



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

August 2, 2012

Contact: Andy Nielsen
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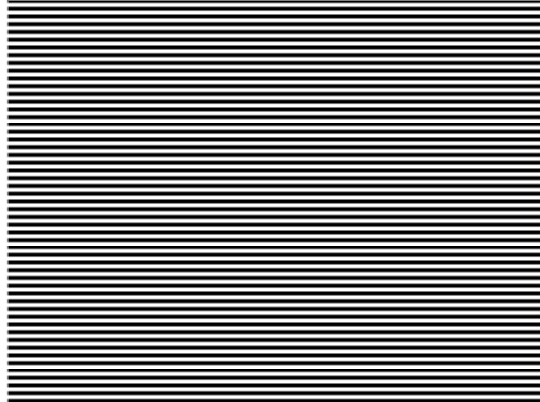
Auditor of State David A. Vaudt today released a report on the Iowa College Student Aid Commission for the year ended June 30, 2011.

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.

Vaudt recommended the Commission review information reported in its GAAP package to ensure the GAAP package information is complete and accurate. 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/1260-2840-0R00.pdf>.

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

JUNE 30, 2011

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
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July 30, 2012

To Karen Misjak, Executive Director
of the Iowa College Student Aid Commission:

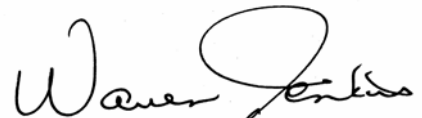
The Iowa College Student Aid Commission is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2011.

In conducting our audits, we became aware of an aspect concerning the Commission's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation which was reported in the State's Report on Internal Control. The recommendation has been discussed with Commission personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the Commission's response, we did not audit the Iowa College Student Aid Commission's response and, accordingly, we express no opinion on it.

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.


DAVID A. VAUDT, 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, 2011

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 – Departments record 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 DAS–SAE on a GAAP package. The GAAP package is to be submitted to DAS–SAE by the first week of September each year. The following findings concerning the Commission's GAAP package were noted:

- (a) The Commission overstated Physician Recruitment new loans and loans receivable by \$13,511. Also, the Teacher Shortage Revolving Loans receivable was overstated by \$58,341 while the Teacher Shortage Revolving Loans interest receivable was understated by \$3,627.
- (b) There was no supporting documentation for a balance adjustment for Osteopathic Revolving Loans.
- (c) The Commission overstated the beginning balance for the Paul Douglas receivable and understated the current year disbursement activity by \$23,211.
- (d) The Commission overstated interest revenue for the Chiropractic Revolving Loans by \$4,632.

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

Response – The Commission will review the process used for the GAAP package production, including the loan receivable, loan interest and loan principal calculations to ensure the correct information is included for reporting purposes for fiscal year 2012.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa College Student Aid Commission

June 30, 2011

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:

Kassi D. Adams, Staff Auditor
Jessica P.V. Green, Staff Auditor
Brooke A. Lytle, Staff Auditor
Justin M. Scherrman, Staff Auditor
Gabriel M. Stafford, Staff Auditor
Cory A. Lee, Assistant Auditor
Daniel J. Mikels, Assistant Auditor