



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

August 11, 2010

Contact: Andy Nielsen
515/281-5835

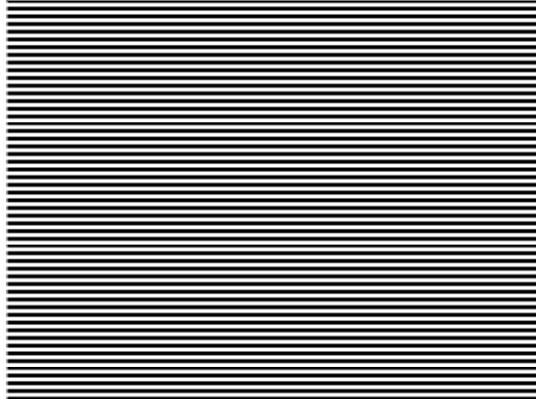
Auditor of State David A. Vaudt today released a report on the State University of Iowa, Iowa City, Iowa for the year ended June 30, 2009. The State University of Iowa (University of Iowa) previously released its annual financial report for the year ended June 30, 2009.

The University of Iowa is governed by the Board of Regents. For the year ended June 30, 2009, the full-time equivalent student enrollment was 27,573 with an average cost per student of \$18,341, compared to 27,298 students and an average cost of \$17,361 for the year ended June 30, 2008. The University Hospitals and Clinics provided a total of 193,196 patient days at an average daily cost per patient of \$4,472 for the year ended June 30, 2009, compared to 194,480 patient days at an average daily cost per patient of \$4,032 for the year ended June 30, 2008.

A copy of the report is available for review at the University of Iowa, in the Office of Auditor of State and on the Auditor of State's web site at:

<http://auditor.iowa.gov/reports/1061-8010-BR00.pdf>

###



**REPORT OF RECOMMENDATIONS TO THE
STATE UNIVERSITY OF IOWA**

JUNE 30, 2009

Office of

**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
Auditor of State





OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

August 5, 2010

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

The State University of Iowa (University of Iowa) 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, 2009. We have also audited the financial statements of the University as of and for the year ended June 30, 2009 and have issued our report thereon dated December 18, 2009.

In conducting our audits, we became aware of certain aspects concerning the 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, which is included in the State's Single Audit Report. This recommendation has been discussed with University personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the University's response, we did not audit the University's response and, accordingly we express no opinion on it.

We have also included certain unaudited financial and other information on pages 6 and 7 to report an average cost per student for the University and an average cost per patient for the University Hospitals and Clinics for the five years ended June 30, 2009 as required by Section 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 the University of Iowa, citizens of the State of Iowa and other parties to whom the University of Iowa 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 Chester J. Culver, Governor
Richard C. Oshlo, Jr., Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2009

Finding Reported in the State's Single Audit Report:

CFDA Number: 20.500 – Federal Transit Capital Investment Grants
Agency Number: IA-03-0104-375-06, IA-04-0105-375-05, IA-04-0105-375-07,
IA-04-0113-375-07
Federal Award Year: 2006, 2007

State of Iowa Single Audit Report Comment: 09-III-DOT-619-3

Segregation of Duties – Cash Receipts – One important aspect of internal control is segregation of duties among employees to prevent an individual employee from handling duties that are incompatible. The same employee completed, approved, sent the request for the contract payment forms to the Iowa Department of Transportation and received the check when received.

Recommendation – The University should develop policies and procedures to ensure proper segregation of duties relating to the request and receipt of contract payments.

Response and Corrective Action Planned – The University Cash Handling Policy requires proper segregation of duties to ensure the individual requesting funds not have responsibility for the receipt of funds. The University has established a central unit, the Grant Accounting Office, to carry out cash management responsibilities associated with the funding of sponsored projects. The Grant Accounting Office has procedures in place that assigns responsibility for requesting funds and receiving funds to separate individuals within the department.

In the future, the Grant Accounting Office will be responsible for requesting and receiving funds associated with the Federal Transit Capital Investment Grants.

Conclusion – Response accepted.

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

No matters were noted.

Other Findings Related To Internal Control:

No matters were noted.

Findings Related To Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the University of Iowa

June 30, 2009

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Gwen D. Fangman, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Daniel L. Grady, Senior Auditor
Carrie L. Livingston, CPA, Senior Auditor
Michael R. Field, Staff Auditor
Jenny M. Podrebarac, Staff Auditor
Aaron P. Wagner, CPA, Staff Auditor
Ainslee M. Barnes, Assistant Auditor
Samantha J. Brincks, CPA, Assistant Auditor
Kurt D. Goldsmith, Assistant Auditor
Jacqueline E. Gulick, Assistant Auditor
Daryl L. Hart, Assistant Auditor
Daniel W. Henaman, Assistant Auditor
Jennifer M. Kopp, Assistant Auditor
Clinton J. Krapfl, Assistant Auditor
Kristin M. Ockenfels, Assistant Auditor
Christina M. Renze, Assistant Auditor
Nicole R. Williams, Assistant Auditor

University of Iowa

Cost per Student
(unaudited)

Year ended June 30, 2009
with comparative figures for prior years

Total General Educational Fund expenditures		\$ 581,201,630
Deduct:		
Expenditures not related to teaching programs:		
Research separately budgeted	\$ 14,025,677	
Extension and public service	5,512,633	
Student aid	<u>55,956,258</u>	<u>75,494,568</u>
Net expenditures for teaching programs		<u>\$ 505,707,062</u>
Full-time equivalent enrollment 2008-2009		<u>27,573</u>
Cost per student 2008-2009		<u>\$ 18,341</u>

Comparative enrollment statistics and cost per student for the year ended June 30, 2009 and four previous years:

<u>Year</u>	<u>Enrollment</u>	<u>Cost per Student</u>
2008-2009	27,573	\$ 18,341
2007-2008	27,298	17,361
2006-2007	26,902	16,547
2005-2006	26,774	15,947
2004-2005	26,111	15,685

University of Iowa
University Hospitals and Clinics

Daily Cost per Patient
(unaudited)

Year ended June 30, 2009
with comparative figures for prior years

Total University Hospitals' expense:	<u>\$ 863,978,950</u>
Total patient days 2008-2009	<u>193,196</u>
Daily cost per patient 2008-2009	<u>\$ 4,472</u>

Comparative patient statistics and cost per patient for the year ended June 30, 2009 and four previous years:

<u>Year</u>	<u>Patient Days</u>	<u>Daily Cost per Patient</u>
2008-2009	193,196	\$ 4,472
2007-2008	194,480	4,032
* 2006-2007	194,893	3,637
* 2005-2006	185,429	3,685
* 2004-2005	196,511	3,044

- * 2004-2005 through 2006-2007 patient day and daily cost per patient information has been restated to include Psychiatric Hospital, Center for Disabilities and Development and other costs included by the University Hospitals and Clinics to determine the daily cost per patient.