

Arizona State University Annual financial statement audit

The University's fiscal year 2022 reported financial information is reliable. However, we reported a finding over unallowable procurement card purchases summarized on the next page.

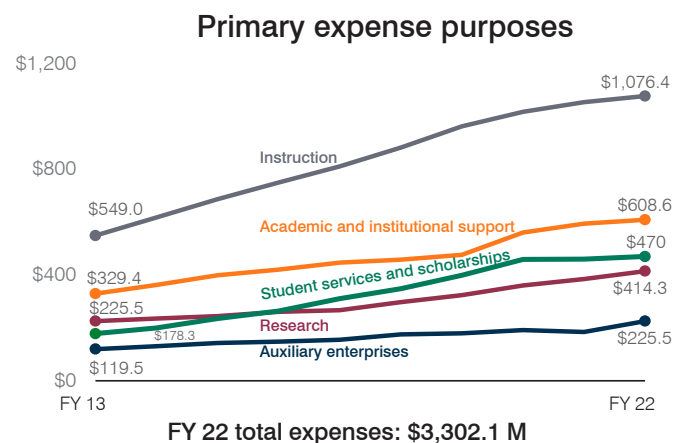
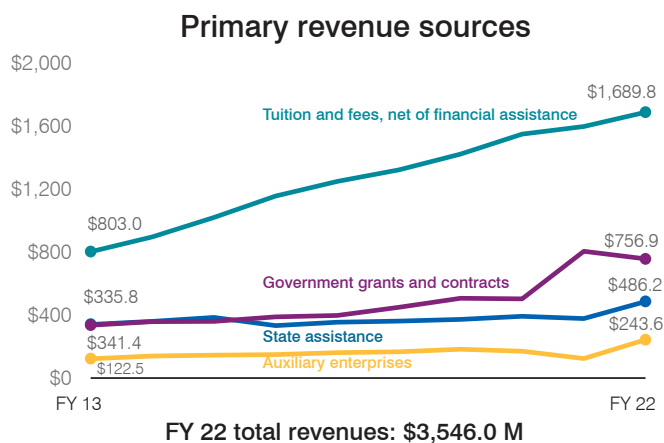
Audit purpose

To express our opinion on the University's financial statements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

Fiscal years (FY) 2013 through 2022

(In millions)



Source: Auditor General staff summary of information obtained from the University's financial statements.

Largest primary revenue sources FY 2022

- **Tuition and fees, net of financial assistance 47.7%**—Includes charges to students for educational services, net of any University student financial assistance revenues that were used to cover the students' tuition and fees.
- **Government grants and contracts 21.3%**—Includes federal and State government grant programs and contracts awarded mostly for student financial aid and research and development programs.

Largest primary expense purposes FY 2022

- **Instruction 32.6%**—Costs to provide instruction for all degree and certificate programs.
- **Academic and institutional support 18.4%**—Costs for University-wide planning, management, and administrative support services, including fiscal operations, information technology, and course development.
- **Student services and scholarships 14.2%**—Costs that support social and cultural development, career guidance, financial aid administration, admissions, and records, as well as grants, scholarships, and tuition and fee waivers.

University's net position increased in FY 2022

University revenues were \$243.9 million more than its expenses, increasing its total net position to \$1.9 billion at June 30, 2022. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. Of the total net position, \$1.5 billion is restricted by external parties or is not in spendable form, and the remaining \$437.3 million is unrestricted.

Auditor findings and recommendations

Summarized below is our finding and recommendation included in the University's [Report on Internal Control and on Compliance](#) where there is further information and the University's response.

The University discovered and reported to us that a former employee made unallowable purchases while employed with the University totaling over \$95,000 using a University procurement card that the University paid for, resulting in potential misuse of public monies. The University detected the unallowable purchases after performing data analytics that flagged the purchases and therefore, should continue this practice. The University's inconsistent enforcement of procurement code policies and procedures created an opportunity for the former employee to make the unallowable purchases. Therefore, it needs to follow its policies and procedures by requiring employees to submit detailed supporting documentation timely, and reviewing and approving purchases within required timeframes. Further, it should take timely and appropriate disciplinary actions to restrict an employee's purchasing card if they fail to follow procurement policies and procedures. Finally, it should improve those policies and procedures by separating the responsibilities for purchasing goods and receiving goods and requiring the person receiving the goods ensures they are for the business purpose indicated.

Auditor General website report links

- The June 30, 2022, Arizona State University Annual Comprehensive Financial Report and Report on Internal Control and on Compliance that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the University's overall financial picture and our reporting responsibilities.
- The University's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
 - [Financial Report User Guide for Colleges and Universities](#).
 - [Internal Control and Compliance Reports User Guide](#).