



Fiscal Year 2014 University System of Georgia Audit Cycle Summary

ENGAGEMENT TYPE

AUDITS

- ❖ Dalton State College
- ❖ Georgia College and State University
- ❖ Georgia Gwinnett College
- ❖ Georgia Institute of Technology
- ❖ Georgia Regents University
- ❖ Georgia Southern University
- ❖ Georgia Southwestern State University
- ❖ Georgia State University
- ❖ Kennesaw State University
- ❖ Regents System Office
- ❖ Southern Polytechnic State University
- ❖ University of Georgia

FULL DISCLOSURE MANAGEMENT REPORTS

- ❖ Bainbridge College
- ❖ Clayton State University
- ❖ Columbus State University
- ❖ Darton State College
- ❖ Fort Valley State University
- ❖ Middle Georgia State College
- ❖ Savannah State University
- ❖ South Georgia College
- ❖ Valdosta State University

AGREED UPON PROCEDURES REPORTS

- ❖ Abraham Baldwin Agricultural College
- ❖ Albany State University
- ❖ Armstrong Atlantic State University
- ❖ Atlanta Metropolitan State College
- ❖ College of Coastal Georgia
- ❖ East Georgia State College
- ❖ Georgia Highlands College
- ❖ Georgia Perimeter College
- ❖ Gordon State College
- ❖ University of North Georgia
- ❖ University of West Georgia



AUDITS

- ❖ Twelve (12) Unqualified Opinions

- ❖ Six (6) Recipients of the Award of Distinction for Excellent Financial Reporting
 - Dalton State College
 - Georgia Gwinnett College
 - Georgia Regents University
 - Georgia Southwestern State University
 - Georgia State University
 - University of Georgia

- ❖ Audit Findings (29)
 - Six (6) Significant Deficiency – Financial Statement Findings
 - Two (2) Material Weakness – Federal Findings
 - Twenty-one (21) Significant Deficiency – Federal Findings



FINDINGS

❖ Audit Findings (29)

- Six (6) Significant Deficiency – Financial Statement Findings
- Two (2) Material Weakness – Federal Findings
- Twenty-one (21) Significant Deficiency – Federal Findings



FINDINGS

Bainbridge State College

FA-562-14-01 Ineffective Logical Access Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Material Weakness
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The College's policies and procedures were insufficient to provide adequate internal controls over logical access IT general controls. Our review of the established internal control structure associated with significant financial applications at the College revealed pervasive design and operating effectiveness deficiencies in logical access controls intended to protect financial and student information from unauthorized access, manipulation and corruption.



FINDINGS

Bainbridge State College

FA-562-14-02 Inadequate Controls over Enrollment Reporting

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The College is not reporting the enrollment status of unofficially withdrawn students.



FINDINGS

Clayton State University

FS-528-14-01 Inadequate Accounting Controls

Control Category: Accounting Controls (Overall)
Internal Control Impact: Significant Deficiency

The University failed to provide adequate documentation to support quarterly reconciliations of subsidiary modules.

Finding Control Number: **FS-533-12-04**

REVENUES/RECEIVABLES/RECEIPTS

Significant Deficiency

Internal control procedures were insufficient to provide adequate collection of student accounts receivable balances.



FINDINGS

Columbus State University

FA-530-14-01 Weaknesses in Logical Access IT General Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

University policies and procedures were insufficient to provide adequate internal controls over logical access IT general controls.



FINDINGS

Columbus State University

FA-530-14-02 Overpayment of Student Financial Assistance

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University's Student Financial Assistance Office improperly determined the financial need of eligible students.



FINDINGS

Columbus State University

FA-530-14-03 Return of Title IV Funds

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

Unearned Title IV funds were not identified and returned for students who unofficially withdrew from the University.



FINDINGS

Darton State College

FA-570-14-01 Weaknesses in Logical Access IT General Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

College policies and procedures were insufficient to provide adequate internal controls over logical access IT general controls.



FINDINGS

Darton State College

FA-570-14-02 Overpayment of Student Financial Assistance

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The College's Student Financial Assistance Office improperly determined the financial need of eligible students.



FINDINGS

Darton State College

FA-570-14-03 Verification Process

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The College's Student Financial Assistance Office failed to meet student verification requirements.



FINDINGS

Darton State College

FA-570-14-04 Return of Title IV Funds

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The College did not properly perform the refund process and ensure that unearned Title IV funds were returned in a timely manner.



FINDINGS

Fort Valley State University

FS-533-14-01 Deficiencies in Controls over Financial Reporting

Control Category: Financial Reporting
Internal Control Impact: Significant Deficiency

The University's accounting procedures were insufficient to provide for adequate internal control over the preparation of the financial statements.



FINDINGS

Fort Valley State University

FA-533-14-01 Weaknesses in Logical Access IT General Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

University policies and procedures were insufficient to provide adequate internal controls over logical access IT general controls.



FINDINGS

Fort Valley State University

FA-533-14-02 Excessive Cash Balances

Compliance Requirement:	Cash Management
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University maintained excessive cash balances related to the Federal Direct Loan Program.



FINDINGS

Fort Valley State University

FA-533-14-03 Overpayment of Student Financial Assistance

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University's Student Financial Assistance Office improperly determined the financial need of eligible students.



FINDINGS

Fort Valley State University

FA-533-14-04 Undocumented Cost of Attendance Budgets

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University's Student Financial Aid Office failed to document the procedures used to establish their Cost of Attendance budgets.



FINDINGS

Fort Valley State University

FA-533-14-05 Failure to Comply with Federal Work-Study Earmarking Requirements

Compliance Requirement:	Matching, Level of Effort, Earmarking
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University failed to use at least seven percent of the sum of its initial and supplemental Federal Work-Study (FWS) allocations for an award year to compensate students employed in community service activities.



FINDINGS

Fort Valley State University

FA-533-14-06 Return of Title IV Funds

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University did not properly perform the refund process to ensure that unearned Title IV funds were returned in a timely manner.



FINDINGS

Georgia College and State University

FS-536-14-01 Deficiencies in Controls over Capital Assets

Control Category:	Capital Assets
Internal Control Impact:	Significant Deficiency

Capital asset activity recorded by the University contained significant errors and omissions.



FINDINGS

Georgia Institute of Technology

FS-503-14-01 Inadequate Internal Controls over Research Labs

Control Category: Accounting Controls (Overall)

Internal Control Impact: Significant Deficiency

An internal audit over the Advanced Concepts Laboratory (ACL) within Georgia Tech Research Institute (GTRI) noted the intentional circumvention of established procedures and compliance with GTRI and Georgia Institute of Technology requirements.



FINDINGS

Middle Georgia State College

FA-0583-14-01 Weaknesses in IT General Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

College policies and procedures were insufficient to provide adequate internal controls over change management and logical access IT general controls.



FINDINGS

Middle Georgia State College

FA-0583-14-02 Inadequate Control Procedures over Withdrawals

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

This is a repeat finding (FA-584-12-01 and FA-583-13-01) from the year ended June 30, 2012 and June 30, 2013. Withdrawal determinations and federal aid return calculations were not consistently correct.



FINDINGS

Regents of the University System of Georgia

FS-472-14-01 Deficiencies in Controls over Capital Assets

Control Category:	Capital Assets Financial Reporting and Disclosure
Internal Control Impact:	Significant Deficiency

Capital asset activity recorded by the University System Office contained significant errors and omissions.



FINDINGS

Regents of the University System of Georgia

FS-472-14-02 Deficiencies in Controls over Calculation of Benefits Payable

Control Category: Expenditures/Liabilities/Disbursements

Internal Control Impact: Significant Deficiency

The University System Office improperly calculated the liability for claims that were incurred but not yet reported (IBNR).



FINDINGS

Georgia Southern University

FA-533-14-06 Return of Title IV Funds

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University's Student Financial Assistance office improperly calculated the amount of Title IV grant funds to be returned by a withdrawn student.



FINDINGS

Savannah State University

FA-548-14-01 Weaknesses in IT General Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

University policies and procedures were insufficient to provide adequate internal controls over logical access IT general controls.



FINDINGS

Savannah State University

FA-548-14-02 Return of Title IV Funds

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The Student Financial Assistance Office (SFA) did not properly perform the refund process and ensure unearned Title IV funds were accurately calculated and returned in a timely manner.



FINDINGS

South Georgia State College

FA-588-14-01 Weaknesses in Logical Access IT General Controls

Compliance Requirement:	Activities Allowed or Unallowed Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	N/A
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

College policies and procedures were insufficient to provide adequate internal controls over logical access IT general controls.



FINDINGS

South Georgia State College

FA-588-14-02 Return of Title IV Funds

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The Student Financial Assistance Office (SFA) did not properly perform the refund process and ensure unearned Title IV funds were accurately calculated and returned in a timely manner.



FINDINGS

Southern Polytechnic State University

FA-550-14-01 Satisfactory Academic Progress Determinations

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
CFDA Number and Title:	84.SFA Student Financial Assistance Cluster

The University's Student Financial Aid Office improperly calculated the pace progression requirements for satisfactory academic progress determinations for students with transfer credits from other institutions.



MANAGEMENT LETTER COMMENTS

13 Deficiencies Reported

Georgia College and State University – 3 comments
Georgia Gwinnett College – 1 comment
Georgia Regents University – 3 comments
Georgia Southern University – 1 comment
Georgia Southwestern State University – 1 comment
Kennesaw State University – 1 comment
Southern Polytechnic State University – 2 comments
University of Georgia – 1 comment



FULL DISCLOSURE MANAGEMENT REPORT COMMENTS

19 Deficiencies Reported

Bainbridge College – 2 comments
Columbus State University – 1 comment
Darton State College – 1 comment
Fort Valley State University – 4 comments
Middle Georgia State College – 6 comments
South Georgia College – 2 comments
Valdosta State University – 3 comments



AGREED UPON PROCEDURE COMMENTS

13 Deficiencies Reported

Albany State University – 6 comments

Atlanta Metropolitan State College – 1 comment

College of Coastal Georgia – 2 comments

Georgia Highlands College – 2 comments

University of North Georgia – 1 comment

University of West Georgia – 1 comment



OTHER ITEMS NOTED

- 136 Deficiencies reported through exit conference comments
- Misstatements noted (See following table for aggregate effect)
 - Uncorrected GAAP Misstatements – 74 Items
 - Corrected GAAP Misstatements – 38 Items
 - Uncorrected Budget Basis Misstatements – 22 Items
 - Corrected Budget Basis Misstatements – 6 Items
 - Presentation and Disclosure Misstatements – 91 Items (58 Items corrected and 33 uncorrected)



OTHER ITEMS NOTED

NET EFFECT OF MISSTATEMENTS NOTED ON FINANCIAL STATEMENTS

Category	Assets	Liabilities	Fund Balance/ Net		
			Assets	Revenues	Expenses
Uncorrected GAAP	(\$4,177,544.02)	\$957,957.55	(\$4,233,247.02)	\$2,726,423.49	\$4,726,410.00
Uncorrected Budget	(\$319,338.16)	(\$4,703,049.59)	\$909,221.69	(\$365,339.32)	\$4,478,505.38
Corrected GAAP	(\$10,893,551.68)	(\$6,220,150.23)	\$550,003.92	(\$1,587,439.92)	\$18,151,137.91
Corrected Budget	(\$5,718.00)	(\$1,148,950.51)	\$126,200.92	(\$960,688.96)	\$67,778.63



QUESTIONS

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