitted by all employees should be supported by receipts documenting actual cost incurred per Department of Administrative Services policy.

Response – The Commission accounting staff has developed procedures and attended travel training to ensure Commission staff are complying with the State of Iowa's travel requirements.

Conclusion – Response accepted.

Report of Recommendations to the Iowa College Student Aid Commission

June 30, 2012

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa College Student Aid Commission

June 30, 2012

Staff:

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager
Karen L. Brustkern, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Brooke A. Lytle, Staff Auditor
David C. McQuarry, CPA, Staff Auditor
Daniel J. Mikels, Staff Auditor
Jessica L. Barloon, Assistant Auditor
Kirstie R. Hill, Assistant Auditor
April D. Harbst, Audit Intern