

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/ Compliance and Investment Committee as required by Board Policy.

ORIGINAL REPORTS	CEA*	Status
UNIVERSITY OF IOWA <ul style="list-style-type: none"> • Center for Digestive Disease Charge Capture • Controlled Substances in Laboratories • UIHC Department of Engineering Services • Iowa Lakeside Laboratory Regents Resource Center • Public Policy Center • School of Art and Art History • NCAA Certification of Compliance • Anesthesia • Internal Medicine • NCAA Complimentary Admissions and Ticket Benefits • Sociology Information Technology • The University Club • UIHC Cash Handling • Heart and Vascular Center • NCAA General Compliance • Office of the President • State Hygienic Laboratory 	                	Closed Open Open Open Open Open Closed Open Open Closed Open Open Open Closed Open Open
IOWA STATE UNIVERSITY <ul style="list-style-type: none"> • Department of Residence • NCAA Compliance – Financial Aid Administration • ISU Research and Demonstration Farms • NCAA Compliance – Investigations and Self-Reporting of Rules Violations • Dr. W. Eugene and Linda Lloyd Veterinary Medical Center 	    	Open Closed Open Closed Open

UNIVERSITY OF NORTHERN IOWA		
• Center for Social and Behavioral Research		Open
• Center for Teaching and Learning Mathematics		Open
• Campus Supply and Warehousing		Open
• Theatre Department		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Fleet Services Closed
- Hematology, Oncology, and Blood & Marrow Transplantation Audit Closed
- UIHC Project Art Audit Closed
- University of Iowa Alumni Association Closed
- Anatomy and Cell Biology (Deeded Body Program) Closed
- Grade Entry and Grade Changes Closed
- Division of Pulmonary Medicine Closed
- MAUI Billing Closed
- Observation Patient Status – Revenue Loss Audit Closed
- University Surplus Closed
- Bioengineering Closed
- Biology Information Technology Closed
- College of Pharmacy Closed
- Pain Medicine Clinic Closed
- Centralized Management of Scheduling Program (CMSP) Audit Closed
- Surgery Preauthorization Closed
- Public Policy Center Closed
- Office of Admissions Closed

IOWA STATE UNIVERSITY

- Department of Biomedical Sciences Closed
- NCAA Compliance – Governance and Organization Closed
- Velocity Security Management System Closed
- Institute for Transportation Closed

UNIVERSITY OF NORTHERN IOWA

- Athletic Travel Closed
- Physical Plant Administration Closed
- Emeritus Controls Closed
- Study Abroad Center Closed
- Centers Administration Closed
- Counseling Center Closed

CONTROLS/EFFICIENCIES ASSESSMENT (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 easily OR • Could result in improved efficiency or effectiveness of operations OR • No reportable observations or corrective action taken prior to report issuance.

The internal auditors have utilized the colors for the CEA in evaluating each overall audit report.



**The University of Iowa
Center for Digestive Disease Charge Capture**

Issued September 8, 2015

Status: Closed

The Center for Digestive Disease Charge Capture limited scoped audit was to examine the center's charge capture processes since the implementation of the University of Iowa Health Care's new Epic billing system. There were no significant findings noted. The audit is now closed.



**The University of Iowa
Controlled Substances in Laboratories**

Issued September 8, 2015

Status: Open

The Controlled Substances in Laboratories audit was performed to examine the controls and processes regarding the physical security and record keeping of controlled substances. Audit recommendations include establishment of authority over controlled substances regulatory compliance, enforcement of inventory and record keeping regulations, improvement of policies and procedures, correction of storage location addresses on DEA licenses, enhancement of information on internal purchase requisitions. Management expects to complete its action plan by June 2016.



The University of Iowa
UIHC Department of Engineering Services

Issued September 8, 2015

Status: Open

The Department of Engineering Services audit was performed to examine the operations for reasonable internal controls and processes. Primary audit recommendations included implementing a technology solution to make work orders tracking more accurate, assessing billing rates, improving Medical Instruments Shop operational process, conducting inventory count on parts and tools of high value and strengthening physical access controls on inventory. Management expects to complete its action plan by February 2016.



The University of Iowa
Iowa Lakeside Laboratory Regents Resource Center

Issued September 8, 2015

Status: Open

The mission of the Iowa Lakeside Laboratory Regents Resource Center (ILLRRC) is to provide science classes and research opportunities to university students and to offer outreach programs and provide services through state universities. The ILLRRC is owned by the state of Iowa and operated through the Board of Regents. Administratively, the lab is operated through the University of Iowa as a department within the Division of Continuing Education. Audit recommendations include strengthening the background check process for volunteers participating in youth camps, creating reminders to ensure at least one staff member has active CPR certification, clarifying room and board scholarship guidelines, and reviewing instructor FERPA training compliance. Management expects to complete its action plan by November 2015.



The University of Iowa
Public Policy Center

Issued September 8, 2015

Status: Open

The Public Policy Center (PPC) is an interdisciplinary academic research center focusing research efforts on the following five areas: Environmental, Health, Transportation and Vehicle Safety, Social Science and Education, and Politics. The PPC also has a specialized service facility within the department which provides data collection, consulting, and grant development support services. Audit recommendations include obtaining proper documentation and certification of time and effort reporting for federally funded awards, implementing physical safeguards for sensitive data, ensuring user access is appropriately assigned, increasing billing frequency of service center projects, documenting a disaster recovery / business continuity plan, monitoring HIPAA and FERPA training for completion, and ensuring travel and Pcard expenditures are properly approved. Management expects to complete its action plan by November 2015.



The University of Iowa
School of Art and Art History

Issued September 8, 2015

Status: Open

The School of Art and Art History offers bachelors, masters, and doctorate degrees. 652 undergraduate and 95 graduate students were pursuing degrees at the beginning of the 2015 academic year. Primary audit recommendations included strengthening controls related to equipment loaned and sold to students, increased oversight of equipment issued to staff members, increased monitoring of safety precautions, and documenting a backup plan for a critical application. Management expects to complete its action plans by January 2016.



**The University of Iowa
NCAA Certification of Compliance**

Issued October 12, 2015

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to institutional eligibility. No findings were identified and the audit is closed.



**The University of Iowa
Anesthesia**

Issued November 12, 2015

Status: Open

The Anesthesia audit was performed to examine the operations for reasonable internal controls and processes, including a review of controls over controlled substances in the Main Operating Room and Ambulatory Surgery Center. Audit recommendations included increased controlled substance monitoring and controls, improved departmental server controls, HIPAA/TB compliance, and addressing coding questions raised by the Joint Office of Compliance. Management expects to complete its action plan by February 2016.



**The University of Iowa
Internal Medicine**

Issued November 12, 2015

Status: Open

The Department of Internal Medicine audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include developing processes for management of physical access to departmental facilities, improving non clinical cash handling procedures, and enforcing compliance with required HIPAA training and TB screenings. Management expects to complete its action plan by January 2016.



**The University of Iowa
NCAA Complimentary Admissions and Ticket Benefits**

Issued November 12, 2015

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to extra benefits, specifically complimentary admissions and ticket benefits. No findings were identified and the audit is closed.



**The University of Iowa
Sociology Information Technology**

Issued November 12, 2015

Status: Open

The Department of Sociology supports over 100 departmental computers which are used by students, staff, and faculty. The audit focused on inventory, infrastructure, and computer management solutions. Recommendations include removing inappropriate access to network shared drives and local computer administrators, documenting all information technology assets, running departmental wide sensitive data scans, and creating disaster recovery documentation. Management expects to complete their action plans by December 2015.



The University of Iowa
The University Club

Issued November 12, 2015

Status: Open

The University Club, formerly known as the University Athletic Club, was purchased by the University of Iowa on December 17, 2008, to replace event space lost due to flooding of the Iowa Memorial Union earlier that year. The University Club operates as a social club and event center for 517 members and their families as well as allowing university departments and the general public access to event space and banquet rooms. Revenue generated over the past two fiscal years was approximately \$1.38 million per year. Primary recommendations include ensuring user access and transactions within the Point of Sale (POS) system are appropriately managed, implementing controls to properly and accurately reconcile revenue for luncheons and event parking, and increasing staffing levels for inventory counts. Management expects to complete its action plans by January 2016.



The University of Iowa
UIHC Cash Handling

Issued November 12, 2015

Status: Open

The UIHC Cash Handling audit was performed to evaluate controls over cash handling in UIHC clinical sites and auxiliary and service units. Primary audit recommendations include requiring segregation of duties, eliminating shared cash boxes and ensuring cash handling and Payment Card Industry compliance throughout UIHC. Management expects to complete its action plan by June 2016.



The University of Iowa
Heart and Vascular Center

Issued December 9, 2015

Status: Open

The Heart and Vascular Center audit was performed to examine the business operations for reasonable internal controls and processes. Audit recommendations include reviewing the financial model/sharing agreement and adjusting it as needed, reviewing and updating workflow paths, ensuring timely procurement card reconciliations, and having appropriate approval levels for travel vouchers. Management expects to complete its action plan by June 2016.



The University of Iowa
NCAA General Compliance

Issued December 9, 2015

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to NCAA Bylaw 2.1 – The Principles of Institutional Control and Responsibility and Bylaw 2.8.1 – Responsibility of the Institution. No findings were identified and the audit is closed.



The University of Iowa
Office of the President

Issued December 9, 2015

Status: Open

The Office of the President audit was performed to provide reasonable assurance of compliance with the policies and procedures established by the University of Iowa and the Board of Regents. Recommendations included maintaining a central log of cash payments received, improving the timeliness of the review of financial transaction reports, updating the inventory listing of technology equipment, consolidating unrestricted gift accounts into a single account to simplify the accounting processes, and documenting work arrangements for staff with teaching appointments. Management expects to complete its action plans by the start of the third quarter of FY 2016.



**The University of Iowa
State Hygienic Laboratory**

Issued December 9, 2015

Status: Open

The State Hygienic Laboratory (SHL) at the University of Iowa is one of the two state public health laboratories in the nation housed by law within the state's university system. On average, the SHL performs over 570,000 public health analyses per year related to disease detection and environmental health monitoring. Primary audit recommendations included documenting and reviewing cost analyses for laboratory tests on an annual basis to ensure appropriate rates are set, determine root causes of extended laboratory test turnaround times, migrating manual billing processes to automated systems, and creating standard operating procedures for the billing process. Management indicates its action plans will be complete by July 2016.



**Iowa State University
Department of Residence**

Issued August 25, 2015

Status: Open

The Department of Residence (DOR) provides on-campus housing for over 12,000 students. DOR's Facilities Services unit, which carries out maintenance, remodeling, and renovation work, has been using a system referred to as "TMA" to manage maintenance operations. In July 2015, DOR migrated from TMA, a traditional server and application based software, to WebTMA, a software as a service solution through which the system is accessible to users from web-browsers anywhere. Implementing the audit recommendations will ensure that the software, as a service provided by TMA Systems, is clearly defined as well as bolster both physical and logical access controls. Internal Audit will conduct a follow-up review in the second quarter of FY 2016.



**Iowa State University
NCAA Compliance – Financial Aid Administration**

Issued August 25, 2015

Status: Closed

The audit was performed to evaluate the policies and procedures in place to effectively administer and monitor student-athlete financial aid in accordance with NCAA bylaws. Based on audit testing, controls are in place to effectively administer and monitor student-athlete financial aid. No reportable issues were identified and this audit is closed.



**Iowa State University
ISU Research and Demonstration Farms**

Issued January 5, 2016

Status: Open

ISU Research and Demonstration Farms is an administrative unit of the College of Agricultural and Life Sciences (CALs). CALs provides the staff and equipment to perform research on the farms. Farms charge user fees for plots of land used in research work in addition to selling livestock and crops to an array of academic departments and centers within CALs, as well as to external customers. Approximately 15,000 people visit the farms every year to observe research projects in progress. Implementing audit recommendations will help ensure cash is handled responsibly, reporting of livestock inventory is accurate, and tracking of non-capitalized farm equipment is adequate. Internal Audit will conduct a follow-up review in the third quarter of FY 2016.



**Iowa State University
NCAA Compliance – Investigations and Self-Reporting of Rules Violations**

Issued January 5, 2016

Status: Closed

The audit was performed to evaluate the university's policies and procedures concerning investigations and self-reporting of potential NCAA rules violations. Based on audit testing, the university has documented policies and procedures regarding investigations and self-reporting of rules violations. No reportable issues were identified and this audit is closed.



**Iowa State University
Dr. W. Eugene and Linda Lloyd Veterinary Medical Center**

Issued January 5, 2016

Status: Open

The Dr. W. Eugene and Linda Lloyd Veterinary Medical Center (LVMC) is a large and small animal teaching hospital providing general and specialized patient care. Implementing audit recommendations will provide additional oversight regarding the completion of medical records and the documentation of client and referring veterinarian communication, help assure the LVMC collects proper revenue for services performed, and bolster controls in the hospital pharmacy. Additionally, recommendations will ensure plans are in place to safeguard human and animal life in the event of a disaster, and controls are in place to keep sensitive and confidential information protected. Internal Audit will conduct a follow-up review in the second quarter of fiscal year 2017 to assess management's progress in implementing the action plans.



**University of Northern Iowa
Center for Social and Behavioral Research**

Issued September 14, 2015

Status: Open

UNI's Center for Social and Behavioral Research was founded in 1967 as an applied research organization. Services include quantitative and qualitative study designs, sampling, survey and evaluation instrument development, data collection and analysis, and results reporting. The Center is funded with general fund support, sponsored projects, sponsored program incentive funding, and fixed price contract residuals. Audit recommendations focused on improving financial planning and spending and sponsored program operational controls. Management expects to complete the action plans by February 2016.



**University of Northern Iowa
Center for Teaching and Learning Mathematics**

Issued September 14, 2015

Status: Open

The University of Northern Iowa Center for Teaching and Learning Mathematics was established in 2007 to apply and integrate continuous research, development, and implementation in learning experiences for all ages of students. The center seeks to support teachers through professional development and provide resources to after-school education providers and families for learning outside of school. Audit recommendations focused on operational controls and financial management within the clinic. Management expects to complete their action plans by May 2016.



**University of Northern Iowa
Campus Supply and Warehousing**

Issued October 30, 2015

Status: Open

Campus Supply and Warehousing is an operational unit within the Physical Plant at the University of Northern Iowa. The unit maintains an inventory of office paper, cleaning supplies, and miscellaneous office and building supplies that are available to be ordered by university departments. Campus Supply and Warehousing also manages the surplus property store for items usually sold for \$100 or less to the public. The store is open for sales on the first and third Thursdays of each month. Audit recommendations focused on operational controls for supply contracting and warehouse safety and security. Management expects to complete the action plans by February 2016.



**University of Northern Iowa
Theatre Department**

Issued December 17, 2015

Status: Open

The University of Northern Iowa Theatre Department has been involved in theatre performances since 1878. In addition to hosting a variety of special events and guest artists, the Theatre Department annually produces four to six stage productions and has three performance spaces located in the Strayer-Wood Theatre building. Audit recommendations focused on operational controls over accounts receivable and inventory within the department. Management expects to complete their action plans by October 2016.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Communication Sciences and Disorders	Jan 15, 2015	Aug 2015		
2. Residence Hall Security	June 29, 2015	Sept 2015		
3. EPIC Beaker	June 29, 2015	Sept 2015		
4. Voalte	Mar 25, 2015	Sept 2015		
5. Finance and Business Information Services IT	July 28, 2015	Oct 2015		
6. OptiFlex	Jan 15, 2015	Oct 2015		
7. UIHC Safety and Security	June 29, 2015	Jan 2016		
8. Flexible Benefits	June 29, 2015	Feb 2016		
9. Bowen Science Building Information Technology	Sept 23, 2014	Feb 2016		
10. Centralized Coding	July 28, 2015	Sept 2016		
11. Dual Degree Program	July 28, 2015	Oct 2016		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
12. College of Business	Feb 16, 2015	Sept 2015		
13. College of Engineering	July 14, 2015	Jan 2016		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
14. Center for Multicultural Education	July 8, 2016	Dec 2015		
15. Metal Casting Center	Mar 23, 2015	Jan 2016		
16. Speech and Hearing Clinic	July 8, 2015	June 2016		

Follow-Up Legend

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