

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

Subject: Field House (UNI-Dome) Operations – Concessions – External Review

Prepared by: Andrea Anania

Date Submitted: October 20, 2004

Recommended Action:

Receive the external audit and follow-up report for Field House (UNI-Dome) Operations – Concessions.

Executive Summary:

Carney, Alexander, Marold & Co. L.L.P. issued a report on Field House (UNI-Dome) Operations – Concessions to assist UNI with the internal control structure over concession stands staffed by UNI volunteers. The auditor performed eighteen agreed-upon procedures as of March 1, 2003, which resulted in five audit recommendations.

UNI internal auditors performed the follow-up review. See the following page for detailed recommendations and follow-up.

Tim McKenna, Internal Audit Director at the University of Northern Iowa, will be available to answer questions at the Committee meeting.

Background:

Audit 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.

Carney, Alexander, Marold & Co. L.L.P. performed procedures on Field House (UNI-Dome) Operations – Concessions as of March 1 2003 in accordance with attestation standards established by the American Institute of Certified Public Accountants. Internal auditors at UNI conducted the follow-up review.

**University of Northern Iowa
Field House (UNI-Dome) Operations - Concessions**

Initial Audit Report Issued: September 30, 2004

Follow-Up Report Issued: August 3, 2004

Audit Closed

Description Eight concession stands at the UNI-Dome are staffed by volunteers.

Scope / Objective External auditors observed procedures at a men's basketball game held in the UNI Dome on March 1, 2003, where two of eight concession stands were in operation.

The following eighteen areas were reviewed:

- | | |
|-------------------------------|----------------------------|
| Written procedures | Change Funds Oversight |
| Beginning Inventory Transfer | Revenue Deposits |
| Change Transfer | Change Funds Return |
| Additional Inventory Transfer | Permanent Change Fund |
| Cash Transfer | Cash/Food Security |
| Ending Inventory Count | Cost of Food Sold |
| Internal Food Consumption | Volunteer Group Commission |
| Booth Sales Reconciliation | Volunteer Group Status |
| Overage/Shortage Calculation | Nepotism |

Recommendations /
Follow-Up

Auditor's Recommendation	Internal Auditor Follow-up
<u>Beginning Inventory Transfer</u> . Follow written procedures for transferring inventory from main stock to individual booths.	All audit recommendations were satisfactorily implemented. All items are closed.
<u>Cash Transfer</u> . Require volunteers to count cash or have two staff people count cash.	
<u>Booth Sales Reconciliation</u> . Enter multiple cash deposits rather than a single entry.	
<u>Cash/Food Security</u> . Secure money by locking the office door at all times; move or restrict visible access to money counting area; do not leave money unattended.	
<u>Nepotism</u> . Review nepotism policy for restrictions concerning employee relationships.	