



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE July 24, 2009

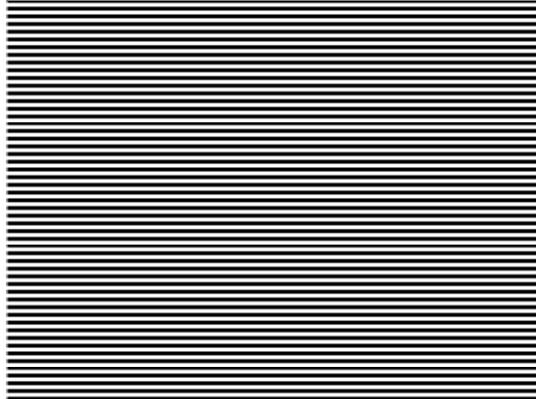
Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Iowa College Student Aid Commission for the year ended June 30, 2008.

The Commission is responsible for guaranteeing loans made by eligible lenders to eligible students and administering the program. The Commission is also responsible for establishing an effective system for the collection of delinquent loans.

A copy of the report is available for review in the office of the Iowa College Student Aid Commission, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

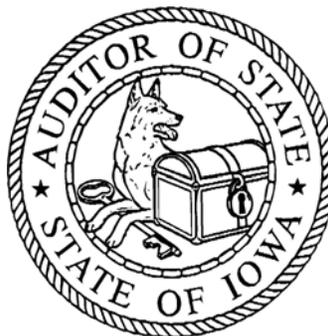
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**REPORT OF RECOMMENDATIONS TO THE
IOWA COLLEGE STUDENT AID COMMISSION**

JUNE 30, 2008

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



David A. Vaudt, CPA
Auditor of State





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July 20, 2009

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, 2008.

In conducting our audits, we became aware of certain aspects concerning the Commission's operations 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 include those pertaining to the Commission's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Commission personnel and their responses to the recommendations are included in this report. While we have expressed our conclusions on the Commission's responses, we did not audit the Iowa College Student Aid Commission'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 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 6 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 Chester J. Culver, Governor
Director, Department of Management
Glen Dickinson, Director, Legislative Services Agency

June 30, 2008

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

No matters were noted.

Other Finding Related to Internal Control:

Byrd Scholarship Enrollment Verification – Procedures for administering the Robert C. Byrd Scholarships require the Commission to verify the enrollment status of the recipients. The enrollment verification letters were not retained for two of the fifteen scholarship recipients tested.

Recommendation – The Commission should ensure enrollment verification documentation is obtained and retained.

Response – In academic year 2006-2007 the Commission identified a problem with the Byrd scholarship enrollment verification process and in an effort to correct we implemented new procedures for the 2007-2008 academic year. Colleges and universities are now required to certify enrollment for each student recipient before the student's scholarship funds are sent to the respective college. Each enrollment verification form is now attached to the college payment request form to ensure the necessary documentation is maintained. The two items identified in the state fiscal year 2008 audit may have been processed prior to the implemented procedure change.

Conclusion – Response accepted.

Finding Related to Statutory Requirements and Other Matters:

Commission Member Attendance – Chapter 69.15 of the Code of Iowa provides a person appointed by the Governor to a board is deemed to have submitted a resignation if they do not attend three or more consecutive meetings or if they attend less than one-half of the regular meetings within twelve calendar months beginning on July 1.

Two members appointed by the Governor did not comply with the attendance requirements of Chapter 69.15 of the Code of Iowa. In addition, two members designated by Chapter 261.1 of the Code of Iowa did not attend three or more consecutive meetings.

Recommendation – The Commission should work with the Office of the Governor and Lt. Governor and the Code of Iowa designated members to encourage attendance at future meetings.

Response – Commission staff works diligently to ensure Commissioners are available to attend meetings. Meeting dates are set at the beginning of each fiscal year, and Commissioners are asked to put these dates on their calendars. Commissioners are reminded prior to each Commission meeting and encouraged to attend.

Report of Recommendations to the Iowa College Student Aid Commission

June 30, 2008

Staff has informed the Office of the Governor and the Lt. Governor of the names of Commissioners not meeting the Code and expressed the difficulty of meeting quorum requirements. Staff will continue to keep these offices informed.

During the May 2009 Commission meeting, Commissioners were reminded of the requirement to attend meetings. Staff will continue to remind Commissioners of their meeting responsibilities and will work with individual Commissioners who are not meeting the requirements.

Conclusion – Response accepted.

Report of Recommendations to the Iowa College Student Aid Commission

June 30, 2008

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Karen L. Brustkern, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Michael P. Piehl, Senior Auditor
Tiffany M. Ainger, Staff Auditor
Jessica N. Meierotto, Staff Auditor
Jacqueline E. Gulick, Assistant Auditor
Rosemary E. Nielsen, Assistant Auditor
Sara L. Roling, Assistant Auditor