• Communicate clearly with those charged with governance the responsibilities of the auditor in relation to the financial statement audit

• Provide those charged with governance with timely observations arising from the audit that are relevant to their responsibilities in overseeing the financial reporting process
Types of Engagements

For Units of the University System of Georgia, the Department of Audits conducted the following types of engagements:

- Audits
- Full Disclosure Management Reports (By-Product Report) for re-accreditation purposes
- Agreed Upon Procedures Reports
AUDITS

Regents Central Office
Georgia Institute of Technology
Georgia State University
Medical College of Georgia
University of Georgia
Fort Valley State University
Georgia Southern University
Kennesaw State University
Armstrong Atlantic State University
Abraham Baldwin Agricultural College
North Georgia College and State University
Georgia Perimeter College
Valdosta State University

AGREED UPON PROCEDURES REPORTS

Clayton State University
Columbus State University
Dalton State College
Georgia College and State University
Georgia Southwestern University
Southern Polytechnic State University
University of West Georgia
East Georgia College
Darton College
Georgia Gwinnett College
Georgia Highlands College
Gainesville State College
Gordon College
Macon State College
Middle Georgia College
South Georgia College
Waycross College
Skidaway Institute of Oceanography

FULL DISCLOSURE MANAGEMENT REPORTS

Albany State University
Atlanta Metropolitan College
Augusta State University
Bainbridge College
Savannah State University
Coastal College of Georgia

Georgia Department of Audits and Accounts
AUDIT REPORTS

Within the Thirteen (13) audit engagements for Fiscal Year 2010:

- Twelve (12) Unqualified Opinions
- One (1) Qualified Opinion

Of the 13 audit engagements, 7 entities received findings. (11 Financial Findings and 3 Federal Findings)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Financial Findings</th>
<th>Federal Findings</th>
<th>Mgmt. Letter Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>USO</td>
<td>2</td>
<td>N/A</td>
<td>2</td>
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<tr>
<td>AASU</td>
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<td>FVSU</td>
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<td>3</td>
<td>8</td>
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<td>GaSou</td>
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<tr>
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<tr>
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<td>N/A</td>
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</tr>
<tr>
<td>GPC</td>
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<td>N/A</td>
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</tr>
</tbody>
</table>

Georgia Department of Audits and Accounts
Summary of Audit Findings by Entity

BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA

FS-472-10-01
Inadequate Internal Controls over Payroll Consolidation and Outsourcing Project

FS-472-10-02
Inadequate Internal Controls over the recording of health benefit claims expense and the processing of journal entries

ARMSTRONG ATLANTIC STATE UNIVERSITY

FS-524-10-01
Inadequate Accounting Controls over Cash and Cash Equivalents

FS-524-10-02
Failure to Adequately Document Adjustments to Fund Sponsored Projects
Summary of Audit Findings by Entity

FORT VALLEY STATE UNIVERSITY
FS-533-10-01
Failure to Reconcile the H.O.P.E. Scholarship Program
FS-533-10-02
Inadequate Internal Controls over Compensated Absences
FA-533-10-01
Eligibility - Overpayment of Student Financial Aid
FA-533-10-02
Special Tests and Provisions - Failure to Reconcile the Federal Direct Loan Program
FA-533-10-03
Special Tests and Provisions - The Student Financial Aid Office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner.
Summary of Audit Findings by Entity

GEORGIA SOUTHERN UNIVERSITY
FS-539-10-01
Inadequate Capital Assets Records

VALDOSTA STATE UNIVERSITY
FS-551-10-01
Inadequate Controls over Financial Reporting

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
FS-557-10-01
Inadequate Accounting Procedures for Cash, Revenues/Receivables and Receipts, Expenditures/Liabilities/Disbursements, Employee Compensation, General Ledger and Capital Assets

FS-557-10-02
Inadequacies in Control over Restricted Funds

GEORGIA PERIMETER COLLEGE
FS-571-10-01
Inadequate Accounting Procedures for Cash, Accounts Receivable, Accounts Payable, Deposits Held for Other Organizations and Capital Assets
Six (6) Full Disclosure Management Reports were conducted for Fiscal Year 2010 for reaccreditation purposes.

Of the 6 FDMR, 3 entities received findings.(2 Financial Findings and 3 Federal Findings)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Financial Findings</th>
<th>Federal Findings</th>
<th>Other Comments to Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta Metro</td>
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<tr>
<td>Augusta State</td>
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<td>0</td>
</tr>
<tr>
<td>Bainbridge</td>
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<tr>
<td>Albany</td>
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</tr>
<tr>
<td>Savannah</td>
<td>1</td>
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<td>0</td>
</tr>
<tr>
<td>College of Coastal Georgia</td>
<td>0</td>
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</tbody>
</table>
Summary of Audit Findings on FDMR by Entity

SAVANNAH STATE UNIVERSITY
FS-548-10-01
Inadequate Control Procedures for Collection of Tuition and Fees
FA-548-10-01
Special Tests and Provisions - Deficiencies in Student Financial Aid Refund Process
FA-548-10-02
Special Tests and Provisions - Deficiencies over the Verification Process

BAINBRIDGE COLLEGE
FS-562-10-01
Failure to Monitor Sponsored Projects

ALBANY STATE UNIVERSITY
FA-521-10-01
Special Tests and Provisions - Deficiencies in Student Financial Aid Refund Process
Agreed Upon Procedures Reports (APR)

For Fiscal Year 2010, eighteen (18) institutions had an agreed upon procedures engagements. These engagements required the auditors to review 15 critical areas identified by Board of Regents and determine the accuracy and compliance in this areas.

Within the 18 agreed upon procedures letters, there were 50 issues noted and reported to management. Some engagements had no issues noted while other had numerous items identified during the auditors’ review.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Number of APR Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clayton State University</td>
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<tr>
<td>Columbus State University</td>
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<tr>
<td>Georgia College and State University</td>
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</tr>
<tr>
<td>Dalton State College</td>
<td>2</td>
</tr>
<tr>
<td>Southern Polytechnic State University</td>
<td>1</td>
</tr>
<tr>
<td>University of West Georgia</td>
<td>None</td>
</tr>
<tr>
<td>Darton College</td>
<td>3</td>
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<tr>
<td>East Georgia College</td>
<td>4</td>
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<tr>
<td>Georgia Gwinnett College</td>
<td>5</td>
</tr>
<tr>
<td>Georgia Highlands College</td>
<td>None</td>
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<tr>
<td>Gainesville College</td>
<td>6</td>
</tr>
<tr>
<td>Gordon College</td>
<td>5</td>
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<tr>
<td>Macon State College</td>
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<tr>
<td>Middle Georgia College</td>
<td>5</td>
</tr>
<tr>
<td>South Georgia College</td>
<td>None</td>
</tr>
<tr>
<td>Waycross College</td>
<td>None</td>
</tr>
<tr>
<td>Skidaway Institute of Oceanography</td>
<td>2</td>
</tr>
<tr>
<td>Georgia Southwestern University</td>
<td>2</td>
</tr>
</tbody>
</table>
Summary of Fiscal Year 2010 Engagement

Issues Noted:
• 13 Financial Findings
• 6 Federal Findings associated with Student Financial Aid
• 37 Management Letter Comments
• 5 Other Comments to Management
• 50 Agreed Upon Procedures Exceptions Noted
• 55 Exit Conference Comments
• Significant Adjustments (Corrected Misstatements)
• Uncorrected Misstatements

Fiscal Year 2010 Compared to Fiscal Year 2009

University System Annual Financial Report Opinion
Conclusion

EAD 2011 Audit Plan

Questions?

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