



*Fiscal Year 2011
University System of Georgia
Audit Cycle Summary*

ENGAGEMENT TYPE

AUDITS

- ❖ Regents Central Office
- ❖ Georgia Institute of Technology
- ❖ Georgia State University
- ❖ Georgia Health Sciences University
- ❖ University of Georgia
- ❖ Fort Valley State University
- ❖ Georgia Southern University
- ❖ Kennesaw State University
- ❖ Macon State College
- ❖ Abraham Baldwin Agricultural College
- ❖ Skidaway Institute of Oceanography
- ❖ South Georgia College
- ❖ Valdosta State University
- ❖ University of West Georgia

FULL DISCLOSURE MANAGEMENT REPORTS

- ❖ Armstrong Atlantic State University
- ❖ Georgia College and State University
- ❖ Atlanta Metropolitan College
- ❖ Dalton State College
- ❖ Darton College
- ❖ Georgia Perimeter College
- ❖ East Georgia College
- ❖ Georgia Highlands College
- ❖ Gainesville College
- ❖ Waycross College

AGREED UPON PROCEDURES REPORTS

- Augusta State University
- Clayton State University
- Columbus State University
- Georgia Southwestern University
- North Georgia College and State University
- Southern Polytechnic State University
- Coastal College of Georgia
- Georgia Gwinnett College
- Gordon College
- Middle Georgia College
- Albany State University
- Savannah State University
- Bainbridge College



AUDITS

- ❖ Fourteen (14) Unqualified Opinions
- ❖ Two (2) “In Relationship to” - Disclaimers
- ❖ Audit Findings
 - Six (6) Material Weakness – Financial Statement Findings
 - Nine (9) Significant Deficiency – Financial Statement Findings
 - One (1) Material Weakness – Federal Finding
 - Two (2) Significant Deficiency – Federal Findings

BOARD OF REGENTS CENTRAL OFFICE

Finding Control Number: **FS-472-11-01**

EMPLOYEE COMPENSATION

Significant Deficiency

A review of internal control procedures over the employee compensation process revealed that individuals responsible for ensuring the accuracy of payroll amounts did not adequately monitor the payroll wages disbursed during the entire fiscal year.

FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FS-533-11-01**

ACCOUNTING CONTROLS (OVERALL)

Significant Deficiency

The University did not maintain adequate separation of duties involving key accounting functions.



AUDITS

FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FS-533-11-02**

EMPLOYEE COMPENSATION

Significant Deficiency

Our testing revealed that the University did not have adequate internal controls in place to ensure that earned and used portions of Compensated Absences activity was properly recorded during the year.

Finding Control Number: **FS-533-11-03**

BUDGET PREPARATION/EXECUTION

GENERAL LEDGER

Material Weakness

Through our examination, it was determined that the University failed to properly monitor budgetary financial activity during the year.

Finding Control Number: **FS-533-11-04**

FINANCIAL REPORTING

Material Weakness

The University's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.



AUDITS

FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FA-533-11-01**

ELIGIBILITY

Material Weakness

The University's Student Financial Aid Office improperly determined the financial need of eligible students. Questioned Costs of \$25,253.96 were identified for students who received student financial aid in excess of their eligible need, which when projected over the entire population, resulted in a projected misstatement of \$1,417,043.25.

Finding Control Number: **FA-533-11-02**

CASH MANAGEMENT

Significant Deficiency

The University maintained excessive cash balances related to the Federal Direct Loan program.

Finding Control Number: **FA-533-11-03**

MATCHING, LEVEL OF EFFORT AND EARMARKING

Significant Deficiency

The University failed to use at least seven percent of the sum of its initial and supplemental Federal Work-Study allocations for an award year to compensate students employed in community service activities.



AUDITS

MACON STATE COLLEGE

Finding Control Number: **FS-581-11-01**

FINANCIAL REPORTING

Material Weakness

The College's accounting procedures were insufficient to provide adequate controls over the financial statement preparation process.

Finding Control Number: **FS-581-11-02**

ACCOUNTING CONTROLS (OVERALL)

Significant Deficiency

The College does not have a formal, documented process to periodically grant or review access to various information technology applications; to document the authorization and testing of changes; or to document the resolution of identified issues related to financial systems.

Finding Control Number: **FS-581-11-03**

EMPLOYEE COMPENSATION

Significant Deficiency

The accounting procedures of the College were insufficient to ensure adequate separation of duties over Employee Compensation functions, and to ensure that the data in the consolidated payroll system provided by Automatic Data Processing, Inc. (ADP) was reconciled to the general ledger.



AUDITS

SOUTH GEORGIA COLLEGE

Finding Control Number: **FS-587-11-01**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Material Weakness

The College did not policies or procedures in place over expenditures to ensure proper approval before an expense was incurred. The College did not utilize purchase requisitions or purchase orders to document approval.

Finding Control Number: **FS-587-11-02**

EMPLOYEE COMPENSATION

Significant Deficiency

The accounting procedures of the College were insufficient to provide adequate controls over employee compensation.

Finding Control Number: **FS-587-11-03**

CAPITAL ASSETS

Material Weakness

The accounting procedures of the College were insufficient to provide adequate control over Capital Assets.

Finding Control Number: **FS-587-11-04**

FINANCIAL REPORTING

Significant Deficiency

During the audit, numerous correcting entries were proposed by the auditor and accepted by the client to properly present the entity's business type activities in the financial statements.



AUDITS

SKIDAWAY INSTITUTE OF OCEANOGRAPHY

Finding Control Number: **FS-593-11-01**

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Significant Deficiency

Accounting procedures of the Institute were insufficient to provide for adequate control over expenditures/liabilities/disbursements.

Finding Control Number: **FS-593-11-02**

BUDGET PREPARATION/EXECUTION

GENERAL LEDGER

Significant Deficiency

Through our examination, it was determined that the Institute failed to properly maintain budgetary financial activity on the accounting records by program and fund source that complies with the Prioritized Program Based Budgeting requirements of the Appropriations Act as approved by the Georgia General Assembly.

Finding Control Number: **FS-593-11-03**

FINANCIAL REPORTING

Material Weakness

The Institute's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.



AUDITS

Management Letter Comments – 35 Deficiencies Identified

Abraham Baldwin Agricultural College – 6 Deficiencies
Fort Valley State University – 9 Deficiencies
Georgia Southern University – 1 Deficiency
Georgia State University – 1 Deficiency
Georgia Health Sciences University – 1 Deficiency
Georgia Institute of Technology – 5 Deficiencies
Macon State College – 5 Deficiencies
Skidaway Institute of Oceanography – 1 Deficiency
University of West Georgia – 1 Deficiency
Valdosta State University – 3 Deficiencies
University System Office – 1 Deficiency
University System of Georgia (Overall) – 1 Deficiency



FULL DISCLOSURE MANAGEMENT REPORTS

❖ Findings

- One (1) Material Weakness – Financial Statement Finding
- Two (2) Significant Deficiency – Financial Statement Findings

ATLANTA METROPOLITAN COLLEGE

Finding Control Number: **FS-561-11-01**

REVENUES/RECEIVABLES/RECEIPTS

Significant Deficiency

Our review of the College's aging analysis and year end GAAP entry to record Allowance for Doubtful Accounts revealed that the College did not set up an allowance for those items 181 days and older due to a misinterpretation of the policies and procedures provided by the University System of Georgia.

GEORGIA PERIMETER COLLEGE

Finding Control Number: **FS-571-11-01**

FINANCIAL REPORTING

Material Weakness

The accounting procedures of the College were insufficient to ensure that various account balances were properly reflected on both the accounting records and the College's financial statements.

Finding Control Number: **FS-571-11-02**

FINANCIAL REPORTING

Inadequate Accounting Procedures over Budget Preparation and Execution

Significant Deficiency

Through our examination, it was determined that the College failed to properly monitor budgetary financial activity during the year. At June 30, 2011, the College maintained several funds in a deficit situation.



OTHER STUDENT FINANCIAL AID FINDINGS

ALBANY STATE UNIVERSITY

Finding Control Number: **FA-521-11-01**

SPECIAL TESTING AND PROVISIONS

Deficiencies in Student Financial Aid Process

Significant Deficiency

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.

SAVANNAH STATE UNIVERSITY

Finding Control Number: **FA-548-11-01**

SPECIAL TESTS AND PROVISIONS

Deficiencies in Student Financial Aid Refund Process

Significant Deficiency

Student Financial Aid Cluster Program

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.



OTHER ITEMS NOTED

- 58 Deficiencies reported through exit conference comments
- 37 Deficiencies reported as a component of the agreed upon procedures engagement reports
- Uncorrected GAAP Misstatements – 123 Items totaling \$19,020,900.78
- Corrected GAAP Misstatements – 73 Items totaling \$48,375,946.72
- Uncorrected Budget Basis Misstatements – 32 Items totaling \$5,878,997.28
- Corrected Budget Basis Misstatements – 22 Items totaling \$8,295,136.60
- Presentation and Disclosure Misstatements – 148 Items noted and corrected



QUESTIONS

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