









Contact: Todd Stewart

**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                                 |   |        |
| • Department of Internal Medicine Administration   |    | Closed |
| • Sexual Harassment Policy                         |    | Open   |
| • EPIC Cardiant                                    |    | Open   |
| • International Programs – Office for Study Abroad |    | Open   |
| IOWA STATE UNIVERSITY                              |   |        |
| • ISU Dining                                       |    | Open   |
| • Thielen Student Health Center                    |   | Open   |
| UNIVERSITY OF NORTHERN IOWA                        |   |        |
| • Applicable Credits and Program Income            |  | Open   |
| • Procurement Card                                 |  | Open   |

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

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

|   |        |
|---|--------|
| • Department of Psychology Information Technology | Closed |
| • UIHC Construction                               | Closed |
| • Hospital Supply Chain                           | Closed |
| • Blanket Purchase Orders                         | Closed |
| • HIPAA Security Regulations Compliance           | Closed |
| • Copyright Management                            | Closed |
| • UIHC Workflow Processes                         | Closed |





IOWA STATE UNIVERSITY

|   |        |
|---|--------|
| • Building Access Services – Key Control & Access | Closed |
| • Construction Change Requests                    | Closed |
| • Employee Expense Reimbursements - Non Travel    | Closed |
| • Intellectual Property and Technology Transfer   | Closed |

UNIVERSITY OF NORTHERN IOWA

|   |        |
|---|--------|
| • Athletics Cash, Gift, and Tradeout Handling | Closed |
| • University Spending Controls                | 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  
Department of Internal Medicine Administration**  
*Issued March 10, 2010*

Status: Closed

The Department of Internal Medicine is the largest clinical department at the University of Iowa Hospital and Clinics with income over \$122 million in FY 2009. The department includes twelve sub-specialty divisions that provided care for over 108,000 outpatient visits and 13,000 admitted patients during fiscal year 2009. The Department developed a centralized administration division that organizes and controls department operations and activities. The objectives of the audit were to provide reasonable assurance that Administration business processes and internal controls are in place and operating as intended, ensure proper accounting of all related activity, and assist management in identifying areas of risk. No material audit findings or weaknesses were noted during completion of the audit. This audit is closed.



**The University of Iowa  
Sexual Harassment Policy**  
*Issued March 10, 2010*

Status: Open

This audit was to assess progress with the President's action plan related to sexual harassment on campus, as well as the processes in place to administer policy changes. Principal findings include adopting and communicating a formal timeline for the Sexual Harassment Policy revision project, formalizing centralized oversight of the new Sexual Harassment Policy, and defining responsibilities for departments with a significant role in administering the new Sexual Harassment Policy, and developing reports to monitor compliance for the three year refresher course requirement included in the Sexual Harassment Prevention Education mandate. The Office of the President and the Office of Equal Opportunity and Diversity have dedicated a significant amount of effort and resources to address these issues and expect to conclude their action plan by October 2010.



**The University of Iowa  
EPIC Cardiant**  
*Issued April 5, 2010*

Status: Open

The audit was performed to provide reasonable assurance that controls are in place and working as intended so that 1) Cath Lab procedures are appropriately documented, and the billing for procedures is consistent, timely, and accurate and 2) The EPIC Cardiant system and other UI Heart and Vascular systems have appropriate safeguards and controls. Primary findings include missed billings, inadequate monitoring of billing staff, and inadequate documentation of patient vitals according to hospital policy. Management expects to complete their action plan by September 2010.



**The University of Iowa  
International Programs – Office for Study Abroad**  
*Issued April 5, 2010*

Status: Open

This audit was performed in order to evaluate the adequacy of operational procedures and internal controls of significant business processes within International Programs, specifically, Office for Study Abroad (OfSA). Principal findings center on: developing a centralized registry to collect information on any university sponsored person traveling abroad; creating policy requiring program participants to submit defined critical documentation prior to travel; empowering OfSA with the development and authority to carryout standardized procedures, including defined consequences for noncompliance; creating a Scholarship Committee Charter, including member makeup, procedures, and criteria to be used to allocate awards; and performing an annual review/update of OfSA provided forms. Management expects to complete their action plan by December 31, 2010.



**Iowa State University  
ISU Dining**

*Issued February 18, 2010*

Status: Open

The audit scope was limited to ISU Dining's food stores and catering operations. Audit objectives included verifying that appropriate and adequate controls exist to ensure that food store's inventory is properly managed and secured and that adequate control exist for catering's financial operations. Audit recommendations for catering included implementing procedures to ensure complete, accurate and timely billing for events, taking steps to better protect customer credit card information, restricting user access levels in the catering system, and establishing a consistent record retention policy. Management expects to complete their action plan by April 2010.



**Iowa State University  
Thielen Student Health Center**

*Issued March 30, 2010*

Status: Open

The purpose of the audit was to evaluate the controls and processes for the TSHC clinic and pharmacy revenue cycles and the information system controls for NextGen, a healthcare information system. Audit recommendations included reviewing the pharmacy pricing, evaluating employee access rights to NextGen, implementing NextGen activity monitoring, updating NextGen active users, and formalizing a physical therapy agreement with the Athletic Department. Management expects to complete the action plan by December 31, 2010.



**University of Northern Iowa  
Applicable Credits and Program Income**

*Issued April 2, 2010*

Status: Open

The Applicable Credits and Program Income audit was performed to examine internal controls over applicable credits and program income for reasonable assurance the university is in compliance with OMB Circular A-21 and other federal regulations. Audit findings include documenting guidance within the university's website, periodically reviewing for program income, monitoring and handling negative expense deposits, including fringe benefit credits in the fringe benefit rate calculations, and allocating revenue sharing to the original grant account when it paid for the Continuing Education course. Management expects to complete their action plan by September 2010.



**University of Northern Iowa  
Procurement Card**



















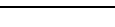
*Issued April 2, 2010*

Status: Open





The Procurement Card audit was performed to evaluate the procurement card process for reasonable controls, policies, and processes, especially for high dollar users and misuse within research and special projects. Audit findings include reviewing procurement card policies, procedures, training and agreements for consistency, requiring approver guidance and training, assuring there is a periodic high level review of procurement card activity, determining adequate controls exist for the purchase and distribution of gift cards, and maintaining control over assets. Management expects to complete their action plan by September 2010.

**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. Human Subjects Office Process Review   | Feb 11, 2008       | Jan 2010                       |                               |    |
| 2. University Surplus Processes   | Jun 30, 2009       | Jan 2010                       |                               |    |
| 3. IIHR-Hydrosience & Engineering Active Directory Review   | Nov 10, 2009       | Jan 2010                       |                               |    |
| 4. University Bookstore – Apple Merchandise   | Aug 7, 2009        | Feb 2010                       |                               |    |
| 5. Broadcasting Services Active Directory Review  | Nov 10, 2009       | Mar 2010                       |                               |    |
| 6. Prepaid Patient Services   | Dec 16, 2009       | Apr 2010                       |                               |    |
| 7. Main Operating Room Billing Process  | Sept 3, 2009       | May 2010                       |                               |    |
| 8. Facilities Management – Construction Change Orders   | Jan 13, 2010       | May 2010                       |                               |    |
| 9. College of Pharmacy Business Processes   | Sept 3, 2009       | Jun 2010                       |                               |  |
| 10. UI Health Care Finance and Accounting Services  | Nov 10, 2009       | Jul 2010                       |                               |  |
| 11. UIHC Patient Elopement  | Nov 10, 2009       | Jul 2010                       |                               |  |
| 12. University of Iowa Alumni Association   | Nov 10, 2009       | Jul 2010                       |                               |  |
| 13. Research Compliance: Cost Transfers   | Dec 18, 2008       | Aug 2010                       |                               |  |
| 14. GLBA/FERPA Compliance   | Apr 1, 2009        | Aug 2010                       |                               |  |
| 15. EPIC Software Change Management   | Jan 13, 2010       | Aug 2010                       |                               |  |
| 16. University Benefits   | Jan 13, 2010       | Aug 2010                       |                               |  |
| 17. Mathematics, Statistics and Actuarial Science, and Computer Science Departments Active Directory Review | Nov 10, 2009       | Sept 2010                      |                               |  |
| 18. Cost Sharing  | Dec 16, 2009       | Oct 2010                       |                               |  |
| 19. 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>  |
|--------------------------------|--------------------|--------------------------------|-------------------------------|---|
| 20. Effort Reporting           | Jul 8, 2009        | Feb 2010                       | Jul 2010                      |  |
| 21. Human Subjects in Research | Mar 4, 2009        | Apr 2010                       |                               |  |
| 22. Personnel Actions          | Aug 19, 2009       | Aug 2010                       |                               |  |
| 23. Conflict of Interest       | Oct 13, 2009       | Feb 2011                       |                               |  |

**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>  |
|--|--------------------|--------------------------------|-------------------------------|---|
| 24. Physical Plant Job Cost System Efficiency    | Apr 21, 2009       | Dec 2009                       | Jul 2010                      |    |
| 25. Recharge Centers Rate Compliance Improvement | Apr 21, 2009       | Jan 2010                       |                               |    |
| 26. Conflict of Interest Analysis                | Jun 30, 2009       | Jan 2010                       |                               |  |
| 27. Federal Export Controls                      | Jun 30, 2009       | Feb 2010                       |                               |  |
| 28. Events Complex Business Plan                 | Oct 9, 2009        | Apr 2010                       |                               |  |
| 29. Special Compensation Controls                | Sept 30, 2009      | Jun 2010                       |                               |  |
| 30. Campus Fueling Station Access and Usage      | Dec 14, 2009       | Jun 2010                       |                               |  |
| 31. Study Abroad Programs                        | Dec 14, 2009       | Jul 2010                       |                               |  |
| 32. Telework Arrangements                        | Dec 18, 2009       | Jul 2010                       |                               |  |

**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>   |