

**Audit and Compliance Committee Memorandum**  
Board of Regents, State of Iowa

**Subject:** Internal Audit Reports

**Prepared by:** Andrea Anania

**Date Submitted:** July 21, 2004

---

**Recommended Action:**

1. Receive the following internal audit reports:

UNIVERSITY OF IOWA

University Operations

- Center for Biocatalysis and Bioprocessing
- Iowa School for the Deaf Risk Assessment
- NCAA Equipment and Apparel
- University External Relations Organizational Review
- University HIPAA Compliance
- Workflow Business Process Review

Hospital Operations

- UIHC Construction Management Process Review

IOWA STATE UNIVERSITY

- Employee Medical Benefit Claims
- International Education Services
- NCAA Compliance Financial Aid
- OPPTAG Special Review
- Workers' Compensation

2. Receive the report on the Status of the Internal Audit Follow-up reports, including five follow-up reports.
  3. Discuss proposed format for dashboard report.
- 

**Executive Summary:**

Completed institutional internal audit reports are reported to the Audit and Compliance Committee as required by Board policy.

Twelve new audit reports are presented this month: seven from SUI and five from ISU. Five follow-up reports are presented this month: three from SUI – University Operations and two from UNI. All are closed.

The Status of Internal Audit Follow-Up Table on page 6 identifies 19 internal audit reports, 14 of which require follow-up.

---

---

**Background:**

Internal audits provide appraisals of institutional services to the Board and institutional administrators by measuring and evaluating the effectiveness of financial and managerial controls.

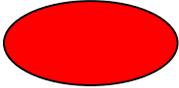
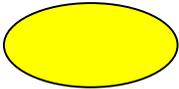
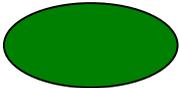
These audits are designed to determine the adequacy of controls and procedures by providing reasonable assurance that assets are properly safeguarded, resources are used economically and efficiently, and compliance is maintained.

The three universities have internal auditors to perform these functions. The University of Iowa internal auditor is responsible for internal audits at the Iowa School for the Deaf. The Iowa State University internal auditor is responsible for internal audits at the Iowa Braille and Sight Saving School.

The Board Office tracks and monitors audit reports indicating a need for corrective action. When all recommendations have been satisfactorily completed, the audits are closed.

---

Dashboard Data	As requested by the Audit and Compliance Committee at its May 2004 meeting, the following proposed format is an initial attempt to summarize internal audit reports utilizing a simplified dashboard approach. It will be used in all future reports.
----------------	---

	<u>Materiality / Criticality</u>	<u>Control Assessment / Efficiencies</u>
<p><b>HIGH</b></p> 	<ul style="list-style-type: none"> <li>• Core institutional process</li> <li>• Law or regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Control deficiencies were detected which result in serious exposures for the institution.</li> <li>• The overall system of internal controls in the area audited is judged unsatisfactory with immediate attention needed to eliminate serious exposures currently prevalent.</li> <li>• Significant costly inefficiencies were detected in the audited area.</li> </ul>
<p><b>MODERATE</b></p> 	<ul style="list-style-type: none"> <li>• Support process</li> <li>• Contract issue</li> </ul>	<ul style="list-style-type: none"> <li>• Controls are operating effectively except in an area or areas where control deficiencies were detected in sufficient magnitude to warrant management's prompt attention.</li> <li>• Overall system of internal controls is adequate, but improvement is needed in several areas as any further deterioration of current controls could lead to serious exposure.</li> <li>• Several inefficiencies were detected in the audited area.</li> </ul>
<p><b>LOW</b></p> 	<ul style="list-style-type: none"> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• The system of controls is functioning as designed and appears to be accomplishing management's objectives.</li> <li>• Controls are functioning as designed with the deficiencies detected generally compensated for by other controls.</li> <li>• Areas were noted where efficiencies could be improved or efficiencies exist.</li> <li>• No recommendations.</li> </ul>

**Internal Audit Reports  
July 21, 2004**

	<u>MATERIALITY/CRITICALITY</u>	<u>CONTROL ASSESSMENT / EFFICIENCIES</u>
<b>UNIVERSITY OF IOWA</b>		
University Operations		
Center for Biocatalysis and Bioprocessing	○	○
Iowa School for the Deaf Risk Assessment	○	○
NCAA Equipment and Apparel	○	○
University External Relations Organizational Review	○	○
University HIPAA Compliance	○	○
Workflow Business Process Review	○	○
Hospital Operations		
UIHC Construction Management Process Review	○	○
<b>IOWA STATE UNIVERSITY</b>		
Employee Medical Benefit Claims	○	○
International Education Services	○	○
NCAA Compliance Financial Aid	○	○
OPPTAG Special Review	○	○
Workers' Compensation	○	○

	<b>Follow-Up Issues</b>
	<ul style="list-style-type: none"> <li>• Follow-up report not completed within originally planned timeframe and more than one year overdue from originally planned completion timeframe.</li> </ul>
	<ul style="list-style-type: none"> <li>• Follow-up report not completed within originally planned timeframe.</li> <li>• Original audit issues not resolved at the time of the follow-up report.</li> </ul>
	<ul style="list-style-type: none"> <li>• Follow-up report completed as originally planned and all issues resolved.</li> </ul>
	<ul style="list-style-type: none"> <li>• Follow-up report not yet due.</li> </ul>

**Status of Internal Audit Follow-Up  
July 21, 2004**

**University of Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Follow-Up Status</b>	<b>Expected Completion</b>	<b>Timeliness</b>
1. Contractual Adjustments (UIHC)	Jan 27, 2003	Audit closed. (Page 28).	Closed	<input type="checkbox"/>
2. Information Technology Security Risk Assessment (SUI)	Oct 17, 2003	Audit closed. (Page 27).	Closed	<input type="checkbox"/>
3. Review of Campus-Wide Expenditures for Business Purpose Events (SUI)	Sep 22, 2003	Audit closed. (Page 26).	Closed	<input type="checkbox"/>
4. NCAA Compliance – Complimentary Admissions (SUI)	Dec 18, 2003 Mar 26, 2004	Follow-up originally scheduled Apr 2004, then Aug 2004.	Aug 2004	<input type="checkbox"/>
5. HIPAA Privacy Compliance (UIHC)	Jan 26, 2004 Apr 16, 2004	Follow-up originally scheduled Apr 2004, then Aug 2004.	Sep 2004	<input type="checkbox"/>
6. Hospital Mail Room (UIHC)	Feb 13, 2004	Follow-up originally scheduled May 2004.	Aug 2004	<input type="checkbox"/>
7. OIG Exclusion Program (UIHC)	Jan 26, 2004	Follow-up originally scheduled Jun 2004.	Jul 2004	<input type="checkbox"/>
8. Data Backup and Business Continuation Planning (SUI)	Mar 26, 2004	Follow-up originally scheduled Mar 2005.	Mar 2005	<input type="checkbox"/>
9. NCAA Team Travel (SUI)	Apr 16, 2004	Follow-up originally scheduled Jun 2004.	Aug 2004	<input type="checkbox"/>
10. Dialysis Program (UIHC)	Mar 26, 2004	Follow-up originally scheduled Aug 2004.	Sep 2004	<input type="checkbox"/>

**Iowa State University**

<b>Title</b>	<b>Report Date</b>	<b>Follow-Up Status</b>	<b>Expected Completion</b>	<b>Timeliness</b>
11. Conflict of Interest	Aug 7, 2003	Follow-up originally scheduled Jul 2004.	Aug 2004	<input type="checkbox"/>
12. Sponsored Programs	Nov 10, 2003	Follow-up originally scheduled Aug 2004.	Aug 2004	<input type="checkbox"/>
13. Genetics, Development and Cell Biology	Jan 7, 2004	Follow-up originally scheduled May 2004.	Aug 2004	<input type="checkbox"/>

**University of Northern Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Follow-Up Status</b>	<b>Expected Completion</b>	<b>Timeliness</b>
14. Conference and Event Services Follow-up Report	Nov 22, 2002 Sep 26, 2003	Follow-up originally scheduled in Jun 2004.	Dec 2004	<input type="checkbox"/>
15. FY 2003 Cash on Hand Follow-Up Report	Jul 11, 2003 Dec 15, 2003	Audit closed. (Page 31).	Closed	<input type="checkbox"/>
16. Department	Jul 11, 2003	Audit closed. (Pages 29-30).	Closed	<input type="checkbox"/>
17. University-Wide Financial Business Procedures	Feb 16, 2004	Follow-up originally scheduled in Mar 2005.	Mar 2005	<input type="checkbox"/>
18. Campus Supply – Process Review	Apr 14, 2004	Follow-up originally scheduled in Mar 2005.	Mar 2005	<input type="checkbox"/>
19. Transportation Services – Motor Vehicle Usage	Apr 14, 2004	Follow-up originally scheduled in Nov 2004.	Nov 2004	<input type="checkbox"/>

**The University of Iowa – University Operations  
Center for Biocatalysis and Bioprocessing**

Initial Audit Report Issued: May 20, 2004

Audit Remains Open

**Description** The Center for Biocatalysis and Bioprocessing (CBB) supports education, training, and research at the University and serves as a technology transfer resource to the private sector by providing access to extensive biotechnology expertise and by offering a wide variety of fermentation production services. The CBB receives funding from government and private sectors.

**Scope / Objective** Internal auditors performed a comprehensive review of CBB's system of internal controls. Emphasis was given to the following:

- Economic development and entrepreneurial missions of lab;
- Financial contingency planning;
- Succession planning;
- Compliance with internal CBB lab administrative policy and the University's Health Protection Office policy;
- Donation fund activity;
- Space Rental fund activity;
- Contract approvals and amendments in lab operations fund;
- Purchasing/Expenditures;
- Payroll/Personnel;
- Cash Receipts, Revenue and Accounts Receivable;
- Capitalized Equipment;
- Grant and contract management; and
- Information Technology (IT) Security.

Recommendations / Responses	Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
	1. <u>Signature Delegation.</u> Clarify contract signature authority by obtaining written acknowledgement, or by determining the most effective method to process approvals without written acknowledgement.	Management will work to clarify the issue of signature authority and establish standard procedures for contracting.	Internal auditors will determine if signature has been delegated or will verify that the CBB no longer signs their own contracts.
		Implementation Target Date: June 2004	Review: July 2004 Report: Aug 2004

**The University of Iowa – University Operations  
Center for Biocatalysis and Bioprocessing**  
(continued)

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
2. <u>GLP Procedures</u> . Ensure (1) compliance with procedures; (2) availability of current printed manuals; (3) current information is in the logbook; and (4) items which require use of logbooks are specifically indicated.	Management has completed corrective actions on all items.	Internal auditors verified that the manual was updated and the recommendations were implemented.
	Implementation Target Date: Immediately	Item Closed
3. <u>Accounts Receivable</u> . Determine the most efficient method to record receivables in the University financial system.	Management received and completed the necessary worksheets.	Internal auditors will verify complete fiscal year-end recording of receivables.
	Implementation Target Date: June 2004	Review: July 2004 Report: Aug 2004
4. <u>Internal Control</u> . Segregate cash collection, deposit, and billing functions; establish controls for changed or cancelled invoices; establish procedure for written acknowledgment of financial reports review.	Management will establish a cash collection system; assure systematic examination of invoices; and verify review of financial reports.	Internal auditors will verify that controls are properly implemented.
	Implementation Target Date: June 2004	Review: July 2004 Report: Aug 2004
5. <u>Personnel/Payroll</u> . Establish (1) separate medical and recruitment files and (2) procedures to assure correct and complete information is included in all files.	Management will: (1) establish separate medical and recruitment files and (2) assure that correct and complete information is obtained.	Internal auditors will verify that separate files have been established and that file contents comply with policy.
	Implementation Target Date: June 2004	Review: July 2004 Report: Aug 2004
6. <u>IT Security</u> . Establish separate computer login passwords for the lab staff.	Management will establish individual logins for each staff member.	Internal auditors will verify that separate login passwords have been established.
	Implementation Target Date: August 2004	Review: Aug 2004 Report: Aug 2004
7. <u>Grant Administration</u> . Ensure that completed Administration Invention Agreement forms are on file and communicate the document's importance.	Management will assure that completed agreement is on file.	Internal auditors will verify completed Administration Invention Agreement forms.
	Implementation Target Date: May 2004	Review: July 2004 Report: Aug 2004

**University of Iowa – University Operations  
Iowa School for the Deaf – Risk Assessment**

Initial Report Issued: May 20, 2004

Audit Closed

**Description** The Iowa School for the Deaf (ISD) provides educational and support services to deaf and hard of hearing children and youth of the State of Iowa and serves as a leadership and resource role in statewide efforts to meet the needs of these students.

During FY 2004, the School served 137 students, including 13 Nebraska students. The FY 2004 annual budget totaled \$8.7 million.

**Scope / Objective** Internal auditors performed a risk assessment of ISD during FY 2004 to identify potential risk areas. The assessment will help internal auditors plan for detailed reviews over the next several years. The following major operational areas were reviewed: facilities, business office, residence programs, health center, busing, food service, information technology and human resources.

**Recommendations / Responses**

Auditor's Recommendation	Expected Auditor Follow-up
1. <u>Information Technology (IT)</u> . Address weaknesses in the supervision, coordination and expertise of IT personnel.	Internal auditors will closely monitor the effectiveness of the IT function during subsequent visits to ISD.
	Review: Apr 2005 Report: May 2005
2. <u>Enrollment</u> . The decrease of students has prompted ISD to consider expanding its mission to include serving students where hearing impairment is not their primary disability. Study the impact on ISD's educational mission of admitting students who will require added medical care and current law that restricts ISD from directly recruiting potential students to the school.	Internal auditors will monitor enrollment challenges during subsequent visits to ISD.
	Review: Apr 2005 Report: May 2005
3. <u>Security</u> . Consider increasing security measures for resident students on campus by subcontracting a security guard; providing surveillance camera recorders; and updating the Crisis/Emergency Plan.	Internal auditors will review security issues during subsequent visits to ISD.
	Review: Apr 2005 Report: May 2005
4. <u>Teacher Recruitment</u> . Replacing teachers in the future due to retirement will be a challenge. Factors such as the small size of the school, the uniqueness of the skills needed, lack of teacher training programs in Iowa, and its relatively small deaf community contribute to the difficulty in recruiting teachers to ISD.	Internal auditors plan no follow-up review at this time.
	Review: N/A Report: N/A

SUI Internal Audit stated that the Superintendent was receptive to the issues presented and has begun formulating plans to mitigate the identified risks.

**The University of Iowa – University Operations  
NCAA Equipment and Apparel**

Initial Report Issued: June 28, 2004

Audit Remains Open

**Description** As a Division I member of the National Collegiate Athletic Association (NCAA), the University of Iowa is obligated to comply with NCAA rule and regulations. NCAA Article 22.2.1.3 (e) requires member institutions to demonstrate at least once every four years that its rules-compliance program has been evaluated by an authority outside the Athletics Department. This audit was performed to fulfill a portion of the requirement.

**Scope / Objective** The framework for this audit was developed by The Association of College and University Auditors (ACUA). The audit scope included:

- Reviewing job descriptions and annual performance reviews of the four equipment managers;
- Determining if the Athletic Department has written policies and procedures to maintain control of and monitor receipt, distribution, returning, and disposal of student-athletes' equipment and apparel; and
- Testing selected equipment purchases to gain a better understanding of the processes and controls in place to reduce risk of non-compliance.

Recommendations / Responses	Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
	1. <u>Revision to University of Iowa Athletic Policy and Additional Oversight.</u> a. <u>Approval of Purchases.</u> Amend athletic policy to define the pre-approval process allowing coaches to make direct purchases; indicate procedural steps when approaching the budget maximum; and give equipment managers access to budget and competitive equipment accounts.	Management will revise the athletics policy to:  a. Refer to the approved budget and the override process as the approval for allowing coaches to make direct purchases; include the need to obtain approval before spending beyond the budget; and give equipment managers access to competitive equipment accounts.	Internal auditors will verify that corrective actions have been implemented.
		Implementation Target Date: August 15, 2004	Review: Aug 2004 Report: Aug 2004
	b. <u>Student Athlete Apparel Return.</u> Add detailed steps to be taken when items are not returned and the person responsible to initiate the action.	b. Instruct equipment managers to enforce timely notification and billing for missing items and notify the respective coach.	Internal auditors will verify that corrective actions have been implemented.
		Implementation Target Date: June 11, 2004	Review: Jun 2004 Report: Jun 2004
	2. <u>Controls Over Purchases.</u> Add detailed steps to be taken when items are not returned and the person responsible to initiate the action.	Management will revise the athletics policy to instruct equipment room staff to take timely action by enforcing notification and billing for missing items.	Internal auditors will verify that corrective action has been implemented.
		Implementation Target Date: August 15, 2004	Review: Aug 2004 Report: Aug 2004

**University of Iowa – University Operations  
University External Relations Organizational Review**

Initial Report Issued: May 20, 2004

Audit Remains Open

**Description**                    The Office of University Relations (OUR), The University of Iowa Foundation, and the Alumni Association are units that traditionally have corresponded with alumni and other supporters of the University.

During the past fifteen years, various colleges and other programs have created external relations positions that also have the responsibility to communicate with sponsors, alumni and advisory boards directly related to the colleges or programs they represent. These external relations individuals report to the deans or directors of their respective college or program and also coordinate with OUR for all news media interaction and with some publications development.

This proliferation of external relations positions is not unique to The University of Iowa. The vast majority of the fifteen peer institutions surveyed have experienced the same trend toward decentralization.

**Scope / Objective**            The purpose of the review was to identify the:

- Organizational structure;
- Amount and source of financial support;
- Amount and type of communication activity;
- Responsibilities and activities;
- Issues and concerns relating to the University’s external relations environment;
- Level of coordination between OUR and external relations units on campus; and
- Comparison of selected types of activities, level of coordination, and organizational structure to certain peer institutions.

Recommendations / Responses	Auditor’s Recommendation	Management’s Response	Expected Auditor Follow-up
	1. <u>Increase the interaction between OUR and the Collegiate External Relations Group (CERG).</u> OUR and CERG should create a more interactive relationship.	The Director of University Relations will: (1) appoint a staff member to attend the monthly CERG meetings; (2) keep in touch with CERG; (3) re-instate twice-a-year meeting of the Strategic Communications Forum to specifically discuss various current issues and plans; and (4) attempt to consult individually and/or collectively with the Deans.	Internal auditors will follow up on the implementation of the different communications efforts.
		Implementation Target Date: October 2004	Review: Nov 2004 Report: Dec 2004

---

**University of Iowa – University Operations**  
**University HIPAA Compliance**

Initial Audit Report Issued: June 28, 2004

Audit Remains Open

Description

The Health Insurance Portability and Accountability Act (HIPAA) privacy regulations were implemented in April 2003. The federal privacy standards associated with HIPAA were created to protect patients' medical records and other health information provided to health plans, doctors, hospitals and other health care providers. The new standards provide patients with access to their medical records and more control over how personal health information is used and disclosed. The standards represent a uniform, federal floor of privacy protections for consumers across the country.

The University of Iowa has been designated a Hybrid Entity. A hybrid entity is a covered entity whose business activities include both covered and non-covered components. Covered components fall under the HIPAA Privacy Rule and include three categories 1) health plans; 2) health providers; and 3) healthcare clearing houses.

The HIPAA Privacy Rule has four main requirements which are:

1. Training and education;
2. Creation of a Privacy Notice to be given to patients;
3. Creation of Policies and Procedures; and
4. Business Associate agreements.

The University has designated a HIPAA Privacy Officer to ensure that procedures are adopted and followed in all areas of the University. UI Health Care HIPAA compliance is handled by the Joint Office for Compliance.

Scope / Objective

The purpose of this audit was to identify and review processes where HIPAA regulations apply and to verify that:

- Policies and procedures are in place;
- All appropriate University employees have attended HIPAA training;
- SUI employees are compliant with the HIPAA privacy regulations;
- Privacy notices are given when appropriate; and
- Business associate agreements are in place.

The following Colleges and departments were reviewed:

- College of Dentistry;
- College of Pharmacy;
- College of Nursing;
- College of Public Health;
- Research – Institutional Review Board;
- The University Hygienic Laboratory;
- University Staff Benefits;
- The Department of Speech Pathology and Audiology;
- The Department of Psychology; and
- University Athletic Trainers.

**University of Iowa – University Operations  
University HIPAA Compliance**

(continued)

Recommendations / Responses	Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
	1. <u>Training</u> . Ensure that students and staff have attended HIPAA training and are familiar with University policies.	Management will (1) include HIPAA training in orientation for new employees; (2) require departments to identify and train new staff members and document attendance; and (3) implement web-based training.  Implementation Target Date: December 2004	Internal auditors will test training documentation.  Review: Jan 2005 Report: Mar 2005
	2. <u>Privacy Notice</u> . Synchronize data between the patient accounting system and hard copy records; mail privacy notices to every patient; edit system to reflect the activity; reinforce the need to address the notice.	Management will mail privacy notices and provide training to reinforce the need to provide the privacy notice at the time the patient is first seen in the unit.  Implementation Target Date: Dec 2004	Internal auditors will verify corrective action.  Review: Jan 2005 Report: Mar 2005
	3. <u>Address for HIPAA Privacy Officer</u> . Update privacy officer information.	Management will update all forms to reflect the HIPAA privacy officer campus address.  Implementation Target Date: July 2004	Internal auditors will review pertinent forms.  Review: Jan 2005 Report: Mar 2005
	4. <u>Accessibility of PHI</u> . Review access to protected health information (PHI).	The HIPAA privacy officer will work with units to put monitoring tools in place, eliminate access to systems, train staff regarding security of PHI and put into place frequent reminders via newsletters, emails, etc.  Implementation Target Date: December 2004	Internal auditors will verify that the new controls are in place and working as intended.  Review: Jan 2005 Report: Mar 2005
	5. <u>Business Associate Database</u> . Compile business associate agreement database.	The privacy officer will compile a complete database of business associate agreements.  Implementation Target Date: August 2004	Internal auditors will verify that the database exists and is current.  Review: Jan 2005 Report: Mar 2005

**University of Iowa – University Operations  
University HIPAA Compliance**

(continued)

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
<p>6. <u>Covered Versus Non-Covered Components.</u> Evaluate the status of all covered and non-covered components of the University. Keep documentation on file whether a unit should/should not be reclassified.</p>	<p>The HIPAA privacy officer will review the classification of entities under the current hybrid designation and report the methodology used for the new review to upper management. Resulting recommendations will be documented.</p>	<p>Internal auditors will review the documentation and reports.</p>
	<p>Implementation Target Date: December 2004</p>	<p>Review: Jan 2005 Report: Mar 2005</p>
<p>7. <u>HIPAA Committee.</u> Create a committee to advise and support the HIPAA privacy officer.</p>	<p>The HIPAA privacy officer will convene a committee to assist in HIPAA compliance. The committee will meet regularly to discuss current issues.</p>	<p>Internal auditors will attend a committee meeting and read meeting minutes to verify the committee is in place.</p>
	<p>Implementation Target Date: August 2004</p>	<p>Review: Jan 2005 Report: Mar 2005</p>

**University of Iowa – University Operations  
Workflow Business Process Review**

Initial Audit Report Issued: June 28, 2004

**Audit Remains Open**

**Description** Workflow is the process of approving various types of transactions/forms through an electronic routing system. Based on predetermined Workflow paths, these forms can be approved electronically and sent on to the next person on the approval path. After all of the defined approvals have been attached, the form is automatically directed to the applicable central department (e.g. Human Resources) for processing.

The Workflow System was developed internally with the first implementation in December 2002. The System was created in response to many needs campus wide: security of data, limited storage space, form tracking, the need to reduce costs of form processing (time and supplies).

Human Resources (HR) was the first area to process online transactions/forms through the Workflow System. An ongoing effort is being exerted to customize current paper process applications to be implemented for use with the Workflow System. There are numerous applications at various stages of development.

**Scope / Objective** Internal auditors evaluated the adequacy of procedures and internal controls of the Workflow System to ensure:

- Sufficient training was provided to designated Workflow Administrators and Users.
- Proper Workflow path setup, management, and monitoring;
- Proper signature delegation, authorization, and approvals;
- Proper record/document retention at the departmental level;
- Effective and reliable system security and data backup; and
- Customer/user satisfaction, reliability, and efficiency.

System users from a number of University areas, including the UIHC were interviewed. A questionnaire was conducted with representatives from 7 different University Organizations (Orgs) and 15 different departments, for a total of 22 separate reviews. In addition, some of the current transaction system processes were analyzed on a limited basis.

Recommendations / Responses	Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
	1. <u>Workflow Paths</u> . Build logic into the system to allow all departments affected by a transaction to be included in the approval process.	Management will perform a cost/benefit analysis to determine if the benefit outweighs the cost of keeping the system accurate and determine how to proceed once this is identified. Implementation Target Date: October 31, 2004	Internal auditors will review assumptions and documentation of the cost/benefit analysis.  Review: Nov 2004 Report: Nov 2004

**University of Iowa – University Operations  
Workflow Business Process Review**

(continued)

<p>2. <u>System Administration.</u></p> <p>A. Limit administrator rights within the Human Resources (HR) Department; create a method for persons outside HR to have administrator capabilities that does not allow access to an employee's personal information; and document, review, and approve all administrator actions daily.</p> <p>B. Prohibit system developers/ programmers from having administrative rights to the production system.</p>	<p>Management will:</p> <p>A. Remove access from those who are not in the HR and benefits offices; explore a method to track who made changes while using system administrator access; identify a solution; have system administrators responsible for correcting routing errors; and permit administrators outside of HR to fix routing problems in his/her respective area without allowing access to view employee personal information.</p> <p>B. Currently, there is only one system developer that has full access to the production application. The long-term goal is to have this person be strictly system administration. In the short term, it is not feasible to remove this capability. It is necessary to have multiple persons with full access to the production application to cover situations as they arise.</p> <p>Implementation Target Date: A) September 30, 2004  B) Completed</p>	<p>A. Internal auditors concur with action plan and will verify that corrective action has been implemented.</p> <p>B. Management has accepted the risks associated with allowing a system developer to have full access to the production application.</p> <p>A. Review: Nov 2004 Report: Nov 2004 B. No follow-up will be conducted.</p>
<p>3. <u>Interdepartmental Purchases.</u> Require two different departmental signatures and encourage areas to implement requisition-related forms into the Workflow system.</p>	<p>Management will require two different departmental signatures, revise the operations manual, and encourage other areas to utilize the Workflow system.</p> <p>Implementation Target Date: September 30, 2004</p>	<p>Internal auditors will verify that corrective action has been implemented.</p> <p>Review: Nov. 2004 Report: Nov. 2004</p>

---

**The University of Iowa – Hospital Operations  
Construction Management Process**

Initial Audit Report Issued: June 28, 2004

Audit Closed

Description	<p>Internal auditors reviewed processes that occur during a large building construction project at the University of Iowa Hospitals and Clinics (UIHC). The information gathered will help management make decisions regarding organization, development, and staff assignments.</p> <p>The University reports that a review of a specific UIHC construction project will be performed in the next fiscal year.</p>
Scope / Objective	<p>Internal auditors:</p> <ul style="list-style-type: none"><li>• Met with individuals in Capital Management and throughout UIHC involved in large building construction;</li><li>• Prepared detailed flow charts outlining the responsibilities in the various areas with regards to construction processes;</li><li>• Defined methods used to track construction budgeting and costs; and</li><li>• Presented the data to management.</li></ul>
Recommendations / Responses	<p>Internal auditors made no recommendations.</p>

---

**Iowa State University**  
**Employee Medical Benefit Claims**  
Initial Audit Report Issued: June 18, 2004

Audit Remains Open

Description                    The University contracts with two third party administrators (TPAs) to provide a network of physicians, hospitals, and pharmacies for health care goods and services. The following three plans cover medical claim payments for faculty, staff, and supervisory merit employee classifications:

- ISU Indemnity Plan - Wellmark BlueCross BlueShield of Iowa;
- ISU Preferred Provider Organization (PPO) Plan - Wellmark BlueCross BlueShield of Iowa; and
- ISU Health Maintenance Organization (HMO) Plan - Health Alliance Medical Plans, Inc.

Scope / Objective            Internal auditors reviewed membership records and paid claims to evaluate the accuracy of TPA claim processing and assess the need for additional controls or contract terms that would reduce the occurrence of errors. Audit testing for each plan included review for the following:

- Duplicate payments
- Non-allowable payments
- Exceeding annual or lifetime out of pocket maximums
- Claims for non-members
- Subrogation

Recommendations / Responses	Auditor's Observation	Management's Response	Expected Auditor Follow-up
	1. <u>Indemnity and PPO Plans</u> : Testing indicated claim or membership errors in the following areas: duplicate payments, annual "out of pocket" maximums, dependent eligibility, tier coverage type, and subrogation.	Management will work with Wellmark to determine the cause of the errors and whether a change in processing is needed and test paid claims and membership periodically.	Internal auditors will discuss with management changes made in processing and review testing of claims and membership.
		Implementation Target Date: April 29, 2005	Review: May 2005 Report: June 2005
	2. <u>HMO Plan</u> : Testing indicated claim or membership errors in the following areas: duplicate payments and dependent eligibility. Internal auditors were unable to test for claims that are non covered.	Management will (1) work with Health Alliance to determine the cause of the errors and whether a change in processing is needed; (2) test paid claims and membership periodically; and (3) work with Health Alliance to develop a process that will enable testing of tier coverage changes.	Internal auditors will (1) discuss with management changes made in processing; (2) review testing of claims and membership; and (3) review the process developed regarding tier coverage changes.
		Implementation Target Date: March 2, 2005	Review: May 2005 Report: June 2005

**Iowa State University**  
**International Education Services**  
Initial Audit Report Issued: June 23, 2004

**Audit Remains Open**

**Description** International Education Services (IES) provides support and promotes the internationalization of ISU. IES reports jointly to the Office of the Vice President for Student Affairs and the Office of the Provost and is organized into the following areas:

- International Students and Scholars;
- Administration Coordination;
- Study Abroad Center (SAC); and
- International Services Coordination.

**Scope / Objective** The scope of the audit included activities related to the Student and Exchange Visitor Information System (SEVIS) compliance and the Study Abroad Center. Audit fieldwork tests were designed to verify that:

- Processes are in place to comply with federal regulations pertaining to visa holders;
- Access controls have been implemented for information systems; and
- Involved parties are protected from study abroad risk exposures

Recommendations / Responses	Auditor's Observation	Management's Response	Expected Auditor Follow-up
	<p>1. <u>Security of Information Resources</u>. The following areas were identified for improvement:</p> <p>A. Establishment of accountability for actions within information systems.</p> <p>B. Documentation of a password policy and communication of the policy to applicable system users.</p> <p>C. Establishment of policies and procedures for granting, reviewing, and revoking access to international student/scholar information systems.</p>	<p>Management will:</p> <p>A. Communicate to all staff members that at no time and under no circumstances are SEVIS and any other logon IDs and passwords to be shared with anyone.</p> <p>B. Create, document, communicate, and enforce a password policy.</p> <p>C. Institute and adhere to policies and procedures for granting, periodically reviewing, and revoking access to international student/scholar information systems.</p>	<p>Internal auditors will review information systems access; password policy; and policies and procedures.</p>
		<p>Implementation Target Date:</p> <p>A. Implemented</p> <p>B. Implemented</p> <p>C. September 1, 2004</p>	<p>Review: Sep 2004 Report: Oct 2004</p>

**Iowa State University  
International Education Services**

(continued)

Auditor's Observation	Management's Response	Expected Auditor Follow-up
<p>2. <u>Processing of Student and Scholar Events.</u> The efficiency and effectiveness of the batch transmittal process, and accountability for entries can be improved by each advisor (1) performing data entry utilizing his/her own user identifications and passwords; (2) downloading and printing forms he/she initiated; (3) updating other information resources, as necessary and by a secondary review of data entry before submitting a batch.</p>	<p>Management will assign the following responsibilities to advisors: (1) data entry of advisor-initiated events; (2) downloading and printing of immigration forms; and (3) updating other necessary information resources with the event data.</p>	<p>Internal auditors will review the batch transmittal process.</p>
	<p>Implementation Target Date: Action began immediately. Action to be completed by July 1, 2004.</p>	<p>Review: Sep 2004 Report: Oct 2004</p>
<p>3. <u>Management of Study Abroad Risks.</u> A. Program directors are not required to comment on the "Group Study Abroad Program Approval Form" about health and safety issues specific to the program's location or activities.  B. The student handbook does not provide instructions for participants to get assistance if they face discrimination or harassment from within the group while studying abroad.</p>	<p>A. The "Group Study Abroad Program Approval Form" is in the process of being revised and the new form will include a section for program directors to comment on risk exposures relevant to the program's location and activities.  B. Management will create a process for handling allegations made by study abroad participants of discrimination and harassment from within the group. The process will be documented in the student and program director handbooks.</p>	<p>Internal auditors have reviewed the new program approval form and the process for handling allegations of discrimination and harassment.</p>
	<p>Implementation Target Date: Implemented</p>	<p>Review: Already performed.</p>

**Iowa State University**  
**NCAA Compliance – Financial Aid**  
Initial Audit Report Issued: June 24, 2004

Audit Closed

**Description**                      The National Collegiate Athletic Association (NCAA) is the national governing body for amateur collegiate sports in the United States. As a Division I member of the NCAA, Iowa State University (ISU) is obligated to comply with NCAA rules and regulations governing the eligibility, amateur status, and recruitment of student athletes. Ensuring NCAA compliance is of major importance to the continued success of ISU athletic programs.

The 2003-2004 NCAA Division 1 Manual defines the institutional responsibility for rules compliance. The NCAA Bylaws, 22.2.1.3 Rules Compliance states:

“Membership in the Association places the responsibility on each institution to assure that its staff, student-athletes and other individuals and groups representing the institution’s athletics interests comply with the applicable Association rules and regulations.”

**Scope / Objective**              The Office of Internal Audit utilized the NCAA Audit Guide, developed by the Association of College and University Auditors (ACUA), for this review. In addition, the auditor used the 2003-2004 NCAA Division 1 Manual as a reference.

Internal auditors reviewed ISU’s efforts to comply with the NCAA bylaws regarding rules compliance and examined each area identified by ACUA to determine if the University meets the intentions of NCAA Bylaw 22.2.1.3.

One area was selected for an in-depth review based on changes in staff, complex NCAA regulations, and expanded software capabilities. NCAA bylaws prescribe rules for administering financial aid to student athletes. Internal auditors examined policies and procedures for administering and monitoring financial aid to student athletes.

Recommendations / Responses	Auditor’s Observation	Management’s Response	Expected Auditor Follow-up
	Based on audit work performed, it appears the University is in compliance with the NCAA regulations. Internal auditors noted no material observations, but provided management with suggestions for improvement.	Not applicable; no reported observations.	No actions were required as a result of this audit. Internal auditors will not perform a follow-up review.
		Implementation Target Date: Not applicable.	Review: None Report: None

**Iowa State University**  
**OPPTAG Special Review**  
 Initial Audit Report Issued: June 22, 2004

Audit Remains Open

**Description**                      Established in 1986, the Office of Precollegiate Programs for Talented and Gifted (OPPTAG) offers a variety of summer and academic year programs to high ability precollegiate students. Several hundred children each year attend OPPTAG programs. The majority of students are from the state of Iowa; some of the students come from outside the state. Students pay tuition and fees to attend OPPTAG programs and may receive academic credit for the courses they attend. In addition to fees, OPPTAG has received some limited funding from the Department of Psychology and the College of Liberal Arts and Sciences.

At the time of the audit, the OPPTAG administrator was responsible for designing programs, advertising, and recruiting students and teachers. In addition, the administrator was responsible for all aspects of program administration including accepting application forms, maintaining registration information, and assessing, billing, and collecting fees.

**Scope / Objective**            Internal auditors reviewed spring and summer 2003 programs. Objectives were to examine:

- Revenues, expenditures, and fund balance;
- Reliability and integrity of enrollment information and record keeping; and
- Compliance with policies and procedures.

Recommendations / Responses	Auditor's Observation	Management's Response	Expected Auditor Follow-up
	1. <u>Program Administration.</u> Databases used for administration and record keeping— <ul style="list-style-type: none"> <li>• Were not consistently updated;</li> <li>• Did not contain complete refund information;</li> <li>• Had not been reconciled with deposit information; and</li> <li>• Are not adequate for administering accounts receivable of this complexity.</li> </ul>	OPPTAG has upgraded their databases and record keeping procedures and will begin utilizing the University's receivables system for billings and collections. Receivables reports will be reconciled with OPPTAG records.  Implementation Target Date: June 1, 2004	Internal auditors will review record keeping and reconciliations.  Review: Aug 2004 Report: Sep 2004

**Iowa State University  
OPPTAG Special Review  
(continued)**

Auditor's Observation	Management's Response	Expected Auditor Follow-up
2. <u>Monitoring of Revenues and Expenses.</u> Records are not reconciled consistently; student rosters are not maintained for each program and session; fees were not sufficient to cover expenses during FY 2002 and FY 2003; and section project numbers are not used to separate receipts / expenditures for the different programs and sessions.	Management will: ensure consistent record keeping and reconciliations; use class rosters to reconcile attendance and revenues; document cancellations, changes, and the status of refunds; establish section project numbers to facilitate revenue and expense tracking for each program; and develop a plan to eliminate the deficit account balance.	Internal auditors will examine record keeping, reconciliations, class rosters, accounting methods, and account balance.
	Implementation Target Date: August 1, 2004	Review: Aug 2004 Report: Sep 2004
3. <u>Scholarships.</u> Applicants are invited to donate to scholarships without indicating how funds will be awarded or whether they will be invested in a scholarship endowment funds. Donation proceeds from summer 2003 programs were absorbed into revenues and used to offset scholarships awarded.	Management will develop an approach and criteria for using scholarship donations and the earnings on endowment funds to provide scholarships and will utilize expendable funds for scholarships awarded in the current and prior years.	Internal auditors will review procedures for recording and funding scholarships.
	Implementation Target Date: July 1, 2004	Review: Aug 2004 Report: Sep 2004
4. <u>OPPTAG Staffing.</u> Staffing gaps exist in program administration. A documented procedural manual does not exist. Segregation of duties is lacking.	By using the receivables office for billings and the College of Liberal Arts and Sciences and Department of Psychology staff to perform reconciliations and provide approvals, management has segregated the duties within OPPTAG administration. Management will document procedures for all aspects of program administration	Auditor will examine segregation of duties and procedural documentation.
	Implementation Target Date: July 1, 2004	Review: Aug 2004 Report: Sep 2004
5. <u>Documentation.</u> Documentation was missing, expenditures lacked a documented business purpose, and expenditures were assigned incorrect class codes.	Management will maintain documentation to support expenditures that includes the business purpose and will use class codes that accurately reflect transactions.	Internal auditors will review a sample of transactions to verify accuracy and business purpose.
	Implementation Target Date: June 1, 2004	Review: Aug 2004 Report: Sep 2004

**Iowa State University  
Workers' Compensation**

Initial Audit Report Issued: June 9, 2004

Audit Remains Open

**Description** Workers' compensation is a part of the Code of Iowa designed to provide certain benefits to employees who sustain injuries, occupational illnesses, or occupational hearing loss arising out of and during the course of their employment.

Payment is made on compensable cases for medical treatment, prescriptions, and related expenses when medical services are received through an approved provider. Employees are also paid for time lost from work if they are unable to work for more than three days.

Administration of the ISU workers' compensation program has most recently been the responsibility of the Office of Risk Management. During the audit, University administrators made the decision to transfer the workers' compensation program to Human Resource Services pending the hire of a workers' compensation specialist.

- Scope / Objective** Internal auditors evaluated:
- Accuracy of workers' compensation processing;
  - Coordination of workers' compensation activities;
  - Awareness of workers' compensation responsibilities; and
  - Adequacy of procedural documentation and processing criteria.

Recommendations / Responses	Auditor's Observation	Management's Response	Expected Auditor Follow-up
	1. <u>Guidance Provided to Employees</u> . No easily accessible resource exists with information about workers' compensation and related procedures.	Management will develop a website that provides information relevant to workers' compensation.	Internal auditors will review the website.
		Implementation Target Date: August 20, 2004	Review: Sep 2004 Report: Oct 2004
	2. <u>Procedural Documentation</u> . The process for paying ISU employees who are supplementing their workers' compensation with sick or vacation leave has not been entirely documented.	Management will expand existing documentation to include the supplementation process, assess currently documented processes and procedures to determine their adequacy, and revise documentation as needed.	Internal auditors will review the supplementation procedures and efforts to assess and revise other documented processes and procedures.
		Implementation Target Date: July 30, 2004	Review: Sep 2004 Report: Oct 2004

**INTERNAL AUDIT FOLLOW-UP REPORTS**

**University of Iowa – University Operations**

- Review of Campus-Wide Expenditures for Business Purpose Events Closed
- Information Technology Security Risk Closed

**University of Iowa – Hospital Operations**

- Contractual Adjustments Closed

**University of Northern Iowa**

- Department Closed
- FY 2003 Cash on Hand Closed

**The University of Iowa – University Operations  
Review of Campus-Wide Expenditures for Business Purpose Events**

Initial Audit Report Issued: September 22, 2003

Follow-Up Memorandum Issued: June 28, 2004

Audit Closed

Recommendations /  
Responses

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
1. <u>Policy Clarification.</u> Update policy to: (1) exclude social security number requirement and business affiliation of attendees with definite business purposes; (2) remove reference to large groups; and (3) require document event purposes. Designate Business Managers as approvers and Business Officers as second approvers.	Management has discussed proposed changes with the University Business Manager group. Changes will be implemented.	Item closed.
	Implementation Target Date: December 2003	Review: Dec 2003 Report: Jun 2004
2. <u>Details in the General Ledger.</u> Review transaction types; develop a preliminary list of activities; survey business managers for input on detail levels; and modify accounts to include appropriate details.	Management will develop account differentiation based on input from Budget Officers and the Business Office.	Item closed.
	Implementation Target Date: December 2003	Review: Dec 2003 Report: Jun 2004
3. <u>Guidelines for Specific Types of Events.</u> Document, review, and approve specific purchasing and spending guidelines in each department / unit.	Management presented Budget Officers with a proposal. Follow-up discussions will be initiated by the University Controller.	Item closed.
	Implementation Target Date: December 2003	Review: Dec 2003 Report: Jun 2004
4. <u>Departmental and Management Training.</u> Provide on going-training to those accountable for transactions and notify everyone of policy changes.	Management will augment training for requestors and procurement cardholders to include the new operations manual policy and will notify Campus.	Item closed.
	Implementation Target Date: December 2003	Review: Dec 2003 Report: Jun 2004

**The University of Iowa – University Operations  
Information Technology Security Risk Assessment**

Initial Audit Report Issued: October 17, 2003  
Follow-Up Memorandum Issued: June 28, 2004

Audit Closed

Recommendations /  
Responses

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
<p>1. <u>Policies and Documentation</u>. Define standards for the secure and efficient function of the institution-wide IT environment:</p> <ul style="list-style-type: none"> <li>• Create an index on the IT Security Office website to organize and provide quick references to policies;</li> <li>• Create a clear statement and delineate the responsibilities of individual groups; and</li> <li>• Draft a guidance document to assist system administrators in delineating IT operations.</li> </ul>	<p>Management will:</p> <ul style="list-style-type: none"> <li>• Develop an “A to Z” index to security policies available on the web site and will provide a common presentation format.</li> <li>• Ensure that all institutional roles are represented and adequately defined.</li> <li>• Review, revise (if necessary), and adopt institutional IT security policy and program documents.</li> </ul>	<p>Item closed.</p>
<p>2. <u>Communication and Management Support</u>. Ensure that users of IT resources understand the importance of security-related policies and procedures:</p> <ul style="list-style-type: none"> <li>• Create clear and precise policies and procedures.</li> <li>• Define user and network risks.</li> <li>• Establish a method to communicate policy statements to all network users.</li> </ul>	<p>Management will continue developing training materials for end-users and for technical staff.</p>	<p>Item closed.</p>
<p>3. <u>Immediately Deploy Security Processes with External Assistance</u>. Implement a comprehensive approach to deploy better IT security processes throughout the entire University.</p>	<p>Management will evaluate the development or purchase of risk assessment tools and services.</p>	<p>Item closed.</p>

**University of Iowa – Hospital Operations  
Contractual Adjustments**

Initial Audit Report Issued: January 27, 2003  
Follow-Up Memorandum Issued: June 28, 2004

Audit Closed

Recommendations / Responses	Auditor's Recommendation	Management's Response
	1. <u>Documentation of Procedures.</u> Document current processes on contractual adjustments.	Management will document contractual adjustment processes.
	2. <u>Contractual Adjustment Reviews – Wellmark, Medicare, and Medicaid.</u> Perform monthly claim reviews on Wellmark, Medicare, and Medicaid and determine if trend data exists. Identify high-risk claims to ensure that UIHC is getting reimbursed properly.	Management will develop detailed claim reviews and continue to perform analyses to determine appropriate reimbursement.
	3. <u>Claim Analysis Resources.</u> Consider whether contractual adjustment reviews using the current method are an efficient use of the analysts' time.	Management, with the implementation of the IDX, will design new monitoring processes.
	4. <u>Payor Code Mismatch.</u> Ensure that payors are accurately identified; analyze mismatch issues; and take action to eliminate or mitigate risk.	Management will work to implement the auditor's recommendations.
	5. <u>Outpatient Claims Review.</u> Analyze outpatient claims with low reimbursement percentages.	Management will review outpatient claims with low reimbursement percentages.
	6. <u>System Data Integrity.</u> Ensure accurate payment calculations by manually calculating payments and comparing them with the system's calculations; correct all variances.	Management will conduct routine tests to assure correct reimbursement.

Auditor's Response and Follow-up      Management is actively working to improve processes and systems to mitigate reimbursement risks. This audit is closed.

**University of Northern Iowa  
Department**

Initial Audit Report Issued: July 7, 2003

Follow-Up Report Issued: May 7, 2004

Audit Closed

Recommendations /  
Responses

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
<b>GENERAL ADMINISTRATION</b>		
1. <u>Department Account Review</u> . Review financial accounts monthly.	The Department head will review financial accounts on a monthly basis.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
2. <u>Student Assessments</u> . Summarize and record student assessments on a timely basis.	The Department will summarize and record student assessments on a timely basis.	Item closed.
	Implementation Target Date: Fall / Winter 2003	Review: Mar 2004 Report: May 2004
<b>PAYROLL</b>		
1. <u>Overtime/Compensatory Time</u> . Require prior written Department head approval for overtime/compensatory time.	The Department head will require written requests for overtime or compensatory time.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
2. <u>Timesheets</u> . Complete and submit timesheets according to University policy.	The Department will assure that timesheets are submitted according to University policy.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004

**University of Northern Iowa  
Department**

(continued)

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
<b>SUPPLIES &amp; SERVICES EXPENSES</b>		
1. <u>Expenditures.</u> Complete and authorize expenditure forms accurately; submit timely; and process according to University procedures.	The Department will complete expenditure items accurately, timely, and assure proper authorization.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
2. <u>Procurement Card.</u> Allow only the authorized person to use the card for authorized expenses and reconcile expenses monthly.	The Department will follow the University's procurement card process and perform monthly reconciliations.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
3. <u>Request for Payments.</u> Complete RFPs accurately, adequately, without extraneous information, and include supporting documentation.	The Department will complete RFPs carefully.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
4. <u>Journal Entries.</u> Assure that all journal entries are reviewed and approved by the Department head.	The Department head will review and approve all journal entries.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
<b>TRAVEL</b>		
1. <u>Authorization.</u> Assure that the Department head approves all travel in writing prior to travel taking place.	The Department head will review and approve all appropriate travel.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004
2. <u>Signature.</u> Obtain employee signatures on all travel reimbursement forms.	The Department will ensure that all travel reimbursement forms include employee signatures.	Item closed.
	Implementation Target Date: July 2003	Review: Mar 2004 Report: May 2004

**University of Northern Iowa  
FY 2003 Cash on Hand**

Initial Audit Report Issued: June 11, 2003  
Follow-up Report Issued: December 15, 2003  
Second Follow-Up Report Issued: June 30, 2004

Audit Closed

Recommendations /  
Responses

Auditor's Recommendation	Management's Response	Expected Auditor Follow-up
6. <u>Adequate Revenue Records</u> . Record, reconcile, and develop adequate documentation for revenues.	Departments/units will record incoming revenue adequately.	Item closed.
	Implementation Target Date: June 2003	Review: May 2004 Report: Jun 2004

Items 1-5 and 7-9 were closed in the December 15, 2003 report.

H:\BF\2004\04augdoc\0804\_AUD04.doc