



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

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**NEWS RELEASE**

FOR RELEASE \_\_\_\_\_

July 9, 2012

Contact: Andy Nielsen  
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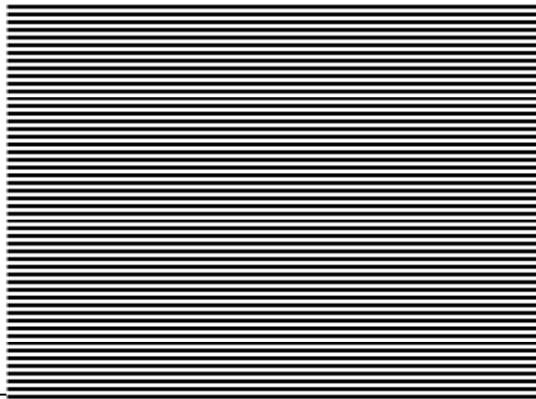
Auditor of State David A. Vaudt today released a report on Iowa State University of Science and Technology, Ames, Iowa, for the year ended June 30, 2011. Iowa State University of Science and Technology previously released its annual financial report for the year ended June 30, 2011.

Iowa State University of Science and Technology is governed by the Board of Regents, State of Iowa. For the year ended June 30, 2011, the full-time equivalent student enrollment was 28,631 with an average cost per student of \$12,264, compared to 27,985 students and an average cost per student of \$12,632 for the year ended June 30, 2010.

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/1261-8020-BR00.pdf>.

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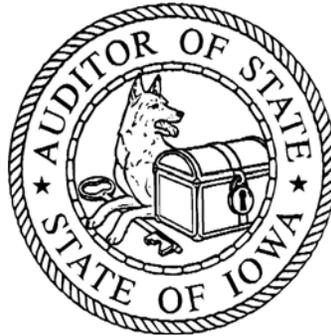




**REPORT OF RECOMMENDATIONS TO  
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**JUNE 30, 2011**

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



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







# OFFICE OF AUDITOR OF STATE

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David A. Vaudt, CPA  
Auditor of State

June 29, 2012

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, 2011. We have also audited the financial statements of Iowa State University as of and for the year ended June 30, 2011 and have issued our report thereon dated December 14, 2011.

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 certain unaudited financial and other information on page 6 of this report to report an average cost per student for Iowa State University for the five years ended June 30, 2011, 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

June 30, 2011

**Findings 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:**

Equipment Disposals – ISU Surplus is responsible for sales and disposals of ISU equipment items and other property. At the time of a sale, documentation is to identify the items of equipment sold as well as the amount of sales proceeds. Equipment disposals were not consistently supported with proper documentation, such as an Asset Recovery Program (ARP) form. Cash receipts for sales of equipment items did not consistently identify the equipment number for proper tracking. Also, as part of this process, ISU Surplus is to record equipment items as sold or otherwise disposed of in the equipment inventory system and notify the Inventory Control Office of equipment items which are scrapped or recycled. There were several equipment items no longer in ISU Surplus' possession which had not been recorded as inactive in the equipment inventory system.

Recommendation - ISU Surplus should maintain proper documentation authorizing disposal of equipment items and ensure sales documentation properly identifies the specific equipment sold. In addition, ISU Surplus should remove all equipment items sold or otherwise disposed of from the equipment inventory system on a timely basis.

Response – ISU Surplus will continue listing equipment inventory numbers on sales tickets when an item in its possession and affixed with an equipment tag is sold. Items listed on sales tickets with equipment inventory numbers will be checked against the equipment inventory system. If the sold item exists in the equipment inventory system, the sale will be recorded in the equipment inventory system by ISU Surplus.

Acquisition and implementation of an inventory tracking system will be investigated by ISU Surplus management to determine its cost and potential benefits to the institution. In the interim, items on ARP forms which exceed an established tracking threshold (to be determined) will be identified upon receipt and listed on a spreadsheet.

Each quarter, a physical inventory and reconciliation of items received on ARP forms which exceed the established dollar threshold will be conducted by ISU Surplus and management personnel to ensure the disposition of higher value items is recorded. It will also help verify all ARP equipment items can be accounted for and properly documented. Spot checks will be conducted monthly for higher value items. To the extent practicable, all items above the established threshold and not yet on the sales floor will be located in one designated area for ease of identification and tracking.

Conclusion – Response accepted.

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

No matters were noted.

Report of Recommendations to Iowa State University

June 30, 2011

**Staff:**

Questions or requests for further assistance should be directed to:

Ronald D. Swanson, CPA, Manager  
Patricia J. King, CPA, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Kassi D. Adams, Staff Auditor  
Tyler L. Carter, Staff Auditor  
Brett Hoffman, Staff Auditor  
Jenny R. Lawrence, Staff Auditor  
Justin M. Scherrman, Staff Auditor  
Leanna J. Showman, Staff Auditor  
Dorothy O. Stover, Staff Auditor  
Brandon J. Vogel, Staff Auditor  
Michael T. Bunkers, Assistant Auditor  
Emily K. Creighton, Assistant Auditor  
Laura E. Grinnell, Assistant Auditor  
Andi J. Kaufman, Assistant Auditor  
Ann C. McMinimee, Assistant Auditor  
David C. McQuarry, Assistant Auditor  
Karie A. Meisgeier, Assistant Auditor  
Daniel J. Mikels, Assistant Auditor  
Matthew S. Nye, Assistant Auditor  
Philip A. Rethwisch, Assistant Auditor  
Zebulon L. Bidwell, Auditor Intern

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Report of Recommendations to Iowa State University

Cost per Student  
(unaudited)

Year ended June 30, 2011  
with comparative figures for prior years

Total General Educational Fund expenditures (includes ARRA SFSF cluster)		\$ 459,021,468
Deduct:		
Expenditures not related to teaching programs:		
General University Research	\$ 11,561,630	
Public Service	3,465,037	
Scholarships	<u>92,872,973</u>	<u>107,899,640</u>
Net expenditures for teaching programs		<u>\$ 351,121,828</u>
Full-time equivalent enrollment 2010-2011		<u>28,631</u>
Cost per student 2010-2011		<u>\$ 12,264</u>

Comparative enrollment statistics and cost per student for the year ended June 30, 2011 and the four previous years:

<u>Year</u>	<u>Enrollment</u>	<u>Cost per Student</u>
2010-2011	28,631	\$12,264
2009-2010	27,985	12,632
2008-2009	26,768	13,207
2007-2008	25,937	12,582
2006-2007	25,150	12,461