

Contact: Todd Stewart

INTERNAL AUDIT REPORTS

Action Requested: Receive the original and follow-up internal audit reports.

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

ORIGINAL REPORTS	M/C*	CEA*	Status
UNIVERSITY OF IOWA			
• UIHC Engineering Services			Open
• Henry B. Tippie College of Business			Open
• HCIS Hardware Change Management			Open
• Speech Pathology and Audiology			Open
• Data Center Security			Open
• Department of Intercollegiate Athletics			Open
IOWA STATE UNIVERSITY			
• Institutional Animal Care & Use Committee Compliance Review			Open
UNIVERSITY OF NORTHERN IOWA			
• No submissions			
IOWA SCHOOL FOR THE DEAF			
• Iowa School for the Deaf			Open

**Materiality/Criticality (MC) and Assessment of Controls Efficiencies (CEA) are defined in the Attachment.*

The Status of Internal Audit Follow-Up Table on the following page identifies 24 internal audit reports, 16 of which require follow-up.

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- IT Parallel Systems Closed
- Grant Accounting Closed
- Physics and Astronomy Closed
- Third Party Clinical Trial Billing Closed

IOWA STATE UNIVERSITY

- Veterinary Hospital Closed
- Office of the Registrar Closed
- Thielen Student Health Center Closed

UNIVERSITY OF NORTHERN IOWA

- NCAA Rules – Evaluation Process Review Closed

University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. IT Parallel Systems	Mar 2, 2006	Originally scheduled Oct 2006	Nov 2006	Closed
2. Grant Accounting	Apr 12, 2006	Originally scheduled Oct 2006	Nov 2006	Closed
3. Physics and Astronomy	May 10, 2007	Originally scheduled Jul 2007	Jul 2007	Closed
4. Third Party Clinical Trial billing	Apr 12, 2006	Originally scheduled Aug 2006	Nov 2006	Closed
5. Iowa Memorial Union Food Service	Sep 13, 2006	Originally scheduled Feb 2007	Mar 2007	
6. Protected Health Information on Mobile Devices	Nov 15, 2006	Originally scheduled Feb 2007	Mar 2007	
7. Carver College of Medicine Research Data Security	Dec 14, 2006	Originally scheduled Apr 2007	May 2007	
8. Wireless IT Environment	Jun 26, 2006	Originally scheduled Jun 2007	Jul 2007	
9. Parking and Transportation Services	Feb 20, 2007	Originally scheduled Jul 2007	Aug 2007	
10. Student Health Service	Feb 20, 2007	Originally scheduled Aug 2007	Sept 2007	
11. College of Nursing	May 10, 2007	Originally scheduled Sept 2007	Oct 2007	
12. Review of Termination Practices	Dec 14, 2006	Originally scheduled Oct 2007	Nov 2007	
13. Department of Neurology	Apr 9, 2007	Originally scheduled Oct 2007	Nov 2007	
14. Volunteer Services	Jul 11, 2007	Originally scheduled Sept 2007	Nov 2007	
15. Childrens Miracle Network	May 10, 2007	Originally scheduled Oct 2007	Dec 2007	
16. Department of Dermatology	Jul 11, 2007	Originally scheduled Dec 2007	Jan 2008	
17. Security of Initiated ACH Transactions	Jun 14, 2007	Originally scheduled Jan 2008	Feb 2008	
18. NCAA Compliance - Recruiting	Jun 14, 2007	Originally scheduled Feb 2008	Mar 2008	
19. University Hygienic Lab	Jun 14, 2007	Originally scheduled Aug 2008	Aug 2008	
20. Postseason Athletic Participation (Outback Bowl)	Sep 13, 2006	Schedule TBD	TBD	

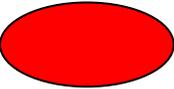
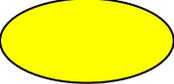
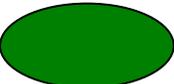
Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
21. Veterinary Teaching Hospital	Aug 25, 2006	Originally scheduled Feb 2007	Mar 2007	Closed
22. Thielen Student Health Center	Feb 8, 2007	Originally scheduled Jul 2007	Aug 2007	Closed
23. Office of the Registrar	Jul 13, 2007	Originally scheduled Aug 2007	Sept 2007	Closed

University of Northern Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
24. NCAA Rules – Compliance Program Evaluation Process Review	Jun 7, 2007	Originally scheduled Sept 2007	Sept 2007	Closed

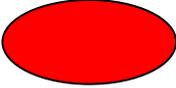
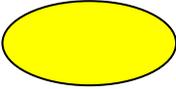
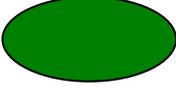
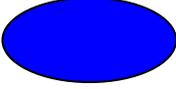
MATERIALITY / CRITICALITY (MC)

<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 is due and is within 3 months of originally scheduled completion date.
	<ul style="list-style-type: none"> • Follow-up report not yet due.
	<ul style="list-style-type: none"> • Closed.

**The University of Iowa
UHC Engineering Services**
Initial Audit Report Issued: September 17, 2007

Summary

M/C

CEA

Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
				Review:	Report:
	1. Blanket Purchase Orders and Separation of Duties.		Immediately	Oct 2007	Nov 2007
	2. Before-And-After Photos of Projects.		Immediately	Oct 2007	Nov 2007
	3. Itemization of Labor Charges on Vendor Invoices.		Immediately	Oct 2007	Nov 2007
	4. Mold Remediation Training.		September 2007	Oct 2007	Nov 2007
	5. Performance Reviews.		Immediately	Oct 2007	Nov 2007

**The University of Iowa
Henry B. Tippie College of Business**
Initial Audit Report Issued: September 17, 2007

Summary

M/C

CEA

Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
				Review:	Report:
	1. Internet System Risks.		November 2007	Dec 2007	Jan 2008
	2. Data and System Disaster Recovery Plan.		November 2007	Dec 2007	Jan 2008

The University of Iowa
HCIS Hardware Change Management
Initial Audit Report Issued: September 17, 2007

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Business Continuation / Disaster Recovery Planning.		Immediately	Review: Feb 2008 Report: Mar 2008 
2. Interface Engine.		Completed	Item Closed 

The University of Iowa
Speech Pathology and Audiology
Initial Audit Report Issued: September 17, 2007

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Business Processes and Documentation.		July 2008	Review: Aug 2008 Report: Sept 2008 
2. The Clinic's Business Database.		July 2008	Review: Aug 2008 Report: Sept 2008 
3. Information Technology.		January 2008	Review: Aug 2008 Report: Sept 2008 
4. Business Plan.		July 2008	Review: Aug 2008 Report: Sept 2008 
5. China Mission.		May 2008	Review: Aug 2008 Report: Sept 2008 

**The University of Iowa
Data Center Security**
Initial Audit Report Issued: October 9, 2007

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Back-up Power Supply.		January 2008	Review: Feb 2008 Report: Mar 2008
2. Disaster Recovery Plan for Interim Back-up Site.		January 2008	Review: Feb 2008 Report: Mar 2008
3. Business Impact Analysis.		January 2008	Review: Feb 2008 Report: Mar 2008
4. Updated Job Duties.		Completed	Item Closed

**The University of Iowa
Department of Intercollegiate Athletics**
Initial Audit Report Issued: October 9, 2007

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. General Purchasing and Expenditures.		January 2008	Review: Sept 2008 Report: Sept 2008
2. Budgeting and Accounting.		June 2008	Review: Sept 2008 Report: Sept 2008
3. Licensing Revenue and Receipts.		August 2007	Review: Sept 2008 Report: Sept 2008
4. Training Table Meals.		January 2008	Review: Sept 2008 Report: Sept 2008
5. Confidential Student Information.		January 2008	Review: Sept 2008 Report: Sept 2008
6. Information Technology Administration.		August 2008	Review: Sept 2008 Report: Sept 2008

**Iowa State University
Institutional Animal Care & Use Committee Compliance Review**
Initial Audit Report Issued: October 12, 2007

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Protocol Application Review.		January 2008	Review: Apr 2008 Report: May 2008 
2. Post Approval Protocol Verification.		March 2008	Review: Apr 2008 Report: May 2008 
3. External Project Monitoring.		December 2007	Review: Apr 2008 Report: May 2008 

Iowa School for the Deaf
Initial Audit Report Issued: August 8, 2007

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Wireless.		December 2007	Review: Aug 2008 Report: Aug. 2008 
2. IT Documentation.		August 2008	Review: Aug 2008 Report: Aug 2008 
3. Facility Security.		October 2007	Review: Aug 2008 Report: Aug 2008 
4. Leases.		May 2008	Review: Aug 2008 Report: Aug 2008 