

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	M/C*	CEA	Status
UNIVERSITY OF IOWA			
• Cellular Phone and Internet Connectivity Practices			Closed
• Department of Surgery			Open
• Health Care Information Systems – Software Change Management			Open
• Office of the State Archaeologist			Open
• Recharge Centers – Office of the Vice President for Research			Open
• Recharge Centers – Roy J. and Lucille A. Carver College of Medicine			Open
IOWA STATE UNIVERSITY			
• Memorial Union			Open
• Procurement – Compliance with OMB A-110 Procurement Standards			Open
UNIVERSITY OF NORTHERN IOWA			
• Classic Upward Bound Program			Open
• Management and Professional Development Center			Open
• Upward Bound Math and Science Program			Closed

*Materiality/Criticality (MC) and Assessment of Controls Efficiencies (CEA) are defined in the Attachment on pages 3-4.

The Status of Internal Audit Follow-Up Table on the following page identifies 26 internal audit reports, 21 of which require follow-up.

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

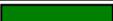
- Data Backup and Business Continuation Planning Closed
- HIPAA (follow-up #2) Closed
- Pediatrics Closed

UNIVERSITY OF NORTHERN IOWA

- University-Wide Financial Business Procedures Closed
- Campus Supply Process Review Closed

**Status of Internal Audit Follow-Up
July 20, 2005**

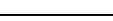
University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. Data Backup and Business Continuation Planning	Mar 26, 2004	Originally scheduled Mar 2005.	Mar 2005	Closed
2. University HIPAA Compliance	Jun 28, 2004	Originally scheduled Jan 2005, then Feb 2005, then May 2005	Feb 2005 May 2005	Closed
3. Intercollegiate Athletics – Home Game Ticket Revenue – FY 2003-04	Aug 25, 2004	Originally scheduled Jun 2005	Jul 2005	
4. Office of the Provost	Sep 27, 2004	Originally scheduled Oct 2005	Oct 2005	
5. Travel Expenses on Procurement Card	Sep 27, 2004	Originally scheduled Aug 2005	Sep 2005	
6. Department of Pediatrics	Oct 29, 2004	Originally scheduled Apr 2005	Apr 2005	Closed
7. Office of Animal Resources – Cost Accounting Processes	Dec 8, 2004	Originally scheduled Aug 2005	Aug 2005	
8. Carver College of Medicine – Finance and Administration	Mar 28, 2005	Originally scheduled Aug 2005	Sep 2005	
9. Museum of Art	Jan 25, 2005	Originally scheduled May 2005	Jun 2005	
10. NCAA Compliance – Financial Aid	Mar 28, 2005	Originally scheduled Sep 2005	Oct 2005	
11. Ophthalmology and Visual Sciences Sponsored Research	Mar 28, 2005	Originally scheduled Jun 2005	Jul 2005	

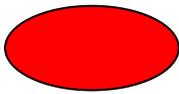
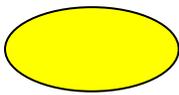
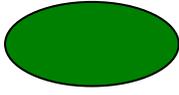
Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
12. Employee Medical Benefit Claims	Jun 18, 2004	Originally scheduled Jun 2005.	Jul 2005	
13. Extension Administration	Jan 14, 2005	Originally scheduled Jul 2005	Jul 2005	
14. IBSSS Assistive Device Center	Mar 9, 2005	Originally scheduled Oct 2005	Nov 2005	
15. Sponsored Program in the Department of Biomedical Sciences	Mar 15, 2005	Originally scheduled Jan 2006	Feb 2006	

University of Northern Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
16. University-Wide Financial Business Procedures	Feb 16, 2004	Originally scheduled Mar 2005.	Mar 2005	Closed
17. Campus Supply – Process Review	Apr 14, 2004	Originally scheduled Mar 2005.	Mar 2005	Closed
19. Continuing Education – Credit Programs	Aug 13, 2004	Originally scheduled Aug 2005.	Sep 2005	
20. Department of Residence – Facilities	Sep 24, 2004	Originally scheduled Oct 2005.	Oct 2005	
21. Field House (UNI Dome) Operations – Event Parking	Aug 25, 2004	Originally scheduled Aug 2005.	Sep 2005	
22. Human Resource Services – Workers' Compensation	Sep 23, 2004	Originally scheduled Oct 2005.	Oct 2005	
23. University Health Services – Student Health Center	Sep 24, 2004	Originally scheduled Oct 2005.	Nov 2005	
24. FY 2005 Cash on Hand	Jan 4, 2005	Originally scheduled Oct 2005	Nov 2005	
25. Gallagher-Bluedorn Performing Arts Center	Feb 10, 2005	Originally scheduled Feb 2006	Mar 2006	
26. Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	Mar 9, 2005	Originally scheduled Mar 2006	Apr 2006	

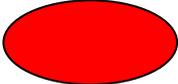
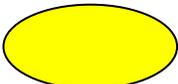
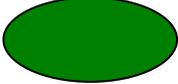
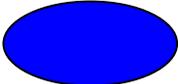
MATERIALITY / CRITICALITY (MC)

<p>HIGH</p> 	<p>Potential:</p> <ul style="list-style-type: none"> • Significant impact on enrollment/teaching/research/extension OR • Significant impact on people/health/safety OR • Exposure to significant financial loss/costly inefficiencies OR • Exposure to loss or interception of sensitive electronic data/information OR • Exposure to significant legal liability/regulatory penalties OR • Significant reputational risk OR • Broad impact of negative event.
<p>MODERATE</p> 	<p>Potential:</p> <ul style="list-style-type: none"> • Moderate impact on people/health/safety OR • Exposure to moderate financial loss/inefficiencies OR • Exposure to loss or interception of non-sensitive electronic data/information OR • Exposure to moderate legal liability/regulatory penalties OR • Moderate reputational risk OR • Localized impact of negative event.
<p>LOW</p> 	<p>Low potential:</p> <ul style="list-style-type: none"> • Impacting people/health/safety OR • Loss/liability OR • Damage to reputation OR • Impact of negative event.

MATERIALITY / CRITICALITY TERMS - Definitions include but are not limited to the following:

- Enrollment/Teaching/Research/Extension: Recruiting, admissions, financial aid, registrar, curriculum, sponsored programs, extension programs.
- People/Health/Safety: Hospital, clinics, student health center, national security issues, environmental health and safety.
- Financial Loss/Inefficiencies: Improper or inefficient use of money, equipment, human resources, or other assets resulting in lost funds or increased costs.
- Loss or Interception of Electronic Data/Information: Central university and departmental information technology security.
- Legal Liability/Regulatory/Penalties: Violation of laws or regulations resulting in litigation, loss of funding, restriction of programs, fines/penalties.
- Reputational Risk: Negative publicity that could result in loss of public trust, contributions, and other support.
- Significance and Impact: Significant impact of a negative event related to any of the above areas could include large dollar losses, penalties, or other types of harm that could broadly restrict fulfillment of the universities' missions. Moderate impact would include losses or penalties that could restrict specific key activities that are related to the universities' missions.

ASSESSMENT OF CONTROLS / EFFICIENCIES (CEA)

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

The internal auditors have utilized the colors for the control / efficiency assessment (CEA) in evaluating each individual comment.

FOLLOW-UP

	<ul style="list-style-type: none"> • Planned corrective action and/or follow-up report not completed within 6 months of originally scheduled date.
	<ul style="list-style-type: none"> • Planned corrective action and/or follow-up report not completed within 3 months of originally scheduled date.
	<ul style="list-style-type: none"> • Follow-up report completed as originally planned and all issues resolved by or within three months of original scheduled date of completion.
	<ul style="list-style-type: none"> • Follow-up report not yet due.
	<ul style="list-style-type: none"> • Closed.

**The University of Iowa
Review of Cellular Phone and Connectivity Practices**
Initial Audit Report Issued: April 27, 2005

Summary



Status: Closed

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-Up
Guides to Assist Departments.		N/A	Item closed.

**The University of Iowa
Department of Surgery**
Initial Audit Report Issued: April 27, 2005

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-Up
1. Charge Capture.		July 31, 2005	Review: Aug 2005 Report: Sep 2005
2. Financial Management.		July 31, 2005	Review: Aug 2005 Report: Sep 2005
A. Desk Procedures.			
B. Procurement Card Reconciliation.			
C. Travel Voucher Approvals.			
D. Monthly Statement of Account.			
3. Cash Handling.		July 31, 2005	Review: Aug 2005 Report: Sep 2005
4. Financial Database Documentation.		Aug 31, 2005	Review: Aug 2005 Report: Sep 2005
5. Department Information Technology.		July 31, 2005	Review: Aug 2005 Report: Sep 2005

**The University of Iowa
Health Care Information Systems Software Change Management
Initial Audit Report Issued: June 22, 2005**

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Service Requests.		Dec 31, 2005	Review: Jan 2006 Report: Feb 2006
2. Buddy Checks and User Approvals.		Sept 30, 2005	Review: Jan 2006 Report: Feb 2006
3. IDX Change Management.		Oct 31, 2005	Review: Jan 2006 Report: Feb 2006
4. Main Frame Change Management System.		Sept 30, 2005	Review: Jan 2006 Report: Feb 2006
5. Main Frame Emergency Changes.		Sept 30, 2005	Review: Jan 2006 Report: Feb 2006
6. INFORMM Patient Record Power Builder Changes.		Aug 31, 2005	Review: Jan 2006 Report: Feb 2006

**The University of Iowa
Office of the State Archaeologist
Initial Audit Report Issued: June 3, 2005**

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Departmental Atmosphere.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005
2. Staff Usage/ Organizational Efficiencies.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005
3. Charging of Fees.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005
4. Agency Work Agreements.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005
5. Cash Handling.		Completed	Comment Closed
6. Accounts Receivable Handling.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005
7. Human Resource Issues.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005
8. IT Disaster Recovery/ Business Continuation Plan.		Aug 31, 2005	Review: Sep 2005 Report: Oct 2005

**The University of Iowa
Recharge Centers – Office of the Vice President for Research
Initial Audit Report Issued: June 3, 2005**

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Capital Equipment Accounting.		July 2005	Review: Oct 2005 Report: Oct 2005 
2. Rate Setting Process.			
A. Cost Study Documentation.		September 2005	Review: Oct 2005 Report: Oct 2005 
B. Discount Policies.		July 2005	Review: Oct 2005 Report: Oct 2005 
3. Annual University Business Office Reports.		September 2005	Review: Oct 2005 Report: Oct 2005 

**The University of Iowa
Recharge Centers – Roy J. and Lucille A. Carver College of Medicine
Initial Audit Report Issued: June 3, 2005**

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Capital Equipment Accounting.		July 2005	Review: Oct 2005 Report: Oct 2005 
2. Rate Setting Process.			
A. Cost Study Documentation.		August 2005	Review: Oct 2005 Report: Oct 2005 
B. Discount Policies.		August 2005	Review: Oct 2005 Report: Oct 2005 
3. Annual University Business Office Reports.		July 2005	Review: Oct 2005 Report: Oct 2005 

**Iowa State University
Memorial Union**

Initial Audit Report Issued: June 28, 2005

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Parking Ramp Control Environment.		July 15, 2005	Review: Aug 2005 Report: Jan 2006
2. Security of Information Resources.		July 15, 2005	Review: Aug 2005 Report: Jan 2006
3. Hotel Operations.		January 1, 2006	Review: Aug 2005 Report: Jan 2006

Iowa State University

Procurement – Compliance with OMB A-110 Procurement Standards

Initial Audit Report Issued: April 25, 2005

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Cost Analysis.		May 31, 2005	Review: Jul 2005 Report: Aug 2005
2. Required Written Procedures.		May 31, 2005	Review: Jul 2005 Report: Aug 2005
3. Documentation of Exceptions.		June 30, 2005	Review: Jul 2005 Report: Aug 2005

**The University of Northern Iowa
Classic Upward Bound Program**

Initial Audit Report Issued: April 27, 2005

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
Grant Budget.		Apr 27, 2005	Review: May 2006 Report: May 2006

**The University of Northern Iowa
Management and Professional Development Center**
Initial Audit Report Issued: June 28, 2005

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	1. Appropriate Accounting and Program Continuation.		June 30, 2006	Review: July 2006 Report: July 2006 
	2. Fee Analysis and Development.		June 30, 2006	Review: July 2006 Report: July 2006 
	3. Cell Phone and Procurement Card Usage.		Sept. 1, 2005	Review: July 2006 Report: July 2006 
	4. Employee Reimbursements and Internal Services.		June 28, 2005	Review: July 2006 Report: July 2006 

**The University of Northern Iowa
Upward Bound Math and Science Program**
Initial Audit Report Issued: April 19, 2005

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	None. Based on audit work performed, no audit recommendations were identified.		N/A	N/A