

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/ Compliance and Investment Committee as required by Board policy.

ORIGINAL REPORTS	M/C*	CEA*	Status
ENTERPRISE WIDE			
• Office of the President – Accounts Review			Closed
• Student Financial Aid Office Operational Processes			Open
UNIVERSITY OF IOWA			
• Postseason Athletic Participation (Outback Bowl)			Open
• Bridge Systems Electronic Medication Administration Record – UIHC			Open
• Iowa Memorial Union Food Services & Residential Dining			Open
• College of Public Health – Department of Epidemiology			Open
IOWA STATE UNIVERSITY			
• Veterinary Teaching Hospital			Open
UNIVERSITY OF NORTHERN IOWA			
• No submissions			

**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 16 internal audit reports, 11 of which require follow-up.

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Capital One Bowl Closed
- Residence Halls - Hall government Closed
- Cooperative Oncology Groups Closed
- UIHC Ambulatory Clinics Cash Handling Closed

IOWA STATE UNIVERSITY

- Iowa Agriculture and Home Economics Experiment Station Closed

UNIVERSITY OF NORTHERN IOWA

- No submissions

Status of Internal Audit Follow-Up

University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. Postseason Athletic Participation Capital One Bowl	Sep 26, 2005	Schedule TBD	TBD	Closed
2. Residence Halls-Hall Government	Oct 26, 2005	Originally scheduled Aug 2006	Aug 2006	Closed
3. Cooperative Oncology Groups	April 19, 2006	Originally scheduled Aug 2006	Aug 2006	Closed
4. Ambulatory Clinics Cash Handling	July 13, 2006	Originally scheduled Sep 2006	Sep 2006	Closed
5. Department of Psychiatry	Oct 26, 2005	Originally scheduled Mar 2006	Apr 2006	
6. Office of the Registrar	Mar 2, 2006	Originally scheduled Aug 2006	Sep 2006	
7. IT Parallel Systems	Mar 2, 2006	Originally scheduled Oct 2006	Nov 2006	
8. Grant Accounting	April 12, 2006	Originally scheduled Oct 2006	Nov 2006	
9. Third Party Clinical Trial billing	April 12, 2006	Originally scheduled Aug 2006	Nov 2006	
10. NCAA Compliance Audit: Sports Camps and Clinics	June 26, 2006	Originally scheduled Oct 2006	Nov 2006	
11. UIHC Construction Audit	July 13, 2006	Originally scheduled Oct 2006	Nov 2006	
12. IDX Access and Security	July 13, 2006	Originally scheduled Dec 2006	Jan 2007	
13. Wireless IT Environment	June 26, 2006	Originally scheduled Jun 2007	Jul 2007	

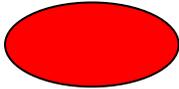
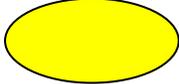
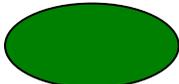
Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
14. Iowa Agriculture and Homes Economics Experiment Station	Jan 6, 2006	Originally scheduled Jul 2006	Aug 2006	Closed

University of Northern Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
15. Management and Professional Development Center	Jun 28, 2005	Originally scheduled Jul 2006	Jul 2006	
16. International Programs	Aug 8, 2005	Originally scheduled Aug 2006	Sep 2006	

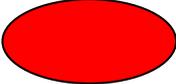
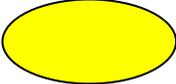
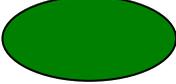
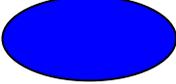
MATERIALITY / CRITICALITY (MC)

<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:

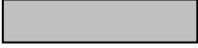
- Enrollment/Teaching/Research/Extension: Recruiting, admissions, financial aid, registrar, curriculum, sponsored programs, extension programs.
- People/Health/Safety: Hospital, clinics, student health center, national security issues, environmental health and safety.
- Financial Loss/Inefficiencies: 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 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.

**Enterprise-Wide
Office of the President – Accounts Review**
Initial Audit Report Issued: October 17, 2006

Summary

M/C

CEA

Status: Closed

No reportable issues were identified during this review.

**Enterprise-Wide
Student Financial Aid Office Operational Processes**
Initial Audit Report Issued: October 17, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Verification of the promissory note (SUI).	●	SUI - December 2006	Review: Jan 2007 Report: Feb 2007
2. Social Security Number disclosures (SUI, UNI).	●	SUI - September 2006 UNI - Immediately	Review: Jan 2007 Report: Feb 2007

**University of Iowa
Postseason Athletic Participation (Outback Bowl)**
Initial Audit Report Issued: September 13, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Student-Athlete Awards/Gifts Approval.	●	December 2006	Review: TBD Report: TBD
2. Graduate Assistant Coach Complimentary Tickets.	●	December 2006	Review: TBD Report: TBD

University of Iowa
Bridge Systems Electronic Medication Administration Record (EMAR)
 Initial Audit Report Issued: August 23, 2006

Summary

M/C

CEA

Status: Open

Recommendations / Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Isolated dropped charges.		September 2006	Review: Oct 2006 Report: Oct 2006 

University of Iowa
Iowa Memorial Union Food Services & Residential Dining
 Initial Audit Report Issued: September 13, 2006

Summary

M/C

CEA

Status: Open

Recommendations/ Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Inventory System.		February 2007	Review: Feb 2007 Report: Mar 2007 
2. Storeroom Access and Security.		September 2006	Review: Feb 2007 Report: Mar 2007 
3. Inventory Adjustments.		February 2007	Review: Feb 2007 Report: Mar 2007 
4. Cash Handling.		Completed	Item Closed 
5. Point-of-Sale (POS) System.		January 2007	Review: Feb 2007 Report: Mar 2007 
6. IMU Unit Delivery Procedures and Documentation.		September 2006	Review: Feb 2007 Report: Mar 2007 

**University of Iowa
College of Public Health - Department of Epidemiology**
Initial Audit Report Issued: October 17, 2006

Summary

M/C

CEA

Status: Open

Recommendations / Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Cancer Registry Data Management and Access.	●	January 2007	Review: Jan 2007 Report: Feb 2007
2. Cancer Registry Contract.			Review: Jan 2007 Report: Feb 2007
A. Reporting	●	January 2007	
B. Contract Classification	●	September 2006	
3. Cost Allocations.	●	August 2006	Review: Jan 2007 Report: Feb 2007

**Iowa State University
Veterinary Teaching Hospital**
Initial Audit Report Issued: August 25, 2006

Summary

M/C

CEA

Status: Open

Recommendations/ Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Inventory Management.	●	February 2007	Review: Feb 2007 Report: Mar 2007
2. Rate Methodologies.	●	November 2006	Review: Feb 2007 Report: Mar 2007
3. Management Accounting.	●	February 2007	Review: Feb 2007 Report: Mar 2007
4. Billing and Accounts Receivable.	●	November 2006	Review: Feb 2007 Report: Mar 2007
5. Segregation of Duties.	●	September 2006	Review: Feb 2007 Report: Mar 2007