

Contact: Todd Stewart

INTERNAL AUDIT REPORTS ISSUED

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

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

ORIGINAL REPORTS	CEA*	Status
UNIVERSITY OF IOWA		
• Iowa River Landing Cash Handling		Open
• Intercollegiate Athletics – Home Game Ticket Revenue FY 2012-2013		Closed
• BuildUI		Open
• Iowa River Landing Medication Security		Open
• Office of Animal Resources		Open
• Recharge Centers		Open
• UIHC Food and Nutrition Services		Open
• Iowa River Landing Billing and Financials		Closed
• Office of Strategic Communication		Open
IOWA STATE UNIVERSITY		
• NCAA Compliance – Playing and Practice Seasons		Closed
• NCAA Compliance – Student-Athlete Employment		Closed
• NCAA Compliance – Rules Education		Closed
• NCAA Compliance – Camps and Clinics		Open
• NCAA Compliance – Commitment of Personnel to Rules Compliance Activities		Open
• College of Design		Open
• Global Programs – College of Agriculture and Life Sciences		Open
UNIVERSITY OF NORTHERN IOWA		
• McNair Scholars Program		Open
• Public Safety		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Athletics Operations – Apparel and Promotional Items Closed
- Center for Digestive Disease Closed
- Clery Campus Security Policy and Campus Crime Statistics Act Closed
- Campus Conflict of Interest Closed
- Department of Nursing Closed
- Department of Orthopaedics Closed
- UI Optical Closed
- Office of Equal Opportunity and Diversity Closed

IOWA STATE UNIVERSITY

- Extension and Outreach Closed
- Export Controls Closed
- Dr. W. Eugene and Linda Lloyd Veterinary Medical Center Closed
- Student Organizations Closed
- Identity and Access Management Closed

UNIVERSITY OF NORTHERN IOWA

- UNI Center for Urban Education Closed
- Multimodal Transportation Center Closed

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 overall audit report.



The University of Iowa
Iowa River Landing Cash Handling

Issued July 10, 2013

Status: Open

The Iowa River Landing Cash Handling audit was performed to examine the cash handling operations for reasonable internal controls and processes. Audit recommendations include reviewing financial counselors' batch close-out processes, purchasing a fire-proof safe and securing undeposited funds within it, limiting access of cash drawer bags to one clerk per shift and updating cash handling training for clerks whose training has expired. Management expects to complete their action plans by August 2013.



The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue FY 2012-2013

Issued August 20, 2013

Status: Closed

This audit is performed annually to provide an independent verification and reconciliation of home game athletic ticket revenue, ensure accurate payment of sales tax, completion of guaranteed payments according to Big Ten revenue sharing regulation or contractual terms to visiting institutions, and to reconcile complimentary ticket listings. No material audit findings or weaknesses were noted during the course of this audit. This audit is closed.



The University of Iowa
BuildUI

Issued August 20, 2013

Status: Open

Security within the BuildUI application was reviewed for reasonable internal controls and processes. Audit recommendations focused on securing the public facing web-based application, upgrading change control software, performing regular vulnerability scans, developing a business continuation plan, and sending account credentials to external users in a more secure fashion. Management expects to complete their action plans by December 2013.



The University of Iowa
Iowa River Landing Medication Security

Issued August 20, 2013

Status: Open

The IRL Medication Security Audit reviewed inventory and security processes in place at the IRL pharmacy and ambulatory clinics. Audit recommendations include the implementation of standard termination procedures to revoke pharmacy access from terminated employees, policy compliance regarding the disposal of unused controlled substances as well as medication refrigerators, and a more frequent inventory process. Management expects to complete their action plans by October 2013.



The University of Iowa
Office of Animal Resources

Issued August 20, 2013

Status: Open

The Office of Animal Resources audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include implementing an educational program for all facility users, evaluation of their current inventory tracking system with consideration given to RFID tracking or bar coding, implementing a real-time drug inventory report, implementing controls to better track door access, and creation of a termination checklist. Management expects to complete their action plans by August 2014.



**The University of Iowa
Recharge Centers**

Issued August 20, 2013

Status: Open

The Recharge Center audit was performed to assure the centers comply with Office of Management and Budget (OMB) Circular A-21 and the university Service Center policy. Audit recommendations include the Division of Financial Analysis providing a standard template for recharge centers to use as guidance when establishing their rates, the tracking of discounts provided to cancer center members, and billing the established rate for all customers. Management expects to complete their action plans by November 2013.



**The University of Iowa
UIHC Food and Nutrition Services**

Issued August 20, 2013

Status: Open

The UIHC Food and Nutrition Services audit was performed to examine the operations for reasonable internal controls and processes. Primary audit recommendations include implementation of a barcoding system for improved inventory management, improved controls over physical security and monitoring of storeroom activity, and improved monitoring of financial transactions and reconciliations. Management expects to complete their action plans by July 2014.



**The University of Iowa
Iowa River Landing Billing and Financials**

Issued September 19, 2013

Status: Closed

The Iowa River Landing (IRL) Billing and Financials audit was performed to provide reasonable assurance IRL's billing and financial management processes are sound and that internal controls are in place and operating as intended. The following IRL services were selected for the billing review: Dermatology, the Diabetes Center, Cardiology, Internal Medicine, Ophthalmology, Otolaryngology, Pediatrics, and Women's Health/Wellness. The financial management review encompassed all IRL services. There were no significant findings noted. The audit is closed.



**The University of Iowa
Office of Strategic Communication**

Issued September 19, 2013

Status: Open

The Office of Strategic Communications audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include reconvening the Executive Committee, reviewing fee for service rates, joining all workstations to Active Directory and managing them via an automated management system, implementing offsite data backup, tracking inventory of electronic equipment and computers, and reconciling employee time sheets to the central Human Resources submissions. Management expects to complete their action plans by February 2014.



**Iowa State University
NCAA Compliance – Playing and Practice Seasons**

Issued July 30, 2013

Status: Closed

This audit was performed to determine if the University has policies and procedures in place to administer and monitor playing and practice seasons in accordance with NCAA bylaws. The audit consisted of a review of the activities performed by the Compliance Office. Based on audit testing, the Compliance Office has reasonable controls in place to administer and monitor playing and practice seasons in accordance with NCAA regulations. No reportable issues were identified and this audit is closed.



Iowa State University
NCAA Compliance – Student-Athlete Employment

Issued July 30, 2013

Status: Closed

This audit was performed to determine if ISU has policies and procedures in place to administer and monitor student-athlete employment in accordance with NCAA bylaws. The audit consisted of a review of the activities performed by the Compliance Office. Based on audit testing, the Compliance Office has reasonable controls in place to administer and monitor student-athlete employment in accordance with NCAA regulations. No reportable issues were identified and this audit is closed.



Iowa State University
NCAA Compliance – Rules Education

Issued July 30, 2013

Status: Closed

The audit was performed to determine if the University has undertaken the basic components of a rules education program. The audit consisted of a review of activities performed by the ISU Athletics Department Compliance Office. Departmental policies and procedures documenting the written rules education program were reviewed. Documentation evidencing rules education meetings conducted by the Compliance Office with coaches, athletics department staff, university non-athletics department staff, student-athletes, and representatives of the university's athletics interests was examined. Also, the rules interpretation process was evaluated to determine if requests and responses are documented. Based on audit testing for the time period reviewed, the Compliance Office has implemented the basic components of a rules education program. No reportable issues were identified and the audit is closed.



Iowa State University
NCAA Compliance – Commitment of Personnel to Rules Compliance Activities

Issued July 30, 2013

Status: Open

The audit was performed to determine if the University has policies and procedures in place to administer and monitor compliance with NCAA regulations regarding Commitment of Personnel to Rules Compliance Activities. The audit consisted of a review of certification forms and the conduct and employment of athletics personnel. Implementation of the audit recommendation to complete certification forms is necessary to comply with NCAA bylaws. Management expects to complete their action plans by September 2013.



Iowa State University
NCAA Compliance – Camps and Clinics

Issued September 16, 2013

Status: Open

This audit was performed to determine if ISU has policies and procedures in place to administer and monitor Camps and Clinics in accordance with NCAA bylaws. The audit consisted of a review of the activities performed by the Compliance Office. Implementation of the audit recommendation to complete the migration of the camp approval process to the new online system and update the relevant procedural manuals is necessary to ensure clear communication of current compliance practices to athletics staff members. Management expects to complete their action plans by November 2013.



**Iowa State University
College of Design**

Issued September 16, 2013

Status: Open

The audit was performed to evaluate expenditure and human resource processes and review special course fee and scholarship procedures. Additionally, equipment and building access controls, and internal financial reporting procedures were reviewed. The audit recommendations included updating the computer inventory system, creating separate fund accounts for each special course fee, improving efficiencies for purchasing card and reimbursement requests, and restricting individuals from entering their own leave in the leave management system and implementing review of leave entered for accuracy. Management expects to complete their action plans by January 2014.



**Iowa State University
Global Programs – College of Agriculture and Life Sciences**

Issued September 16, 2013

Status: Open

The purpose of the audit was to evaluate study abroad travel course fees for appropriateness and course and program expenditures for allowability and reasonableness of business purpose. Additionally, international visitor program administration was reviewed for adequate controls. The audit recommendations included additional oversight for international visitor programs, monitoring the use of study abroad travel course program fees, implementing supporting documentation for an agreement between Global Programs and another agency, and retaining departmental scholarship documentation. Management expects to complete their action plans by December 2013.



**University of Northern Iowa
McNair Scholars Program**

Issued September 20, 2013

Status: Open

The audit was performed to provide reasonable assurance that McNair Scholars Program is operating efficiently, effectively, and complying with generally accepted principles as well as University policies and procedures and applicable laws and regulations. Audit procedures included policy and procedures review, personnel procedures, purchasing and general disbursements, and general operations. Audit recommendations include documenting student information, improving summer programs, student training, improving program publicity, general disbursements, operational efficiency, travel, leave and reporting, grant application, and communication. Management expects to complete their action plans by June 2014.



**University of Northern Iowa
Public Safety**

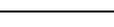
Issued September 20, 2013

Status: Open

The audit was performed to evaluate Public Safety operations for adequate and effective internal controls in alignment with University policies and procedures, applicable laws and regulations, and generally accepted accounting principles. Cash handling, revenue generation, human resource management, purchasing and payables, financial performance, and general, parking and police operations were examined. Audit recommendations include securing revenue and parking permits, reconciliation of parking permit and traffic fines, realignment of parking appeals committee, using non-student accounts receivable system, timely effort reporting, and updating operational duties for three positions. Management expects to complete their action plans by February 2014.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. UI Health Care IT Purchases and Data Center Privatization	Nov 8, 2012	Feb 2013		
2. Dance Marathon	Mar 7, 2013	May 2013		
3. Physics and Astronomy	Nov 8, 2012	June 2013		
4. Department of Neurosurgery	Mar 7, 2013	July 2013		
5. Physician On-Boarding	Nov 8, 2012	Aug 2013		
6. Student Health	Apr 9, 2013	Aug 2013		
7. Department of Urology	May 14, 2013	Aug 2013		
8. University Housing and Dining StarRez System	Mar 7, 2013	Sept 2013		
9. Ambulatory Surgery Center	Feb 13, 2013	Oct 2013		
10. Export Controls	Sept 27, 2012	Nov 2013		
11. Department of Otolaryngology	Apr 9, 2013	Nov 2013		
12. Tippie College of Business	May 14, 2013	Nov 2013		
13. MAUI Security	Aug 20, 2013	Nov 2013		
14. University Dining Inventory Processes	June 21, 2013	Jan 2014		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
15. Laboratory Animal Resources	June 28, 2013	May 2014		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
16. International Programs	Sept 21, 2012	July 2013	Oct 2013	
17. Information Technology Services Business Procedures and Chargebacks	Jan 11, 2013	Nov 2013		
18. College of Humanities, Arts and Sciences	Mar 29, 2013	Jan 2014		
19. Student Health Clinic	Mar 29, 2013	Jan 2014		
20. Effort Reporting	June 27, 2013	Apr 2014		
21. Athletic Equipment and Apparel	June 27, 2013	Apr 2014		

Follow-Up Legend

	<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.