



**COLLEGE OF EASTERN UTAH**  
**Student Financial Aid Program**

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Management Letter  
For the Year Ended June 30, 2006

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Report No. 06-33

*Keeping Utah  
Financially Strong*

AUSTON G. JOHNSON, CPA  
UTAH STATE AUDITOR



**Auston G. Johnson, CPA**  
UTAH STATE AUDITOR

STATE OF UTAH  
**Office of the State Auditor**

UTAH STATE CAPITOL COMPLEX  
EAST OFFICE BUILDING, SUITE E310  
P.O. BOX 142310  
SALT LAKE CITY, UTAH 84114-2310  
(801) 538-1025  
FAX (801) 538-1383

**DEPUTY STATE AUDITOR:**  
Joe Christensen, CPA

**FINANCIAL AUDIT DIRECTORS:**  
H. Dean Eborn, CPA  
Deborah A. Empey, CPA  
Stan Godfrey, CPA  
Jon T. Johnson, CPA

**REPORT NO. 06-33**

March 19, 2007

To the Board of Trustees, Audit Committee,  
and  
Ryan L. Thomas, President  
College of Eastern Utah

We have completed our audit of the College of Eastern Utah's (the College's) portion of the statewide federal compliance audit for the year ended June 30, 2006. The federal program tested as a major program at the College was the Student Financial Aid Cluster. Our report on the statewide federal compliance audit for the year ended June 30, 2006 should be issued by April 2007.

In planning and performing our audit, we considered the College's internal control over the administration of major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on the State's compliance with the requirements of its major programs and not to provide assurance on internal control. We noted a certain matter involving the College's internal control over the administration of federal programs that we consider to be a reportable condition. This condition is described in the accompanying finding and recommendation and is not believed to be a material weakness.

Reportable conditions are defined as matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the organization's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, grants, and Federal OMB Circular A-133.

This report by its nature focuses on exceptions, weaknesses, and problems. This should not be understood to mean there are not also various strengths and accomplishments. Our consideration of the internal control over the administration of federal programs would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of the College and is not intended to be and should not be used by anyone other than this specified party. However, the report is a matter of public record and its distribution is not limited.

We appreciate the courtesy and assistance extended to us by the personnel of the College during the course of our single audit testwork, and we look forward to a continuing professional relationship. If you have any questions, please call Jon Johnson, Audit Director, at 538-1359.

Sincerely,

Auston G. Johnson, CPA  
Utah State Auditor

cc: Kevin Walthers, Dean of Finance  
William Osborn, Financial Aid Director  
Robyn Sheriff, Business Office Manager

**COLLEGE OF EASTERN UTAH**  
**Student Financial Aid**

FINDING AND RECOMMENDATION  
FOR THE YEAR ENDED JUNE 30, 2006

**INACCURATE LINE ITEMS IN THE FISAP REPORT** (Reportable Condition)

Federal Agency: **Department of Education**  
CFDA Number and Title: **various, Student Financial Aid Cluster**  
Federal Award Numbers: **various**  
Questioned Cost Amount: **\$-0-**  
Pass-through Entity: N/A

We tested the College of Eastern Utah's (the College's) Fiscal Operations Report and Application to Participate (FISAP) for the federal award year 2005-2006 and noted the following:

- a. The Tuition and Fee Revenue in Part II, Section E of the FISAP report for the fiscal year 2006 was understated by a net amount of \$745,838. This understatement occurred because waivers, general student fees, and course fees were not included in the reported total tuition and fees amount on the FISAP report. These errors appear to have occurred because the College's Financial Aid Office assumed the tuition and fee amounts they obtained from the Business Office were accurate for FISAP reporting purposes without properly reviewing the contents of the amounts reported.
- b. The Earned Compensation Amounts in Part V, Sections G and H of the FISAP report for fiscal year 2006 were incorrect based on the supporting documentation. The federal share of earned compensation in Section G was understated by \$331 and the non-federal share was understated by \$111. The federal share of earned compensation in Section H was overstated by \$1,960. These errors occurred because the College's Financial Aid Office used the initial report rather than the final adjusted report when preparing the FISAP.

**Recommendation:**

**We recommend that the College's Financial Aid Office:**

- a. **Adequately review all information obtained from other individuals or College departments that is used in preparing the FISAP report.**
- b. **Exercise greater care when compiling the FISAP report to ensure that the correct information is presented.**

**We also recommend that the College prepare and submit a corrected FISAP report.**

**COLLEGE OF EASTERN UTAH**  
**Student Financial Aid**

FINDING AND RECOMMENDATION  
FOR THE YEAR ENDED JUNE 30, 2006

College's Response:

- a. *The College of Eastern Utah Financial Aid Director corrected and resubmitted Part II, Section E, line 22 of the FISAP.*

*Since this is the second year consecutively that this finding is issued, the corrective action implemented after 2005 did not work. The College has hired a new Vice President of Finance in 2006 and a Business Comptroller in 2007. With these new staff members, the College will be able to provide accurate data to the Financial Aid Director in a timely manner. The Financial Aid Director will continue to request the data in a timely manner and provide the FISAP instructions for data requested. The Financial Aid Director will review the data provided by the Business Office with the Vice President of Finance, prior to submission of the FISAP, to ensure accuracy.*

- b. *The College of Eastern Utah Financial Aid Director corrected and resubmitted Part V, Section G and H of the FISAP.*

*In order to ensure this error does not occur in the future, the Business Office has employed an individual in payroll who is keeping student payroll records current and accurate. As payroll action is requested by financial aid, the payroll officer is completing the requested action. This will eliminate the last minute adjustments that make it difficult to close out the year, resulting in errors that made the FISAP inaccurate.*

*Contact Person: Bill Osborn, Director, Financial Aid Office, (435) 613-5207  
Anticipated Correction Date: February 2007*