



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE July 13, 2011

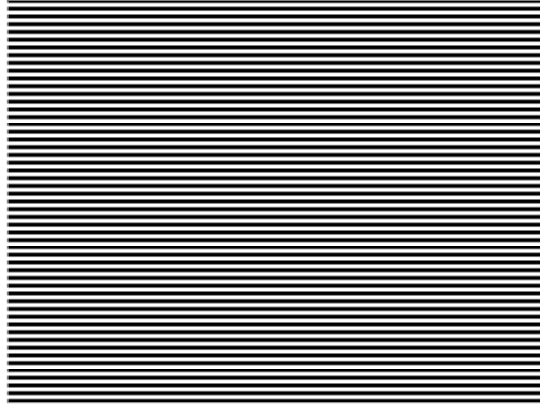
Contact: Andy Nielsen
515/281-5835

Auditor of State David A. Vaudt today released a report on the University of Northern Iowa for the year ended June 30, 2010. The University of Northern Iowa previously released its annual financial report for the year ended June 30, 2010.

The University of Northern Iowa is governed by the Board of Regents. For the fiscal year ended June 30, 2010, the full-time equivalent student enrollment was 11,391 with an average cost per student of \$11,546 compared to 11,141 students and an average cost per student of \$12,539 for the fiscal year ended June 30, 2009.

A copy of the report is available for review at the University of Northern Iowa, in the Office of Auditor of State and on the Auditor of State's website at: <http://auditor.iowa.gov/reports/1161-8030-BR00.pdf>.

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

JUNE 30, 2010

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



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Auditor of State





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July 11, 2011

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

The University of Northern 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, 2010. We have also audited the financial statements of the University as of and for the year ended June 30, 2010 and have issued our report thereon dated December 7, 2010.

In conducting our audits, we became aware of an aspect 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 pages. We believe you should be aware of this recommendation related to internal control. 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 of Northern Iowa's response and, accordingly, we express no opinion on it.

We have also included on page 7 of this report certain unaudited financial and other information to report an average cost per student for the University for the five years ended June 30, 2010 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 the University of Northern Iowa, citizens of the State of Iowa and other parties to whom the University of Northern 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 any 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 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 Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

University of Northern Iowa

June 30, 2010

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 Findings Related to Internal Control:

Segregation of Duties – During our review of internal control, the existing control activities are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the University's financial statements. Individuals within the Business Operation's Office with "UNI Payables Manager" and "Cashier" responsibilities can create and prepare payment documents, approve payment and print checks.

Recommendation – Duties should be segregated so one individual can not prepare payment documents, approve payment and print checks.

Response – The University acknowledges that the ability to create and approve invoice documents electronically exists with limited individuals who also have the ability to print accounts payable checks. Procedures and compensating controls are continually evaluated to minimize the risk of inappropriately prepared checks without diminishing service levels to our students, staff and vendors. Additionally, cashiering procedures will be changing with the implementation of a new student information system in early fiscal year 2012.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the University of Northern Iowa

June 30, 2010

Staff:

Questions or requests for further assistance should be directed to:

James S. Cunningham, CPA, Manager
Darryl J. Brumm, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on this audit include:

Donald J. Lewis, CPA, Senior Auditor
Samantha J. Brincks, CPA, Staff Auditor
Daniel W. Henaman, Staff Auditor
Kelly L. Hilton, Staff Auditor
Kassi D. Adams, Assistant Auditor
Melody Babcock, Assistant Auditor
Staci L. Bauerly, Assistant Auditor
Ryan T. Jelsma, Assistant Auditor
Ryan A. Yeager, CPA, Assistant Auditor
Justin A. Youngberg, Assistant Auditor

University of Northern Iowa

Cost per Student
(Unaudited)

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

| | | |
|--|---------------|-------------------|
| Total General Educational Fund expenditures (expressed in thousands) | | \$ 149,001 |
| Deduct: | | |
| Expenditures not related to teaching programs: (expressed in thousands) | | |
| Research separately budgeted | \$ 504 | |
| Extension and public service | 4,798 | |
| Student aid | <u>12,183</u> | <u>17,485</u> |
| Net disbursements for teaching programs | | <u>\$ 131,516</u> |
| Full-time equivalent enrollment 2009-2010 | | <u>11,391</u> |
| Cost per student 2009-2010 | | <u>\$ 11,546</u> |

Comparative enrollment statistics and cost per student for the year ended June 30, 2010 and the four previous years.

| Year | Enrollment | Cost per Student |
|-----------|------------|------------------|
| 2009-2010 | 11,391 | \$11,546 |
| 2008-2009 | 11,141 | 12,539 |
| 2007-2008 | 10,979 | 11,921 |
| 2006-2007 | 10,783 | 11,580 |
| 2005-2006 | 10,969 | 11,006 |