

FY 2013 AUDIT PROGRESS AND FY 2014 INTERNAL AUDIT PLANS

Action Requested: Receive the progress reports for the universities' FY 2013 audit plans and approve the internal audit plans for FY 2014.

Executive Summary: On an annual basis, the Regent universities compile and submit audit plans to the Audit/Compliance and Investment Committee. In accordance with Board policy, these plans review past accomplishments and identify the next fiscal year's internal audit focuses.

FY 2013 Progress	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>Total</u>
Audits:				
Original Audits Planned	49	13	10	72
Added during Year	10	1	2	13
Totals	59	14	12	85
Completed	31	8	10	49
In Progress	12	4	1	17
Deferred	7	1	1	9
Cancelled	9	1	-	10
Totals	59	14	12	85

FY 2014 Plans	<u>Scheduled Audits</u>	<u>Total Hours Budgeted*</u>
University of Iowa	51	19,096
Iowa State University	21	6,944
University of Northern Iowa	<u>10</u>	<u>3,862</u>
Total	82	29,902

*Includes budgeted hours for recurring reported audits / reviews; original audits; follow-up audits; non-audit activities; and other responsibilities.

Internal audit plans for FY 2014 are based on known circumstances and certain areas needing routine audit coverage. Portions of the plans are unannounced and unplanned to allow the internal auditors flexibility to respond to events that transpire throughout the year and to add audits throughout the year as necessary. In addition, our ethics hotline reports identify possible instances of fraud or financial misconduct that would need to be investigated.

Internal Audit Staff as of June 30, 2013	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>TOTAL</u>
Full-Time Professional Audit Positions	10	4	2	16
Support / Intern / Student Positions	1	0	1	2

Tables detailing FY 2014 plans and FY 2013 progress for each university included in this document. Tables containing audits completed for the past three fiscal years may be found on the following pages.

The FY 2014 Internal Audit Plan for all three Regent institutions is based on the following:

- Regent Chief Audit Executive evaluation of plans and guidance from the Board;
- The input of university management personnel, the Auditor of State, and information shared between the three internal audit departments;
- Compilation of institutional risk concerns;
- Risk assessment based on the application of certain risk measurement criteria to the compiled risk concerns; and
- Prioritization based on risk criteria and management input.

The risk assessment performed for FY 2014 identified the following high risk areas:

- Business processes;
- Compliance with departmental policies and procedures in areas where there has been a change of top management and complex office processes; and
- Information technology, particularly in areas of new system development and implementation.

UNIVERSITY OF IOWA		
Proposed Internal Audit Plan for FY 2014		
<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
340B Programs for Pharmacy	300	1.6%
ACCU Dose	300	1.6%
Aeroscout	300	1.6%
Animal Care Resources	20	0.1%
Annual Risk Assessment	450	2.4%
AP/Purchasing	350	1.8%
Biocatalysis & Bioprocessing	300	1.6%
Biochemistry	250	1.3%
Bowen Science Building	300	1.6%
BuildUI	90	0.5%
CCOM Administrative Review	250	1.3%
Center for Aging	250	1.3%
Centralized Scheduling	300	1.6%
College Dentistry	300	1.6%
College of Engineering Sponsored Research Admin	350	1.8%
College of Medicine Faculty Liaison	200	1.0%
College of Public Health	300	1.6%
Contract Compliance	180	0.9%
Criminal Background Checks	200	1.0%
Dialysis Centers	300	1.6%
Dual Degree Programs	300	1.6%
EthicsPoint	200	1.0%
Facilities Management IT Audit	300	1.6%
Family Medicine	250	1.3%
Home Ticket Revenue FY14 Season	100	0.5%
Iowa Testing Programs	250	1.3%
IRL Billing and Finances	10	0.1%
IRL Cash Handling	25	0.1%
IRL Medication Security	20	0.1%
MAUI Billing	300	1.6%
MAUI Change Management	300	1.6%
MAUI Financial Aid	300	1.6%
NADS IT	300	1.6%
NCAA Compliance - Camps & Clinics	100	0.5%
NCAA Compliance - Coaching Staff Limits & Contracts	100	0.5%
NCAA Compliance - Extra Benefits (Boosters)	100	0.5%
Onboarding of faculty/staff	300	1.6%
Opti-Flex	300	1.6%
Pathology	300	1.6%
Payroll Ghost Employees	100	0.5%
Radiology	300	1.6%
Radiology Imaging Center	250	1.3%
Recharge Centers	50	0.3%
Risk Management	300	1.6%
Sick/Vacation Leave Reporting	200	1.0%
Sports Clubs	250	1.3%
Strategic Communication	100	0.5%
Student Course Fees	250	1.3%
Student Mandatory Fees	250	1.3%
UICMS	300	1.6%
UIHC Food and Nutrition Services	50	0.3%
University Counseling Services	250	1.3%
University Libraries	300	1.6%
Follow-Up	790	4.1%
Unassigned	1,315	6.9%
Subtotal	14,200	74.4%
<u>Other Audit Responsibilities</u>	<u>Hours</u>	<u>Percent</u>
Administration	2,920	15.3%
Committee Participation	450	2.4%
Performance Evaluations	192	1.0%
Professional Development	600	3.1%
Staff Meetings	734	3.8%
Subtotal	4,896	25.6%
Total	19,096	100.0%

IOWA STATE UNIVERSITY		
Proposed Internal Audit Plan for FY 2014		
<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
Annual Risk Assessment	250	3.6%
Bioeconomy Institute	320	4.6%
Clery Act	300	4.3%
College of Design	250	3.6%
College of Engineering	250	3.6%
College Work Study	250	3.6%
Department of Physics and Astronomy	250	3.6%
Department of Residence	300	4.3%
Facilities Planning and Management	350	5.0%
Global Programs - College of Agriculture and Life Sciences	200	2.9%
ISU Dining	320	4.6%
Library	300	4.3%
Mandatory Fees	200	2.9%
NCAA Compliance - Camps & Clinics	80	1.2%
NCAA Compliance - Commitment of Personnel to Rules Compliance	30	0.4%
NCAA Compliance - Playing & Practice Seasons	50	0.7%
NCAA Compliance - Rules Education	20	0.3%
NCAA Compliance - Student Athlete Employment	20	0.3%
Procure to Pay Process	400	5.8%
Property Control System Analysis	150	2.2%
Special Course Fees	250	3.6%
University Farms	350	5.0%
Follow-up Audits	245	3.5%
Unassigned	420	6.0%
Subtotal	5,555	80.0%
<u>Other Audit Responsibilities</u>	<u>Hours</u>	<u>Percent</u>
Administration	690	9.9%
Committee Participation	85	1.2%
Performance Evaluations	50	0.7%
Professional Development	240	3.5%
Staff Meetings	324	4.7%
Subtotal	1,389	20.0%
Total	6,944	100.0%

University of Northern Iowa		
Proposed Internal Audit Plan for FY 2014		
<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
Annual Risk Assessment	200	5.2%
Audiology Clinic	25	0.6%
International Student Teaching	320	8.3%
McNair Scholars Program	320	8.3%
NCAA Certification Follow-up and Operational Activities	300	7.8%
Office of Research and Sponsored Programs	320	8.3%
Physical Plant Administration	44	1.1%
Psychology Clinic	320	8.3%
Public Safety & Parking	275	7.1%
Student Organizations and Intermural (Club) Sports	300	7.8%
Wellness Recreation Services	320	8.3%
Follow-Up Audits	360	9.3%
Special Requests - Unassigned	200	5.2%
Subtotal	3,304	85.6%
<u>Other Audit Responsibilities</u>	<u>Hours</u>	<u>Percent</u>
Administration	235	6.1%
Committee Participation	90	2.3%
Performance Evaluations	16	0.4%
Professional Development	120	3.1%
Staff Meetings	97	2.5%
Subtotal	558	14.4%
Total	3,862	100.0%

UNIVERSITY OF IOWA				
Audits Completed for the Past Four Fiscal Years				
	FY10	FY11	FY12	FY13
RECURRING REPORTED AUDITS / REVIEWS				
Intercollegiate Athletics - Home Game Ticket Revenue	OF	OF	OF	OF
Annual Investment Review (operating and endowment funds) - SUI	R			
ORIGINAL AND FOLLOW-UP REPORTS				
2010 Insight Bowl		O	F	
Ambulatory Surgery Center				O
Anesthesia			O	F
Athletics Operations - Apparel and Promotional Items				O
Athletics Ticket Office			O	F
Bidding and Purchasing Processes			O	
Biochemistry Stores	O	F		
Biosafety Laboratory	F			
Blanket Purchase Orders	F			
Broadcasting Services Active Directory Review	O	F		
Building Access Security		O	F	
Campus Recreation and Wellness Center			O	F
Center For Conferences			O	
Center For Digestive Disease				O
Central Sterilizing Services		O	F	
Centralized Pharmacy Inventory			O	F
Clery Campus Security Policy and Campus Crime Act				O
Clinical Quality Safety and Performance Improvement			O	F
College of Education			OF	
College of Law				OF
College of Liberal Arts and Sciences School of Social Work				O
College of Pharmacy Business Processes	O	F		
Conflict of Interest Vendors/Extramural Activities	F			
Copyright Management	F			
Cost Sharing Audit Report	O	F		
Cost Transfers		F		
Dance Marathon				O
Department of Athletics				OF
Department of Emergency Medicine		O	F	
Department of Internal Medicine Administration	O			
Department of Microbiology				OF
Department of Neurology			O	F
Department of Neurosurgery				O
Department of Nursing				O
Department of Orthopaedics				O
Department of Otolaryngology				O
Department of Pediatrics		O	F	
Department of Psychiatry			O	F
Department of Psychology IT Security	F			
Department of Public Safety - Lost and Found			OF	
Department of Surgery			OF	
Department of Urology				O
Division of Sponsored Programs Corporate			O	F
EPIC Cardiant	O	F		
EPIC Ophthalmology		O		F
EPIC Radiant	O	F		
EPIC RX		OF		
EPIC Software Change Management	O	F		
Export Controls				O
Extended Care Moves			O	
Facilities Management - Construction Change Orders	O	F		
Finkbine Golf Course Business Processes		OF		
GLBA/FERPA Compliance		F		
HIPAA Security	F			
Holden Comprehensive Cancer Center		O		F
Hospital Dentistry				OF
Hospital Supply Chain	F			
Human Subjects Office Process Review	F			
IHR-Hydrosience and Engineering Active Directory Review	O	F		
Institute for Clinical and Translational Science		O		
International Programs - Office for Study Abroad	O	F		
International Student Reporting - SEVIS		O	F	
IowaCare			O	F
Iowa Lions Eye Bank			OF	
IT Purchase and Data Center Privatization				O
Joint Office for Clinical Outreach Services	F			

UNIVERSITY OF IOWA				
Audits Completed for the Past Four Fiscal Years				
	FY10	FY11	FY12	FY13
ORIGINAL AND FOLLOW-UP REPORTS				
Main Operating Room Billing Process	O	F		
Maintenance and Flood Response Equipment			O	F
MARS/MAUI Feeder System		O		F
Math, Stats and Actuarial Science, Comp Science--Active Directory Review	O	F		
MAUI Security				O
Mechanical Engineering Program		O	F	
Museum of Art				OF
NCAA Certification of Compliance			O	
NCAA Complimentary Admissions			O	
NCAA Extra Benefits Representatives of the University's Athletic Interests	O			
NCAA Extra Benefits - Student-Athlete Vehicles		O		
NCAA Financial Aid				O
NCAA General Compliance			O	
NCAA Playing and Practice Sessions		O		
NCAA Student-Athlete Employment				O
NCAA Team Travel				O
NCAA Compliance - Camps and Clinics	O	F		
NCAA Compliance - Coaching Staff Limits & Contracts	O			
NCAA Compliance - Eligibility, Amateurism, and Academic Performance Program			OF	
NCAA Compliance - Equipment and Apparel				O
NCAA Compliance - On/Off Campus Recruiting		O		
Office of Equal Opportunity and Diversity				O
Office of the President		O		
Off Campus/Distance Education		O	F	
OMB A-21 Allowable Direct Charges		OF		
Parking and Transportation Credit Cards	O			
Patent Policy Compliance	F	F		
Pathology/Tissue Bank Inventory		O	F	
Patient Financial Services - Pre-Access Administration		O	F	
PCI Compliance		O	F	
Physician On-Boarding				O
Physics and Astronomy				O
Procurement Card	O			
Property Management Office	F			
Recreational Services Equipment Disposal			O	
Recreational Services Information Technology		OF		
Research Subject Compensation	F			
Sexual Harassment Policy	O	F		
Shared Campus Active Directory Forest	F			
State Hygienic Laboratory			O	F
Student Activity Fees	F			
Student Health Service				O
Summer Youth Programs		O	F	
Third Party Clinical Trial Billing		O		
Tippie College of Business				O
Tuition Set-Aside Fund and Iowa Grant Program			OF	
UIHC Ambulatory Care Pharmacy Cash Handling		OF		
UIHC Child Care Center		O	F	
UIHC Construction Project	F			
UIHC Department of Orthopaedics Business Practices	O	F		
UIHC Enterprise Labor Management System				OF
UIHC Environmental and Guest Services	F			
UIHC Patient Elopement	OF			
UIHC Prepaid Patient Services	O	F		
UIHC Solid Organ Procurement		O		
UIHC Workflow Processes	OF			
UI Health Care Epic Stork		O		F
UI Health Care Finance and Accounting	O	F		
UI Health Care Human Resources			O	F
UI Health Care Outside Clinical Practice		OF		
UI Heart and Vascular Center			O	F
UI Optical				O
University Approved Bank Accounts - University of Iowa		O	F	
University Approved Bank Accounts - University of Northern Iowa		O	F	
University Benefits	O	F		
University Bookstore - Apple Merchandise	OF			
University Dining Inventory Process				O
University Employee Health Clinic			O	F
University Housing & Dining		O		F
University Housing & Dining StarRez System				O
University of Iowa Alumni Association	O	F		
University of Iowa Bookstore Distribution Center		O	F	
University of Iowa Diagnostics Laboratory			O	F
University Surplus Processes	F			
Veterans Affairs Contract Compliance			OF	

IOWA STATE UNIVERSITY				
Audits Completed for the Past Four Fiscal Years				
	FY 2010	FY 2011	FY 2012	FY 2013
RECURRING REPORTED AUDITS / REVIEWS				
Quarterly Cash and Investment Reviews (operating funds) - ISU				
Quarterly Cash and Investment Reviews (operating funds) - IBSSS				
Security of Internet-Initiated ACH Transactions	O	O	O	
ENTERPRISE WIDE AUDITS				
Grow Iowa Values Fund				
Student Financial Aid				
Office of the President Accounts Review				
Regents Partnership Plan for Transformation & Excellence				
ORIGINAL AND FOLLOW-UP REPORTS				
Athletic Department Ticketing Procedures		O	F	
Bookstore				O F
Building Access Services - Access Cards	F			
Conflict of Interest	O		F	
Construction Change Orders	F			
Graduate Student Admissions				O
Department of Residence Access Control		O	F	
Effort Reporting	O	F		
Electrical and Computer Engineering, Department of				O F
Employee Benefits		O		
Employee Expense Reimbursements	O F			
Engineering Online Learning		O	F	
Export Controls			O	
Extension			O	
Foundation Account Spending			O	F
Human Subjects	F			
Identity and Access Management			O	
Intellectual Property and Technology Transfer	O F			
ISU Dining	O F			
ISU Surplus			O	F
Laboratory Animal Resources				O
Laboratory Safety		O	F	
Leopold Center for Sustainable Agriculture	O	F		
NCAA Compliance - Academic Performance Program			O	
NCAA Compliance - Amateurism			O F	
NCAA Compliance - Eligibility		O		
NCAA Compliance - Extra Benefits				O
NCAA Compliance - Financial Aid			O	
NCAA Compliance - Governance and Organization			O	
NCAA Compliance - Investigation and Self Reporting			O	
NCAA Compliance - Recruiting				O
NCAA Compliance FY10	O	F		
Non-Employees on Campus		O		
Office of the President			O	
Office of the Provost				O
Parking Division - Department of Public Safety				O F
Personnel Actions		F		
Programs for Youth			O	F
Purchasing Card	O			
Recharge Centers			O F	
Research Data Security	O			F
Separation Procedures		O		F
Social Security Number Protection	F			
Student Organizations				O
Study Abroad Rome Program			O	F
Thielen Student Health Center	O	F		
University Community Childcare			O	
Veterinary Medical Center				O

UNIVERSITY OF NORTHERN IOWA				
Audits Completed for the Past Four Fiscal Years				
	FY2010	FY2011	FY2012	FY2013
RECURRING REPORTED AUDITS / REVIEWS				
Cash on Hand				
Quarterly Cash and Investment Reviews (operating funds)				
ENTERPRISE WIDE AUDITS				
Transformation & Excellence Plan				
Office of the President Accounts' Review				
Student Financial Aid				
Grow Iowa Values Fund				
ORIGINAL AND FOLLOW-UP REPORTS				
Academic Learning Center Examination Services	O	F		
Academic Summer Youth Camps		O	F	
Adjunct Instructors and Temporary Employees			O	F
Applicable Credits and Program Income	O	F		
Athletics Cash, Gift & Tradeout Handling	F			
Athletic Equipment & T-Shirts				O
Athletic Summer Camps			O	F
Athletic Ticket Sales	F			
Campus Fueling Station Access & Usage	O	F		
Centralized Revenue Processes	F			
Child Development Center		O	F	
College of Education		O	F	
College of Humanities, Arts & Sciences				O
Effort Reporting				O
Events Complex Business Plan	O	F		
Events Complex Concessions			O	F
Federal Export Controls	F			
Fringe Benefits Rates & Controls			O	F
Gallagher-Bluedorn Performing Arts Center			O	F
Graduate Assistantships			O	F
Hong Kong MBA Program	F			
International Programs				O
International Student Admissions		O	F	
Iowa Waste Reduction Center		O	F	
ITS Business Procedures & Chargebacks				O
Modern Languages		O	F	
Motor Vehicle Pool		O F		
Multimodal Transportation Center				O
Payment Card Industry Standards		O		F
Physical Plant Job Cost System Efficiency	F			
Physical Plant Utility Billing			O	F
Price Laboratory School Fees	F			
Price Laboratory School Food Service Program			O F	
Procurement Card	O	F		
Recharge Centers Rate Compliance Improvement	F			
Special Compensation Controls	O	F		
Student Course & Program Fees	O	F		
Student Health Center				O
Study Abroad Programs	O	F		
Telecommuting Arrangements	O	F		
Tuition & Fees Accountability & Allocation	O	F		
UNI Center for Urban Education				O
University Conflict of Interest Analysis	F			
University Spending Controls	F			

LEGEND	
O	Original Audit Report
F	Follow-up Audit Report
R	Recurring Audits