



Council of Trustees and Management
Indiana University of Pennsylvania
of the State System of Higher Education
Indiana, Pennsylvania

In planning and performing our audit of the basic financial statements of the business-type activities and the aggregate discretely presented component units of Indiana University of the Pennsylvania State System of Higher Education (the University) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our report on our audit of the financial statements includes a reference to other auditors who audited 100% of the financial statements of the discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting that are reported on separately by those auditors.

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 was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Other deficiencies in internal control and other matters

During our audit, we became aware of other deficiencies in internal control and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. While the nature and magnitude of the other deficiencies in internal control were not considered important enough to merit the attention of Council of Trustees, they are considered of sufficient importance to merit management's attention and are included herein to provide a single, comprehensive communication for both those charged with governance and management.

- **Accounts Receivable Report – Term Balances:** During our testing of accounts receivable, management informed CLA that the report currently being used to track the detail of student accounts receivable was unable to be fully reconciled to the general ledger, and also contained inaccurate balances by term for students (though the report was accurate in total for each student). Management believed that the inaccuracies in this report were due to coding for this report not being updated subsequent to the creation of this customized report in the accounting system. An inaccurate accounts receivable report by term could impact the estimate of the allowance for uncollectible student accounts, since management’s methodology is based on the aging of receivables by term. CLA recommends reviewing policies and procedures around reconciliation of accounts receivable, including using the standard system produced student accounts receivable report out of Banner for the reconciliations.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various entity personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

This communication is intended solely for the information and use of management, the council of trustees, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 2, 2021