

MOUNTAINLAND APPLIED TECHNOLOGY COLLEGE

**A Regional College within the
Utah College of Applied Technology,
A Component Unit of the State of Utah**

Government Auditing Standards Report
For the Year Ended June 30, 2012

Report No. 12-54

**STATE OF UTAH
OFFICE OF THE STATE AUDITOR**



MOUNTAINLAND APPLIED TECHNOLOGY COLLEGE
FOR THE YEAR ENDED JUNE 30, 2012

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STATE OF UTAH
OFFICE OF THE STATE AUDITOR

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Board of Directors, Audit Committee
and
Clay E. Christensen, President
Mountainland Applied Technology College

We have audited the financial statements of Mountainland Applied Technology College (the College) as of and for the year ended June 30, 2012, and have issued our report thereon dated February 28, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying finding and recommendation, that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The College's response to the finding identified in our audit is included with the accompanying finding and recommendation. We did not audit the College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the College's management, Board of Directors and Audit Committee, others within the entity, and the Utah College of Applied Technology and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

Office of the Utah State Auditor

Utah State Auditor's Office
February 28, 2013

MOUNTAINLAND APPLIED TECHNOLOGY COLLEGE

FINDING AND RECOMMENDATION FOR THE YEAR ENDED JUNE 30, 2012

UNTIMELY BANK RECONCILIATIONS

(Significant Deficiency)

As of January 2013, Mountainland Applied Technology College had not completed bank reconciliations for the previous six months from July 2012 through December 2012. Performing monthly bank reconciliations in a timely manner is a critical internal control that helps ensure that cash receipts and disbursements have been properly safeguarded and recorded and that errors and possible misappropriations are detected and corrected.

Recommendation:

We recommend that the College complete monthly bank reconciliations in a timely manner.

College's Response:

The College agrees with the recommendation and will complete bank reconciliations in a timely manner. All bank reconciliations are now current.