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**NEWS RELEASE**

FOR RELEASE

November 12, 2014

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Auditor of State Mary Mosiman today released a report on a review of selected general and application controls over the Iowa State University of Science and Technology (Iowa State University) student financial aid system for the period of April 22, 2013 through May 17, 2013.

Mosiman recommended Iowa State University establish procedures to periodically review access rights and perform a periodic review of user activity.

A copy of the report is available for review at Iowa State University, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1461-8020-BT01.pdf>.

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**REPORT OF RECOMMENDATIONS TO  
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
ON A REVIEW OF SELECTED  
GENERAL AND APPLICATION CONTROLS OVER THE  
STUDENT FINANCIAL AID SYSTEM**

**APRIL 22, 2013 THROUGH MAY 17, 2013**

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**AUDITOR  
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November 6, 2014

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


In conjunction with our audit of the financial statements of Iowa State University of Science and Technology (Iowa State University) for the year ended June 30, 2013, we conducted an information technology review of selected general and application controls for the period April 22, 2013 through May 17, 2013. Our review focused on the general and application controls of the student financial aid system as they relate to our audit of the financial statements. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure all deficiencies in internal controls are disclosed.

In conducting our review, we became aware of certain aspects concerning information technology controls for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations which pertain to the University's general and application controls over the student financial aid system. These recommendations have been discussed with University personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the University's responses, we did not audit the University's responses and, accordingly, we express no opinion on them.

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 review. 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 review of the student financial aid system are listed on page 6 and they are available to discuss these matters with you.

  
MARY MOSIMAN, 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

April 22, 2013 through May 17, 2013

### **Student Financial Aid System Application Controls**

#### **A. Background**

The Student Financial Aid System at Iowa State University (University) is used to calculate and award financial aid to students at the University.

#### **B. Scope and Methodology**

In conjunction with our audit of the financial statements of the University, we reviewed selected aspects of the general and application controls in place over the student financial aid system for the period April 22, 2013 through May 17, 2013. Specifically, we reviewed the general controls: access controls, segregation of duties and contingency planning and the application controls: interface controls and business process controls, including input, processing and output. We interviewed University staff and we reviewed University policies and procedures. To assess the level of compliance with identified controls, we performed selected tests.

We planned and performed our review to adequately assess those University operations within the scope of our review. We developed an understanding of the University's internal controls relevant to the operations included in the scope of our review. We believe our review provides a reasonable basis for our recommendations.

We used a risk-based approach when selecting activities to be reviewed. We focused our review efforts on those activities we identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, we use our finite review resources to identify where and how improvements can be made. Thus, we devote little effort to reviewing operations which may be relatively efficient or effective. As a result, we prepare our review reports on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities which may be functioning properly.

#### **C. Results of the Review**

As a result of our review, we found certain controls can be strengthened to further ensure the reliability of financial information. Our recommendations, along with the University's responses, are detailed in the remainder of this report.

## Report of Recommendations to Iowa State University

April 22, 2013 through May 17, 2013

### **General Controls**

Disaster Recovery Information – The University maintains an inventory list of non-disk items stored in the off-site storage area. The inventory list is included in the Disaster Recovery Process manual. The list has not been updated to reflect hardware and process changes.

Recommendation – The University should regularly update the list of inventory items, particularly if hardware and processes have changed, to provide an accurate listing of items currently in the off-site storage area.

Response – The ITS Disaster Recovery Process has since discontinued utilizing the referenced off-site storage area. ISU has a new Disaster Recovery Process and the off-site storage is handled in a different fashion.

Conclusion – Response accepted.

### **Application Controls**

Review of Access and Access Rights – Users are granted access to University systems, including access to eReports and ADIN (Administrative Information System) – both of which are used in the Office of Student Financial Aid. There is no periodic review of access granted to users, nor is there any review done to identify unusual activity. We noted an excessive number of employees have update access for one ADIN screen with sensitive information

Recommendation – User access to eReports and ADIN should be reviewed periodically to ensure each employee is only given access to reports and screens essential to their job duties and for which they have a legitimate need. A periodic review should also be done to ensure no unusual activity is occurring.

Response – The Office of Student Financial Aid (OSFA) has created two new subsystems. Staff with access to the screen has now been restricted to four individuals.

ITS granted Administrator rights to the Director of OSFA and one staff member. A process has been defined to review all reports available to each user of ADIN and to annually require those individuals to confirm designated reports are still necessary to their job duties.

OSFA has also implemented a systematic review of the weekly OSFA-Admin Online Activity Report to be conducted by the Director of OSFA to review for suspicious activity.

Conclusion – Response accepted.

Report of Recommendations to Iowa State University

April 22, 2013 through May 17, 2013

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager  
Leanna J. Showman, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State