



# GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS

Fiscal Year 2015  
University System of Georgia  
Audit Cycle Summary  
March 9, 2016



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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

# 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

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

# Questions?



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