GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS
Fiscal Year 2015
University System of Georgia
Audit Cycle Summary
March 9, 2016

Jennifer B. Thomas
Deputy Director
Education Audit Division

Professional People with Purpose
ENGAGEMENT TYPE

AUDITS
• Board of Regents – University System Office
• Georgia Institute of Technology
• Georgia Regents University (Augusta University)
• Georgia Southern University
• Georgia State University
• Kennesaw State University
• University of Georgia
• Valdosta State University

FULL DISCLOSURE MANAGEMENT REPORTS
• Abraham Baldwin Agricultural College
• Albany State University
• Clayton State University
• Columbus State University
• Darton State College
• Fort Valley State University
• Georgia Gwinnett College
• Georgia Perimeter College
• Gordon State College
• Middle Georgia State University
• Savannah State University
• South Georgia State College
• University of North Georgia
AUDITS

• Auditor’s Responsibilities
  • Express an opinion
  • Does not relieve management or those charged with governance of their responsibilities

• Management’s Responsibilities

• Planned Scope and Timing of the Audit
AUDITS

• Qualitative Aspects of Accounting Practices
  • Selection and use of appropriate accounting policies
    • Adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions
    • Adopted GASB Statement No. 69, Government Combinations and Disposals of Government Operations
    • Adopted GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68
  • We noted no transactions entered into which there was a lack of authoritative guidance or consensuses
  • All Significant transactions have been recognized in the proper period
  • The Financial Statement disclosure are neutral, consistent and clear
AUDITS

• Accounting Estimates

  • Integral part of the financial statements

  • Based on management’s knowledge and experience and current events/assumptions

• Most sensitive estimates:
  • Incurred But Not Reported Self-Insured Claims
  • Other Post-Employment Benefit Obligation
AUDITS

• Difficulties Encountered
  • None

• Disagreement with Management
  • None

• Management Consultations with Other Independent Accountants
  • None

• Management Representations
AUDITS

• Eight (8) Unmodified Opinions

• Five (5) Recipients of the Award of Distinction for Excellent Financial Reporting
  • Board of Regents – University System Office
  • Georgia Institute of Technology
  • Georgia State University
  • University of Georgia
  • Valdosta State University
SIGNIFICANT DEFICIENCIES

• Audit Findings (24)
  • Four (4) Significant Deficiency – Financial Statement Findings
  • Two (2) Material Weakness – Federal Findings
  • Eighteen (18) Significant Deficiency – Federal Findings
MANAGEMENT LETTER COMMENTS

• Seven (7) Deficiencies Reported

  • Board of Regents – University System Office – 1 comment
  • Georgia Regents University – 2 comments
  • Georgia Southern University – 2 comments
  • Georgia State University – 1 comment
  • Valdosta State University – 1 comment
FULL DISCLOSURE MANAGEMENT REPORT COMMENTS

• Forty-five (46) Deficiencies Reported
  • Abraham Baldwin Agricultural College – 3 comments
  • Albany State University – 4 comments
  • Clayton State University – 3 comments
  • Columbus State University – 6 comments
  • Darton State College – 2 comments
  • Fort Valley State University – 8 comments
  • Georgia Perimeter – 1 comment
  • Gordon State College – 5 comments
  • Middle Georgia State College – 8 comments
  • Savannah State University – 2 comments
  • South Georgia State College – 2 comments
  • University of North Georgia – 2 comments

3/1/2016
AGREED UPON PROCEDURES

COMMENTS

• 3 AGREED UPON PROCEDURE ENGAGEMENT ARE ONGOING AT THIS TIME

• ATLANTA METROPOLITAN STATE COLLEGE
• EAST GEORGIA STATE COLLEGE
• GEORGIA HIGHLANDS COLLEGE
OTHER ITEMS NOTED

• 90 Deficiencies reported through exit conference comments

• Misstatements noted (See following table for aggregate effect)
  • Uncorrected GAAP Misstatements – 53 Items
  • Corrected GAAP Misstatements - 14 Items
  • Uncorrected Budget Basis Misstatements - 6 Items
  • Corrected Budget Basis Misstatements - 2 Items
  • Presentation and Disclosure Misstatements – 59 Items (35 items corrected and 24 items uncorrected)
## OTHER ITEMS NOTED

**NET EFFECT OF MISSTATEMENTS NOTED ON FINANCIAL STATEMENTS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Beginning Net Position / Net Position</th>
<th>Revenues</th>
<th>Expenses</th>
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</thead>
<tbody>
<tr>
<td>Uncorrected GAAP</td>
<td>($208,528)</td>
<td>($122,904)</td>
<td>($1,905,128)</td>
<td>($1,654,933)</td>
<td>$3,891,493</td>
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<tr>
<td>Uncorrected Budget</td>
<td>$653,942</td>
<td>($588,848)</td>
<td>$0</td>
<td>($653,942)</td>
<td>$588,848</td>
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<tr>
<td>Corrected GAAP</td>
<td>($913,466)</td>
<td>$2,580,000</td>
<td>$714,628</td>
<td>($3,064,157)</td>
<td>$682,995</td>
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<tr>
<td>Corrected Budget</td>
<td>$0</td>
<td>($31,168)</td>
<td>$0</td>
<td>$0</td>
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</tr>
</tbody>
</table>
Questions?

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