

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

REVIEW REPORT

OF

STATE STUDENT ASSISTANCE COMMISSION OF INDIANA

February 1, 2010 to March 31, 2012



**FILED**  
06/14/2012



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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Claudia Braman Mary Jane Michalak	06-16-08 to 10-11-11 10-11-11 to 06-30-12
Commission Chair	Tom Borne	01-09-08 to 06-30-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE STUDENT ASSISTANCE COMMISSION OF INDIANA

We have reviewed the activities related to the receipts, disbursements, and assets of the State Student Assistance Commission of Indiana for the period of February 1, 2010 to March 31, 2012. State Student Assistance Commission of Indiana's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports. Federal programs are included in the scope of our statewide single audits as reflected in the Statewide Single Audit Reports.

Based on our review, nothing came to our attention that caused us to believe that the activities related to the receipts, disbursements, and assets of the State Student Assistance Commission of Indiana are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, and applicable laws and regulations except as stated in the review comments.

The State Student Assistance Commission of Indiana's response to the Review Comments identified in our review is described in the accompanying section of the report entitled Official Response. We did not review the State Student Assistance Commission of Indiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the State Student Assistance Commission of Indiana's management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office reviewed.

STATE BOARD OF ACCOUNTS

May 10, 2012

STATE STUDENT ASSISTANCE COMMISSION OF INDIANA  
REVIEW COMMENTS  
March 31, 2012

***ABOLISHMENT OF STATE STUDENT ASSISTANCE COMMISSION***

Indiana Code 21-18.5-1-2, effective July 1, 2012, states: "The State Student Assistance Commission established by IC 21-11-2-1 (before its repeal) is abolished." All real and personal property, powers, duties, assets, liabilities, and appropriations of the State Student Assistance Commission will be transferred to the Commission for Higher Education. Future activity will be included in the scope of the audit of the Commission for Higher Education.

***DAILY DEPOSITS***

As stated in our prior Report B37032 the State Student Assistance Commission of Indiana did not consistently deposit receipts for revenue within the following business day. When funds were received by the agency, there was a delay of up to one week before submitting those funds to the State Budget Agency. The State Budget Agency performs the accounting duties for this agency, which includes depositing revenue with treasurer of state.

Indiana Code 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

***LATE PAYMENT PENALTY***

Auditor of State accounting records reflect late payment penalties paid to vendors and charged to accounts of the State Student Assistance Commission as a result of untimely payment of claims. Total penalties for the fiscal year 2011 were \$36.82 and for the current fiscal year through April 30 penalties were \$2,821.77. These penalties are an unnecessary use of public funds.

Indiana Code 5-17-5 requires a state agency to ". . . pay a late payment penalty at a rate of one percent (1%) per month on amounts due on written contracts for public works, personal services, goods and services, equipment, and travel whenever the state agency . . . fails to make timely payment."

Payment of penalties and interest due to late payments to vendors may be the obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines for State and Quasi Agencies, 6.4.7.4)

Each agency, department, quasi, institution, or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines for State and Quasi Agencies, Organizational Overview – General Guidelines and Policy, IV. Summary of Agency Accounting Responsibilities)

STATE STUDENT ASSISTANCE COMMISSION OF INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2012, with Mary Jane Michalak, Executive Director; Brent Walker, Program Field Auditor; and Shane Hatchett, Manager of Business and Human Resources for the Commission of Higher Education. The officials concurred with our findings.