



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

FOR RELEASE

October 22, 2019

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa College Student Aid Commission for the year ended June 30, 2018.

The Commission is responsible for administering the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), a federal grant totaling over \$22 million. The Commission is also responsible for the administration of more than \$63 million in state-funded student financial aid through eleven grant, scholarship and loan repayment assistance programs. The Commission also has statutory and regulatory authority over approving degree-granting and non-degree granting postsecondary educational institutions to offer programs to Iowans and for ensuring nonpublic schools provide financial protections to Iowa students.

Sand recommended the Commission increase internal controls over federal drawdowns, trust fund draws, bank reconciliations and investments. The Commission responded favorably to this recommendation.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

#

**REPORT OF RECOMMENDATIONS TO THE
IOWA COLLEGE STUDENT AID COMMISSION**

JUNE 30, 2018

Iowa College Student Aid Commission



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

September 25, 2019

Iowa College Student Aid Commission
Des Moines, Iowa

To Karen Misjak, Executive Director of the Iowa College Student Aid Commission:

I am pleased to submit to you the Report of Recommendations for the Iowa College Student Aid Commission for the year ended June 30, 2018. The report includes a finding pertaining to the Commission's internal control which resulted from the fiscal year 2018 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa College Student Aid Commission throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

September 25, 2019

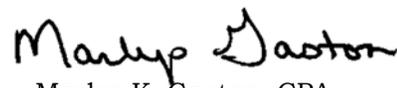
To Karen Misjak, Executive Director of the Iowa College Student Aid Commission:

The Iowa College Student Aid Commission 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 (CAFR) and the State's Single Audit Report for the year ended June 30, 2018.

In conducting our audits, we became aware of a certain aspect concerning the Commission'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 related to the Commission's internal control. This recommendation has been discussed with Commission personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the Commission's response, we did not audit the Iowa College Student Aid Commission's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa College Student Aid Commission, citizens of the State of Iowa and other parties to whom the Iowa College Student Aid Commission 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 Commission 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 Commission are listed on page 5 and they are available to discuss these matters with you.


Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kimberly K. Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2018

Finding Reported in the State's Single Audit Report:

No matters were reported.

Finding Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

- (A) Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – For three months of the fiscal year, the same person calculated the amount of federal drawdowns, requested draws from the trust fund, received the bank statement, prepared the bank reconciliations and was the only individual who had access to the online bank statement for the Commission's investments.

Cause – The Commission's procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the Commission's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – The Commission should review its control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff to provide additional control through review of financial transactions, reconciliations and reports.

Response – We have reviewed our segregation of duties among accounting staff to ensure no one individual is handling a transaction from its inception to completion and that we have proper segregation across reviews of financial transactions, reconciliations and reports.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa College Student Aid Commission

June 30, 2018

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Suzanne R. Dahlstrom, CPA, Manager
Karen J. Kibbe, Senior Auditor II

Other individuals who participated in the audits include:

Adjoa S. Adanledji, Staff Auditor
Taylor I. Cook, Staff Auditor
Alexia M. Grgurich, Staff Auditor
Nicholas J. Rustin, Staff Auditor
Bianca M. Cleary, Assistant Auditor
Steven D. Rater, Assistant Auditor