



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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**NEWS RELEASE**

FOR RELEASE

July 13, 2011

Contact: Andy Nielsen  
515/281-5834

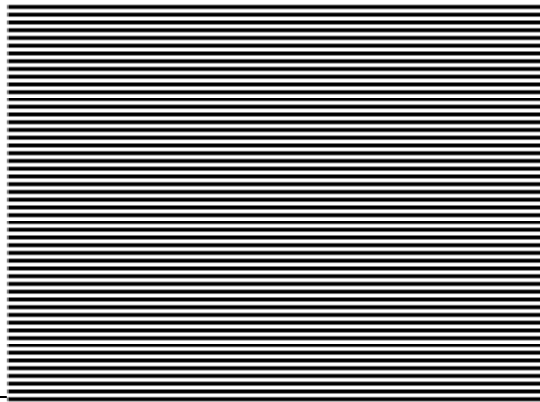
Auditor of State David A. Vaudt today released a report on Iowa State University of Science and Technology, Ames, Iowa, for the year ended June 30, 2010. Iowa State University of Science and Technology previously released its annual financial report for the year ended June 30, 2010.

Iowa State University of Science and Technology is governed by the Board of Regents. For the year ended June 30, 2010, the full-time equivalent student enrollment was 27,985 with an average cost per student of \$12,632, compared to 26,768 students and an average cost per student of \$13,207 for the year ended June 30, 2009.

A copy of the report is available for review at Iowa State University of Science and Technology, in the Office of Auditor of State and on the Auditor of State's web site at: <http://auditor.iowa.gov/reports/1161-8020-BR00.pdf>.

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**REPORT OF RECOMMENDATIONS TO  
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**JUNE 30, 2010**

Office of  
**AUDITOR  
OF STATE**  
State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA  
Auditor of State**







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July 11, 2011

To the Members of the Board of Regents, State of Iowa:

Iowa State University of Science and Technology (Iowa State University) is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report and the State's Single Audit Report for the year ended June 30, 2010. We have also audited the financial statements of Iowa State University as of and for the year ended June 30, 2010 and have issued our report thereon dated December 10, 2010.

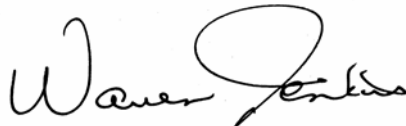
In conducting our audits, we became aware of certain aspects concerning Iowa State University's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation. This recommendation has been discussed with University personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the University's response, we did not audit Iowa State University's response and, accordingly, we express no opinion on it.

We have also included on page 6 of this report certain unaudited financial and other information to report an average cost per student for Iowa State University for the five years ended June 30, 2010 as required by Chapter 11.28 of the Code of Iowa.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Iowa State University, citizens of the State of Iowa and other parties to whom Iowa State University may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the University during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the University are listed on page 5 and they are available to discuss these matters with you.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to Iowa State University

June 30, 2010

**Finding Reported in the State's Single Audit Report:**

No matters were noted.

**Findings Reported in the University's Report on Internal Control:**

No matters were noted.

**Other Finding Related to Internal Control:**

**Segregation of Duties – Iowa Energy Center (IEC)** – During our review of internal controls, the existing procedures were evaluated in order to determine if incompatible duties, from a control standpoint, were performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore maximizes the accuracy of the University's financial statements.

One individual in the Iowa Energy Center's office has custody of receipts and performs all record-keeping and reconciling functions for the Alternate Energy Revolving Loan Program.

**Recommendation** – We realize segregation of duties is difficult with a limited number of office employees. However, IEC should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

**Response** – IEC has reviewed its operating procedures and implemented additional controls to comply with the audit recommendation.

**Conclusion** – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Report of Recommendations to Iowa State University

June 30, 2010

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager  
Patricia J. King, CPA, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Casey L. Johnson, Staff Auditor  
Jenny R. Lawrence, Staff Auditor  
Janet K. Mortvedt, CPA, Staff Auditor  
Dorothy O. Stover, Staff Auditor  
Brett M. Zeller, Staff Auditor  
Kassi D. Adams, Assistant Auditor  
Tyler L. Carter, Assistant Auditor  
Elizabeth A. Harriss, Assistant Auditor  
Daryl L. Hart, Assistant Auditor  
Justin M. Scherrman, Assistant Auditor  
Leanna J. Showman, Assistant Auditor  
Gabriel M. Stafford, CPA, Assistant Auditor  
Ryan A. Yeager, CPA, Assistant Auditor  
Shawn R. Bowers, Auditor Intern  
Jed P. Griffen, Auditor Intern  
Alicia K. Kane, Auditor Intern

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Report of Recommendations to Iowa State University

Cost per Student  
(unaudited)

Year ended June 30, 2010  
with comparative figures for prior years

Total General Educational Fund expenditures (includes ARRA SFSF cluster)		\$ 448,173,196
Deduct:		
Expenditures not related to teaching programs:		
General University Research	\$ 11,041,035	
Public Service	2,637,151	
Scholarships	<u>80,992,762</u>	<u>94,670,948</u>
Net expenditures for teaching programs		<u>\$ 353,502,248</u>
Full-time equivalent enrollment 2009-2010		<u>27,985</u>
Cost per student 2009-2010		<u>\$ 12,632</u>

Comparative enrollment statistics and cost per student for the year ended June 30, 2010 and the four previous years:

Year	Enrollment	Cost per Student
2009-2010	27,985	\$12,632
2008-2009	26,768	13,207
2007-2008	25,937	12,582
2006-2007	25,150	12,461
2005-2006	25,410	11,914