

Contact: Todd Stewart

**INTERNAL AUDIT REPORTS**

**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		
• NCAA – Student-Athlete Employment		Closed
• Pandemic Preparedness – UI Health Care Business Processes		Open
• Student Activity Fees		Open
• Shared Campus Active Directory Forest		Open
• NCAA – Financial Aid		Closed
• Copyright Management		Open
• GLBA/FERPA Compliance		Open
• UIHC Environmental and Guest Services		Open
IOWA STATE UNIVERSITY		
• Human Subjects in Research		Open
• Department of Public Safety Police Division – Fiscal Activities		Closed
UNIVERSITY OF NORTHERN IOWA		
• Physical Plant Job Cost System Efficiency		Open
• Recharge Centers Rate Compliance Improvement		Open
• University Spending Controls		Open

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

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

• Postseason Athletic Participation (Outback Bowl)	Closed
• Iowa Memorial Union Food Services & Residential Dining	Closed
• University of Iowa Physicians	Closed
• University Hygienic Lab	Closed
• Speech Pathology and Audiology	Closed
• Intercollegiate Athletics Department	Closed
• Carver College of Medicine – Research Data Security	Closed

- UIHC Access Security Closed
  - UI Health Care Integrated Call Center Closed
  - ITS Telecom Closet Physical Security Closed
  - Department of Obstetrics and Gynecology Closed
  - UIHC Patient and Staff Safety Closed
- IOWA STATE UNIVERSITY
- No Submissions
- UNIVERSITY OF NORTHERN IOWA
- UNItix Operations Closed

**ASSESSMENT OF CONTROLS / EFFICIENCIES (CEA)**

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

*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  
NCAA – Student-Athlete Employment**

*Issued February 12, 2009*

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) legislation. This audit was performed as part of the audit plan for fiscal year 2009 to fulfill the portion of the NCAA's requirement related to student-athlete employment. Analysis of these processes revealed that the Athletics Department has controls in place to monitor and account for student-athlete employment in accordance with the NCAA, and no reportable conditions were noted. This audit is closed.



**The University of Iowa  
Pandemic Preparedness – UI Health Care Business Processes**

*Issued February 12, 2009*

Status: Open

UIHC Administration requested an audit of the business processes that would affect the revenue cycle during a pandemic event. The objective of the audit was to provide reasonable assurance that the Joint Office for Patient Financial Services (JOPFS) had processes and internal controls in place to capture patient information critical to the UI Health Care revenue cycle. Pandemic preparedness plans for the revenue cycle processes, including those processes implemented subsequent to the June 2008 disaster simulation and the Flood of 2008, were reviewed. Audit findings were that JOPFS should complete and document the unfinished portions of their pandemic preparedness governance structure, communication should be strengthened between the Hospital Emergency Incident Command System (HEICS) Finance Section Chief and the Director of JOPFS, and JOPFS should conduct a tabletop exercise to further refine their processes. Management agrees with the findings and expects to complete their action plans by May 2009.



**The University of Iowa  
Student Activity Fees**

*Issued February 12, 2009*

Status: Open

The University President requested an audit of the student activity fees process to assess the adequacy of operational controls in place. Primary findings include formalizing the university's surplus student activity fees policy, implementing accounting changes to clarify university practices, and improving the communication between student government and the Division of Student Services. The Assistant Vice President has dedicated a significant amount of effort and resources to address these issues and expects to complete their action by June 2009.



**The University of Iowa  
Shared Campus Active Directory Forest**

*Issued February 12, 2009*

Status: Open

Domain Controller security and user account management within the shared campus Active Directory (uiowa.edu) forest was the focus of this audit. Primary findings included lack of local IPsec rules limiting traffic to domain controllers from off campus, antivirus not installed on some domain controllers, unnecessary services running on domain controllers, domain controllers not physically separated for business continuation purposes, inconsistent system event tracking and security log retention schedules on domain controllers, user accounts with weaker than desired or non-expiring passwords, and user accounts remaining in security groups after termination of employment. Management agrees with the findings and expects to complete their action plan by June 30, 2009.



**The University of Iowa  
NCAA – Financial Aid**

*Issued April 1, 2009*

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) legislation. This audit was performed as part of the audit plan for fiscal year 2009 to fulfill the portion of the NCAA's requirement related to financial aid. Analysis of these processes revealed that the Athletics Department has controls in place to monitor and account for student-athlete financial aid in accordance with the NCAA, and no reportable conditions were noted. This audit is closed.



**The University of Iowa  
Copyright Management**

*Issued April 1, 2009*

Status: Open

The General Counsel's Office requested an audit of copyright management. Recommendations were made to form a task force which would be assigned to determine the area that will be assigned the responsibility of copyright compliance. General Counsel will assist the task force in drafting policy regarding the use of copyrighted material. This policy will be submitted to Finance and Operations for inclusion in the Operations Manual and notification will be sent out to faculty, staff, and students regarding the new policy. Members of the task will charge the area deemed to be responsible to create a website dedicated to providing tools to assist faculty, staff, and students in the use of copyrighted materials. This website address will be communicated to all parties. Management agrees with the findings and expects to complete their action plans by December 31, 2009.



**The University of Iowa  
GLBA/FERPA Compliance**

*Issued April 1, 2009*

Status: Open

This audit was performed as part of the fiscal year 2009 audit plan. The primary objective of the audit was to provide reasonable assurance that the university's policies and procedures adhere to GLBA and FERPA standards. Principal findings include changing the university's telephone request policy to adhere to FERPA regulations, monitoring the users with access to FERPA protected data, and the release of protected information to third parties, verifying that all users with access to FERPA protected data have completed training or certified that they are aware of FERPA and agree to abide by it, monitoring business owners that house GLBA protected data, and formalizing the university's entity wide risk assessment policy. The University Registrar and the University IT Security Officer have dedicated a significant amount of effort and resources to address these issues and expect to mitigate the risk exposure by July 2010.



**The University of Iowa  
UIHC Environmental and Guest Services**

*Issued April 1, 2009*

Status: Open

UIHC Administration requested an audit of the business processes for the housekeeping and the auxiliary customer services components of UIHC Environmental and Guest Services. The business processes reviewed included asset and inventory management, information systems, human resources, financial management and accounting, cash-handling procedures, and Rossi Guest House operations. Audit recommendations included performing a cost/benefit analysis of an underutilized warehouse operation whose lease is up for renewal by June 30, 2009, documentation and cross-training for maintenance processes, and downtime procedures for specific information systems applications; room inspections that are not being performed in compliance with internal quality assurance standards, and overdue performance reviews. Management agrees with the findings and expects to complete their action plans by July 2009.



**Iowa State University  
Human Subjects in Research**

*Issued March 4, 2009*

Status: Open

The audit was performed as part of the FY 2009 audit plan to evaluate controls over protocol submission, review, and approval; post approval monitoring; adverse event reporting; and non-compliance procedures. The adequacy of human subjects training and resources was also reviewed. Findings included lack of a project management timeline for the implementation of the human subjects post approval monitoring program, additional guidance needed for the determination of unanticipated problem and adverse event reporting, and improvements needed to the Office of Research Assurance's website to make it more user-friendly. Management expects to complete actions plans by March 2010.



**Iowa State University  
Department of Public Safety Police Division – Fiscal Activities**

*Issued March 25, 2009*

Status: Closed

This audit was requested by the Department of Public Safety Director in order to comply with the Commission on Accreditation for Law Enforcement Agencies (CALEA) standard requiring an independent audit of fiscal activities as part of the Police Division's accreditation process. The audit included determining whether the Police Division has adequate internal controls for the following fiscal activities: cash handling, expenditures, hourly timekeeping, and vacation and sick leave. The audit also addressed whether Police Division procedures are consistent with the CALEA standards for fiscal management. No reportable observations were noted.



**University of Northern Iowa  
Physical Plant Job Cost System Efficiency**

*Issued April 21, 2009*

Status: Open

The Physical Plant Job Cost System Efficiency Process affects several departments on campus and was performed to evaluate the Physical Plant job costing process for reasonable internal controls and compliance with policies, procedures, laws, and regulations. Audit findings include supporting and authorizing all job cost journal entries; developing, implementing, recording, and approving a job cost calculation based on actual expenditures; and providing an accounting for job budgets. Management agrees with the findings and expects to complete their action plan by November 2009.



**University of Northern Iowa  
Recharge Centers Rate Compliance Improvement**

*Issued April 21, 2009*

Status: Open

The Recharge Centers Rate Compliance Improvement audit was performed to examine service fees re-charged by university departments for improvement to university-wide procedures and compliance with Federal OMB Circular A-21. Audit findings include establishing a policy for recharge centers and a process for calculating, reviewing, approving, and applying accurate and supported recharge rates. Management agrees with the findings and expects to complete their action plan by December 2009.



**University of Northern Iowa  
University Spending Controls**

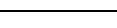
*Issued April 21, 2009*

Status: Open

The University Spending Controls audit was performed to identify and evaluate internal controls in the financial information system and its corresponding external processes for improvements to reduce and/or stop deficit cash spending from non general fund accounts. Audit findings include eliminating current cash deficits, developing a deficit elimination process, and informing the university community to monitor non general fund accounts to avoid deficit spending. Management agrees with the findings and expects to complete their action plan by December 2009.

**STATUS OF AUDIT FOLLOW-UPS**

**University of Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
1. University Box Office	May 16, 2008	Oct 2008		
2. National Advanced Driving Simulator (NADS)	Sept 12, 2008	Jan 2009		
3. Student Course Fees	Oct 6, 2008	Feb 2009		
4. Controlled Substances	Jan 9, 2009	Jun 2009		
5. UI Health Care Criminal Background Checks	Dec 18, 2008	July 2009		
6. UI Health Care – EPIC Security	Oct 6, 2008	Aug 2009		
7. Conflict of Interest – Vendors/Extramural Activities	May 16, 2008	Sept 2009		
8. Joint Office for Clinical Outreach Services	Sept 12, 2008	Oct 2009		
9. Blanket Purchase Orders	Oct 6, 2008	Nov 2009		
10. Human Subjects Office Process Review	Feb 11, 2008	Jan 2010		
11. Research Compliance: Cost Transfers	Dec 18, 2008	Aug 2010		
12. Patent Policy Compliance	Nov 6, 2008	Nov 2010		

**Iowa State University**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
13. Building Access Services – Access Cards	Jan 16, 2008	Jun 2008		
14. Biosafety – Select Agents	Jun 16, 2008	Apr 2009		
15. Veterinary Diagnostic Laboratory	Jan 12, 2009	Apr 2009		
16. Building Access Services – Key Control & Access	Jan 12, 2009	Feb 2010		

**University of Northern Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
17. Hong Kong MBA Program	Jul 15, 2008	May 2009		
18. Central Revenue Processes	Oct 7, 2008	May 2009		
19. Athletic Ticket Sales	Dec 19, 2008	July 2009		
20. Price Laboratory School Fees	Dec 19, 2008	July 2009		

**Follow-Up Legend**

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