

## FISCAL YEAR 2010 SUMMARY OF ENGAGEMENT RESULTS

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**Education Audit Division**



# Statement on Auditing Standards 114 - Communication with those Charged with Governance Letter (Issued February 23, 2011)

- 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**

**FULL DISCLOSURE MANAGEMENT REPORTS**

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

**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**



# 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)

Entity	Financial Findings	Federal Findings	Mgmt. Letter Comments
USO	2	N/A	2
AASU	2	N/A	4
FVSU	2	3	8
GaSou	1	0	6
VSU	1	0	1
ABAC	2	N/A	1
Ga Tech	0	0	2
GSU	0	0	3
KSU	0	N/A	1
MCG	0	N/A	3
NGCSU	0	N/A	2
UGA	0	N/A	1
GPC	1	N/A	3



## 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





## FULL DISCLOSURE MANAGEMENT REPORTS

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)

Entity	Financial Findings	Federal Findings	Other Comments to Management
Atlanta Metro	0	N/A	3
Augusta State	0	N/A	0
Bainbridge	1	N/A	1
Albany	0	1	1
Savannah	1	2	0
College of Coastal Georgia	0	0	0



# 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.

Agreed Upon Procedures Report Comments	
Entity	Number of APR Comments
Clayton State University	6
Columbus State University	4
Georgia College and State University	3
Dalton State College	2
Southern Polytechnic State University	1
University of West Georgia	None
Darton College	3
East Georgia College	4
Georgia Gwinnett College	5
Georgia Highlands College	None
Gainesville College	6
Gordon College	5
Macon State College	2
Middle Georgia College	5
South Georgia College	None
Waycross College	None
Skidaway Institute of Oceanography	2
Georgia Southwestern University	2



# 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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