



**STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL**

**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

March 4, 2004

The Arizona Board of Regents

Dr. Michael Crow, President  
Arizona State University

Subject: Management Letter

In planning and conducting our financial statement audit of Arizona State University and our single audit of the State of Arizona for the year ended June 30, 2003, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the University's internal controls over financial reporting,
- Tested its internal controls over major federal programs, and
- Tested its compliance with laws and regulations that could have a direct and material effect on the University's financial statements or the State's financial statements and major federal programs.

Specifically, we performed tests of cash receipts, cash disbursements, payroll, purchasing, transfers, cash and investments, receivables, payables, inventories, equipment, financial reporting, the federal research and development programs cluster, and the federal student financial assistance cluster. There are no audit findings that are required to be reported by GAS and OMB Circular A-133.

In addition, to our financial statement audit of the University and single audit of the State, we also performed a procedural review of the University's internal controls over its information technology systems, including the University's e-commerce and e-government systems. We will report the results of our procedural review to the University's management in a separate letter to be issued at a future date.

This letter is intended solely for the information of the Arizona Board of Regents and the University, and is not intended to be and should not be used by anyone other than the specified parties. However, this letter is a matter of public record, and its distribution is not limited.

Should you have any questions concerning its contents, please let us know.

Sincerely,

Debbie Davenport  
Auditor General