

INTERNAL AUDIT REPORTS ISSUED

Action Requested: Receive the original and follow-up internal audit reports.

Executive Summary: Completed institutional internal audit reports are reported to the Audit and Compliance Committee as required by Board Policy.

ORIGINAL REPORTS	CEA*	Status
UNIVERSITY OF IOWA		
• Broadcasting Services Active Directory Review		Open
• IIHR-Hydroscience & Engineering Active Directory Review		Open
• Mathematics, Statistics and Actuarial Science, and Computer Science Departments Active Directory Review		Open
• UI Healthcare Finance and Accounting Services		Open
• UIHC Patient Elopement		Open
• University of Iowa Alumni Association		Open
• Cost Sharing		Open
• Prepaid Patient Services		Open
• UIHC Workflow Processes		Open
• EPIC Software Change Management		Open
• Facilities Management – Construction Change Orders		Open
• Intercollegiate Athletics – Home Game Ticket Revenue		Closed
• University Benefits		Open
IOWA STATE UNIVERSITY		
• Employee Expense Reimbursements – Non-Travel		Open
• Intellectual Property and Technology Transfer		Open
UNIVERSITY OF NORTHERN IOWA		
• Campus Fueling Station Access and Usage		Open
• Study Abroad Programs		Open
• Telework Arrangements		Open

*Assessment of Controls Efficiencies (CEA) are defined on the following page

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Biosafety Laboratory Controls Closed
- Conflict of Interest – Vendors/Extramural Activities Closed
- Joint Office for Clinical Outreach Services Closed
- Patent Policy Compliance Open
- Property Management Office Closed
- Research Subject Compensation Closed
- Student Activity Fees Closed

IOWA STATE UNIVERSITY

- Building Access Services – Access Cards Closed
- Social Security Number Protection Closed

UNIVERSITY OF NORTHERN IOWA

- Price Laboratory School Fees Closed

ASSESSMENT OF CONTROLS / EFFICIENCIES (CEA)

<p>HIGH</p> 	<ul style="list-style-type: none"> • Could seriously affect several areas within the University. Exposes the University to unacceptable risks or liability if not corrected OR • Involves difficult issues requiring the attention of executive management OR • Involves compliance with Federal, State, or other laws and could result in serious consequences if not implemented OR • Unacceptable weakness in the internal and/or accounting controls OR • Substantial savings (perhaps millions) can potentially be realized by correcting.
<p>MODERATE</p> 	<ul style="list-style-type: none"> • Could seriously affect a department or area within the University OR • Involves a difficult issue requiring the attention of upper management OR • Involves compliance with Federal, State or other law and could result in minor consequences if not implemented OR • Weakness in the internal and/or accounting controls OR • Savings (perhaps thousands) can potentially be realized by correcting.
<p>LOW</p> 	<ul style="list-style-type: none"> • Can affect a department or may be common to several areas OR • Could result in improved internal and accounting control OR • Can be corrected relatively easy OR • Could result in improved efficiency or effectiveness of operations OR • No reportable observations or corrective action taken prior to report issuance.
<p>CONSULTATION</p> 	<ul style="list-style-type: none"> • Auditors provided consultation only, without thorough assessment • No audit recommendations at this time.

The internal auditors have utilized the colors for the control / efficiency assessment (CEA) in evaluating each overall audit report.

SUMMARIES OF INTERNAL AUDIT REPORTS ISSUED



**The University of Iowa
Broadcasting Services Active Directory Review**

Issued November 10, 2009

Status: Open

The audit was performed to provide assurance that controls in decentralized Active Directory (AD) environments comply with University policy and best practice, as well as to identify and reduce duplication of University effort. Primary findings included concerns with domain controller settings which increase the risk to the Broadcasting Services environment, lack of AD administrative accounts and password controls, user account password controls require strengthening, user accounts remaining active longer than necessary and working with Information Technology Services to identify any technical barriers that prevent Broadcasting Services from using the centralized campus Active Directory environment. Management agrees with the findings and expects to complete their entire action plan by February 2010.



**The University of Iowa
IIHR-Hydroscience & Engineering Active Directory Review**

Issued November 10, 2009

Status: Open

The audit was performed to provide assurance that controls in decentralized Active Directory environments comply with University policy and best practice, and Microsoft recommendations. Primary findings included domain controller settings which increase the risk to the IIHR environment, user account management, and documenting barriers preventing them from using the centralized Active Directory environment. Management agrees with the findings and expects to complete their entire action plan by December 2009.



**The University of Iowa
Mathematics, Statistics and Actuarial Science, and Computer Science Departments
Active Directory Review**

Issued November 10, 2009

Status: Open

This department's Active Directory was audited to provide reasonable assurance that controls in their decentralized Active Directory environment comply with University policy and best practice as well as to reduce duplication of University effort. Notable findings included domain controllers with unnecessary enabled services, an incomplete audit policy, user rights assignments that require strengthening, inadequate administrative and normal user password controls, lack of a regular review of user access. Additionally, Internal Audit recommended the department partner with Information Technology Services to identify barriers preventing migration to the centralized Active Directory environment, and to the extent possible, reduce the duplication created by having multiple Active Directory environments. Management agrees with the findings and expects to complete their entire action plan by August 2010.



**The University of Iowa
UI Health Care Finance and Accounting Services**

Issued November 10, 2009

Status: Open

The audit was performed to provide reasonable assurance that the integrated functions of UI Health Care Finance & Accounting (F&A) are efficient, operating as anticipated, and that appropriate internal controls are in place. Primary findings include the lack of a fully integrated F&A group, a need for a single fully integrated F&A website, a need for a centralized location for the two units within the F&A group, and updating job descriptions to provide clearer expectations for staff. Management expects to complete their entire action plan by June 2010.



**The University of Iowa
UIHC Patient Elopement**

Issued November 10, 2009

Status: Open

The Associate Vice President for Nursing and Chief Nursing Officer, University of Iowa Hospital and Clinics, requested an audit to provide assurance that patient elopement processes and internal controls are in place and operating as intended. Primary findings included the lack of a standard definition of elopement and comprehensive elopement policy for use throughout the hospital, insufficient documentation of elopement incidents, issues involving the monitoring and/or detaining of at-risk patients in the Emergency Treatment Center, and weaknesses in the elopement-response review process. Management intends to create task forces to define “elopement”; address reporting issues; review, revise, consolidate policies and procedures as appropriate; and develop a plan for staff education and method of assuring staff competency after all elopement-related policy revisions are finalized. Management expects to complete their action plan by June 2010.



**The University of Iowa
University of Iowa Alumni Association**

Issued November 10, 2009

Status: Open

This audit was performed to evaluate the adequacy of operational procedures and internal controls of significant Alumni Association business processes. Principal findings center around: increasing compliance with University Travel and Employee Benefits Policies and Procedures, strengthening segregation of duties and the approval process for all purchase transactions, preparing a more thorough review and documentation of the Alumni Association’s President’s compensation package and agreement with the University, and addressing the adequacy of training for employees involved in cash handling. Management agrees with the findings and expects to complete their action plans by June 2010.



**The University of Iowa
Cost Sharing**

Issued December 16, 2009

Status: Open

An audit focused on pre and post award procedures and compliance with applicable federal laws such as OMB Circular A-21 and A-110 as well as OMB memo M-01-06. Audit findings include increasing efforts to educate university departments on the operations manual and piloting a program to determine the feasibility of integrating the grant proposal process into the university’s workflow system. Management concurs with the findings and expects to complete the action plans no later than September 2010.



**The University of Iowa
Prepaid Patient Services**

Issued December 16, 2009

Status: Open

The Prepaid Patient Services audit was performed at the request of the UIHC Chief Executive Officer. Prepaid services from 2008 and 2009 were reviewed. Findings included the use of outdated rate schedules for billing and instances of a lack of segregation of duties between the billers and cash handling duties. Management has agreed to update rates and create a current pricing matrix which will include a methodology for handling multiple procedures done at the same time. Management has also agreed to address the segregation of duties issue to ensure that the person collecting cash does not have any other incompatible responsibilities. Management expects to complete their action plans by March 2010.



The University of Iowa
UIHC Workflow Processes

Issued December 16, 2009

Status: Open

The UIHC Workflow Processes audit was performed at the request of the UIHC Chief Executive Officer. UIHC Workflow transactions approved in FY 2009 for purchases and human resources events were reviewed. Recommendations related to Workflow administration included review of Workflow groups to ensure approval hierarchies are appropriate and consistent within the departments and further limiting Workflow administrative access. Other audit recommendations included mandatory training before Workflow access is granted, and compliance with University of Iowa Operations Manual regarding written delegation of signature authority for processes related to human resources and procurement processes. Management agrees with the findings and expects to complete their action plans by February 2010.



The University of Iowa
EPIC Software Change Management

Issued January 13, 2010

Status: Open

The audit was performed to provide assurance that only appropriately requested and approved software changes are implemented in UI Health Care's new EPIC electronic medical record. Primary findings include segregating duties within the process, reconciling changes to change requests prior to implementation, implementing audit logging functionality with the next version upgrade, consistently documenting all change requests, implementing changes at regular intervals, reviewing and maintaining user accounts, and documenting policies and procedures. Management agrees with the findings and expects to complete their entire action plan by July 2010.



The University of Iowa
Facilities Management – Construction Change Orders

Issued January 13, 2010

Status: Open

An audit of Construction Change Orders within Facilities Management was performed. Findings included the need for improved efficiencies and controls for the approval process, recommendations to request the addition of a "right to audit clause," and steps to ensure business continuation. Management agrees with the findings and expects to complete their action plan by April 30, 2010.



The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue

Issued January 13, 2010

Status: Closed

This audit is performed annually to provide an independent verification of home game athletic revenue, ensure completion of guaranteed payments to visiting institutions, reconcile complimentary ticket listings, and provides oversight for the removal and destruction of unused, pre-printed tickets. No material audit findings or weaknesses were noted during the course of this audit. This audit is closed.



The University of Iowa
University Benefits

Issued January 13, 2010

Status: Open

An audit of University Benefits business processes was performed. Findings included the need for increased internal controls over flexible spending accounts, provisions to ensure business continuation, a request for additional oversight of exception allowances, and employee education. Management agrees with the findings and expects to complete their action plan by July 31, 2010.



Iowa State University
Employee Expense Reimbursements – Non-Travel

Issued December 21, 2009

Status: Open

This audit was performed to evaluate the process for reimbursing employees for expenses incurred for University-related purposes. Audit objectives included testing a sample of reimbursements to determine the adequacy of the documented business purpose and evaluating the Controller's Department expense reimbursement audit process. Audit recommendations were made that more emphasis be placed on providing an adequate business purpose explanation when submitting a reimbursement request, along with ensuring that a comprehensive, current list of restricted purchases exists to serve as guidance to employees seeking reimbursement. Management expects to complete their action plans by February 2010.



Iowa State University
Intellectual Property and Technology Transfer

Issued December 21, 2009

Status: Open

This audit was performed to evaluate the process for review of innovations by the Office of Intellectual Property and Technology Transfer, including the review of disclosures, technology commercialization forms, and the marketing process. The audit recommendation was for the need to review employee access to the technology management software. Management expects to complete the action plan by February 2010.



University of Northern Iowa
Campus Fueling Station Access and Usage

Issued December 14, 2009

Status: Open

The Campus Fueling Station Access and Usage audit was performed to examine the university's controls, policies, and processes in place for access and usage of the campus fueling station and its inventory. Audit recommendations include modifying the current motor vehicle policy, obtaining and maintaining current authorization for users of the station along with adequate physical security, reviewing daily fuel transactions for exceptional usage, assuring fuel recharge rates are approved and based on actual costs with accurate calculation of fuel charges, reconciling fuel usage to inventory records, assuring fuel transactions are not duplicated or over-charged to users, and establishing adequate segregation of duties within the campus fueling station function. Management agrees with the findings and expects to complete their action plan by May 2010.



University of Northern Iowa
Study Abroad Programs

Issued December 14, 2009

Status: Open

The Study Abroad Programs audit was performed to analyze the programs for reasonable assurance that the process is operating effectively, efficiently and is complying with the University policies and procedures. Audit recommendations include centralizing the management of all study abroad programs within the University, reviewing the scholarship process, developing a standard procedure for class sponsors and special compensation for study abroad classes, review tuition and fees assessed to all study abroad classes, and provide receipts, security of deposits and oversight review of the department's reconciled accounting records. Management agrees with the findings and expects to complete their action plan by June 2010.



University of Northern Iowa
Telework Arrangements
Issued December 18, 2009

Status: Open

The Telework Arrangements audit was performed to identify appropriate internal controls for employee telework arrangements within the University, including governance, authorization, monitoring, and accountability. Audit recommendations include developing and implementing a telework policy, identifying and approving employees in current telework situations as well as developing a process for approving future telework arrangements, reviewing current questionable telework arrangements to assure the University is not providing excessive benefits to telework employees, and including temporary employees in telework governance. Management agrees with the findings and expects to complete their action plan by June 2010.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. HIPAA Security Regulation Compliance	May 7, 2009	Aug 2009		
2. UIHC Construction	Jun 30, 2009	Sept 2009		
3. Department of Psychology Information Technology	May 7, 2009	Oct 2009		
4. Hospital Supply Chain	Jun 30, 2009	Oct 2009		
5. Blanket Purchase Orders	Oct 6, 2008	Nov 2009		
6. Human Subjects Office Process Review	Feb 11, 2008	Jan 2010		
7. Copyright Management	Apr 1, 2009	Jan 2010		
8. University Surplus Processes	Jun 30, 2009	Jan 2010		
9. University Bookstore – Apple Merchandise	Aug 7, 2009	Feb 2010		
10. Main Operating Room Billing Process	Sept 3, 2009	May 2010		
11. College of Pharmacy Business Processes	Sept 3, 2009	Jun 2010		
12. Research Compliance: Cost Transfers	Dec 18, 2008	Aug 2010		
13. GLBA/FERPA Compliance	Apr 1, 2009	Aug 2010		
14. Patent Policy Compliance	Nov 6, 2008	Nov 2010		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
15. Building Access Services – Key Control & Access	Jan 12, 2009	Feb 2010		
16. Effort Reporting	Jul 8, 2009	Feb 2010		
17. Construction Change Requests	Aug 19, 2009	Feb 2010		
18. Human Subjects in Research	Mar 4, 2009	Apr 2010		
19. Personnel Actions	Aug 19, 2009	Aug 2010		
20. Conflict of Interest	Oct 13, 2009	Feb 2011		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
21. Physical Plant Job Cost System Efficiency	Apr 21, 2009	Dec 2009		
22. Recharge Centers Rate Compliance Improvement	Apr 21, 2009	Jan 2010		
23. University Spending Controls	Apr 21, 2009	Jan 2010		
24. Athletics Cash, Gift, and Tradeout Handling	Jun 30, 2009	Jan 2010		
25. Conflict of Interest Analysis	Jun 30, 2009	Jan 2010		
26. Federal Export Controls	Jun 30, 2009	Feb 2010		
27. Events Complex Business Plan	Oct 9, 2009	Apr 2010		
28. Special Compensation Controls	Sept 30, 2009	Jun 2010		

Follow-Up Legend

	<ul style="list-style-type: none">Planned corrective action and/or follow-up report not completed within 6 months of originally scheduled date.
	<ul style="list-style-type: none">Planned corrective action and/or follow-up report not completed within 3 months of originally scheduled date.
	<ul style="list-style-type: none">Follow-up report is due and is within 3 months of originally scheduled completion date.
	<ul style="list-style-type: none">Follow-up report not yet due.