

**MEMORANDUM**

**To:** Banking Committee  
**From:** Board Office  
**Subject:** FY 2002 Internal Audit Plans  
**Date:** July 6, 2001

**Recommended Actions:**

1. Receive the universities' progress reports on the FY 2001 audit plans.
2. Receive the universities' FY 2002 internal audit plans.

**Executive Summary:**

Institutional internal auditors submit internal audit plans annually to the Banking Committee to review past accomplishments and to identify the next fiscal year's internal audit focus in accordance with Board policy. All three universities have internal auditors. The University of Iowa (SUI) provides audit coverage for the Iowa School for the Deaf and Iowa State University (ISU) provides audit coverage for the Iowa Braille and Sight Saving School. Costs related to coverage of the special schools are detailed in the plans.

The three internal audit staffs made progress towards completing the internal audit plans for FY 2001. Collectively, 26 original audits were completed and released, 21 were in process or pending, 2 were ongoing, one was cancelled, and 3 were deferred until FY 2002. The universities also completed and released 33 follow-up audits, 3 are pending, and 3 were deferred. All internal audit staffs have audits in progress from the FY 2001 plan.

The FY 2002 internal audit plans identify specific internal audits and follow-up audits to be completed by the internal audit staffs of the Regent universities. The plans are based on known circumstances and certain areas needing routine audit coverage. The plans also include non-audit activities such as leave and professional development. Portions of the audit plans are unscheduled to allow the internal auditors flexibility to respond to events that transpire throughout the year.

	<b><u>FY 2002 Proposed Audit Plan</u></b>		
	<b><u>Scheduled Audits</u></b>	<b><u>Follow-Up Audits</u></b>	<b><u>Total Hours Budgeted</u></b>
University of Iowa			
University Operations	22	15	4,270
Hospital Operations	13	7	2,960
University and Hospital Operations	<u>13</u>	<u>7</u>	<u>4,072</u>
University of Iowa Total	48	29	11,302
Iowa State University	12	9	10,400
University of Northern Iowa	8	4	3,116

**Background:**

In accordance with Regent Procedural Guide §7.05(B), each university has an internal audit staff to assist the Board of Regents and institutional administrators in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed.

All three universities have internal auditors to provide independent appraisal services to the Board and institutional administrators. The University of Iowa internal auditor is responsible for internal audit work at the Iowa School for the Deaf, while the Iowa State University internal auditor is responsible for internal audit work at the Iowa Braille and Sight Saving School.

Internal audit staffs report to the university presidents or special school superintendents, as appropriate, for all auditing activities. Audit activities related to the presidents and superintendents are reported directly to the President of the Board of Regents.

The university internal auditors develop and execute comprehensive audit plans annually, which are submitted to the Banking Committee for approval, as are the completed internal audit reports. Audit plans are developed based upon presently known circumstances and include routine monthly audits of cash and investments, audit follow-ups, special projects, bank reconciliations, and annual reconciliation of athletic office tickets at the University of Iowa and Iowa State University. Portions of the internal audit activities are unannounced and unplanned to accommodate events that transpire throughout the year.

The University of Iowa completed consolidation of its two separate internal audit departments at the University and the University of Iowa Hospitals and Clinics (UIHC) under a single director during FY 2001. The University will continue to report its audits in three categories: university operations, hospital operations, and university and hospital operations.

The presentation for the universities' audit plans includes a summary of how each university internal audit group determines its audit focus, a detailed progress report on each university's accomplishments of its FY 2001 internal audit plan, and the identification of each university's planned audits for FY 2002.

**Analysis:**

The following Regent composite tables provide an overall summary of the current internal audit staff positions, the FY 2001 audit plan status, and the FY 2002 proposed audit plan.

**Regent Composite**

**FY 2001 AUDIT PLAN STATUS**

	<b>SUI University</b>	<b>SUI Hospital</b>	<b>ISU</b>	<b>UNI</b>	<b>TOTAL</b>
<b>Original Audits Planned</b>	<b>19</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>44</b>
Completed and Released	10	5	7	4	26
In Process or Pending	12	3	5	1	21
On-going	2	0	0	0	2
Cancelled	0	1	0	0	1
Deferred Until FY 2002	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>3</u>
<b>Subtotals</b>	<b>24</b>	<b>11</b>	<b>12</b>	<b>6</b>	<b>53</b>
<b>Follow-Up Audits Planned</b>	<b>6</b>	<b>15</b>	<b>8</b>	<b>4</b>	<b>33</b>
Completed and Released	8	12	8	5	33
In Process or Pending	0	2	1	0	3
Deferred	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>3</u>
<b>Subtotals</b>	<b>9</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>39</b>

**FY 2002 PROPOSED AUDIT PLANS**

	<b>Scheduled Audits</b>	<b>Follow-Up Audits</b>	<b>Total Hours Budgeted</b>
University of Iowa			
University Operations	22	15	4,270
Hospital Operations	13	7	2,960
University and Hospital Operations*	<u>13</u>	<u>7</u>	<u>4,072</u>
University of Iowa Total	48	29	11,302
Iowa State University	12	9	10,400
University of Northern Iowa	8	4	3,116

\* Plus an additional number of special projects.

**INTERNAL AUDIT STAFF POSITIONS**

	<b>SUI</b>	<b>ISU</b>	<b>UNI</b>	<b>TOTAL</b>
Full-time Professional Audit Positions	12	4	2	18
Support/Interns/Students	0	1	1	2

Narratives explaining each university's internal audit progress and plan begins on page 4. Detailed tables are included on pages 12 through 20 and include a summary of internal audit activities completed over the past four years and a summary of the proposed internal audit plans for FY 2002.

## UNIVERSITY OF IOWA

During FY 2001, the University reorganized its two separate internal audit departments at the University of Iowa (SUI) and the University of Iowa Hospitals and Clinics (UIHC) into one department. The Internal Audit staff will continue to distinguish its audits between University Operations, Hospital Operations, or University and Hospital Operations.

The FY 2001 audit plans for the University of Iowa and the University of Iowa Hospitals and Clinics were presented separately at the July 2000 meeting. The status of the FY 2001 audit plan and the audit plan for FY 2002 are presented as one plan in this memorandum.

In years past, the University had focused its University Operations audits on financial and compliance reviews, control evaluations of new financial and human resource systems, accounts payable, asset management, NCAA compliance audits, and management requests. Hospital Operations were focused on financial statement accuracy, internal controls, operational effectiveness, efficiency and compliance, allowances for doubtful accounts, staff and patient services, as well as processes related to cash handling and employment. Emphasis is being placed on developing consistent processes, procedures/policies and audit objectives.

Table 1 on pages 12-13 lists all of the completed audits at SUI (University Operations and Hospital Operations) for FY 2001 as well as for the three previous fiscal years.

### FY 2001 AUDIT PLAN STATUS

At the July 2000 Banking Committee meeting, the University of Iowa and the University of Iowa Hospitals and Clinics presented audit plans for FY 2001 which included 29 new audits and 21 follow-up audits.

<b>University of Iowa FY 2001 Plan Status</b>		
	<b>Original Audits</b>	<b>Follow-Up Audits</b>
<b>University Operations Planned Audits</b>	<b>19</b>	<b>6</b>
Completed/Released	10	8
In Process or Pending	12	0
Ongoing	2	0
Deferred	<u>0</u>	<u>1</u>
Totals	24	9
<b>Hospital Operations Planned Audits</b>	<b>10</b>	<b>15</b>
Completed/Released	5	12
In Process or Pending	3	2
Cancelled	1	0
Deferred	<u>2</u>	<u>1</u>
Totals	11	15

All projects in the FY 2001 Audit Plan for University Operations were completed or are in process. Five of the planned follow-up audits were completed and one follow-up was deferred due to timing. Several special projects and on-going activities were also performed during the year. University Operations added three audits not included in the original plan for the year; two are in process or pending. Three follow-up audits were also added, completed, and released.

Seven of the ten projects in the FY 2001 Audit plan for Hospital Operations were completed or are in process. Eleven of the planned follow-up audits were completed. Three variances were reported from the original plan. Two original audits were deferred until FY 2002 due to resource limitations and the pending implementation of a new fixed-asset system. One audit was cancelled and is currently being addressed by the UIHC Compliance Office. Hospital Operations completed and released one additional audit and one additional follow-up audit.

No major unexpected findings or unusual circumstances were reported. The University plans to conduct follow-up reviews related to all open audit reports during FY 2002 to assure that corrective measures have been fully implemented.

#### **FY 2002 PROPOSED PLAN**

The Proposed Internal Audit Plan for FY 2002 detailed in Table 2 on pages 14-16 includes 22 new audits and 15 follow-up audits for University Operations; 13 new audits and 7 follow-up audits for Hospital Operations; as well as 13 new and 7 follow-up audits and several special projects for combined University and Hospital Operations totaling 11,302 hours.

<b>University of Iowa FY 2002 Proposed Plan</b>			
	<b>Original Audits</b>	<b>Follow-Up Audits</b>	<b>Hours</b>
<b>University Operations</b>	22	15	4,270
<b>Hospital Operations</b>	13	7	2,960
<b>University and Hospital Operations</b>	<u>13</u>	<u>7</u>	<u>4,072</u>
<b>Totals</b>	48	29	11,302

The plan for FY 2002 is based on one internal audit department serving the University and the Hospitals; the input of more than 50 University and UIHC management personnel; risk assessment on a project basis; and priorities based on compliance, risk criteria, and client need.

During FY 2002, Internal Audit plans to provide consulting services to UIHC regarding appropriate internal controls for the Business Office's new Patient Billing System, Interpretative Data Services (IDX), which will be implemented in July 2002. Internal Audit also plans to provide assistance to assure that proper controls and procedures are developed to meet new Health Insurance Portability and Accountability Act regulations.

Two audits for the UIHC Business Office are included in the plan. The University proposes that these audits be performed in lieu of the follow-up report for the Patient Accounts (UIHC) internal audit that was issued in January 1996. The University reports that significant changes have occurred and that the original report is no longer relevant to current processes.

The University reports that risk assessment identified several areas including business processes, information technology, new system development and implementation, and areas with a change in management and/or complex office processes. Approximately one-third of the total planned audit hours for FY 2002 are allocated to business process reviews.

The Internal Audit Department at the University of Iowa is also responsible for internal auditing at the Iowa School for the Deaf (ISD). Special projects for FY 2002 include the monthly cash and investment review as well as a general ledger and annual internal control review. The audit plan includes 162 budgeted hours for ISD at an estimated cost of \$4,920.

Annual Internal Control Review	120 hours
Monthly Cash and Investment Reviews	<u>42 hours</u>
Total	162 hours

The Director of Internal Audit, Carol Senneff, joined the University's Internal Audit Department in December 2000. The University also hired three staff auditors, one assistant auditor, and one secretary during the year. Of the 12 approved positions, 11 are filled. The University plans to keep one senior auditor position vacant due to budget circumstances.

The University of Iowa's current internal audit personnel includes: Richard See, Project Manager; Donetta Boone, Project Manager; Debra Johnston, Senior Auditor; Shari Sorensen, Senior Auditor; Amy Welter, Senior Auditor; Herb Musser, Senior Auditor; Jane Adams, Senior Auditor; Debra Schott, Senior Auditor, Bronwyn Van Fosseen, Audit Assistant; and Laurie Porsch-Friedman, Secretary.

## **IOWA STATE UNIVERSITY**

Iowa State University reports that its internal auditors perform operational and financial audits, special projects, recurring reviews, and consulting activities to assist the University with developing and maintaining appropriate operational controls; attaining greater economy and efficiency; and ensuring compliance with policies of the University and other regulatory bodies.

According to the University, audits which address the most material or immediate risks are selected for each year's audit plan. Academic and administrative area audits are also included each year. In preparation for each year's audit plan, the Internal Audit Department considers:

- Management turnover or organizational changes;
- Supplies and services budget allocation;
- Level of extramural receipts;
- New computer systems;
- Inventory maintained for resale;
- Inventory of dangerous substances;
- Number of casual hourly employees;
- Time since prior audit by internal or state auditors; and
- Concerns noted by audit staff and key university officials.

ISU reports that it emphasizes audits in units with large budgets, significant extramural revenues, large numbers of hourly employees, significant computer implementations, and organizational and management changes. ISU also places emphasis on divisions and units that have not recently had an audit performed by either the Auditor of State or the Office of Internal Audit.

Table 3 on page 17 lists all of the completed audits at Iowa State University for FY 2001 as well as for the three previous fiscal years.

During FY 2002, the Office of Internal Audit plans to increase audits in administrative areas during FY 2002 that could identify university-wide cost saving opportunities.

**FY 2001 AUDIT PLAN STATUS**

At July 2000 meeting, ISU presented its internal audit plan with 10 new audits; eight follow-up audits; as well as several recurring reviews, special projects, and audit administration activities. When applicable, the audits contain a computer system review to assure internal control compliance within the automated environment.

<b>Iowa State University FY 2001 Plan Status</b>		
	<b>Original Audits</b>	<b>Follow-Up Audits*</b>
<b>Planned Audits</b>	<b>10</b>	<b>8</b>
Completed/Released	7	8
In Process or Pending	5	1
Deferred	<u>0</u>	<u>1</u>
Totals	12	10

Of the 10 planned original audits, six were completed and four are in process or pending. Of the eight planned follow-up audits, seven were completed (one included two follow-up reviews); one is in process and one is deferred until FY 2002. One unscheduled original audit was completed and released and one was in processing at year's end. The audit staff also responded to many requests from faculty and staff for assistance in resolving procedural questions, internal control concerns, and compliance issues.

Variances in the audit plan for FY 2001 were minor. One audit will extend into FY 2002 resulting from a staff vacancy during part of the year.

Recurring reviews include audit administration, supervision, and support; athletic ticket office reconciliations; system development consultation; cash and investment activities; self-review, procedural improvements, and audit planning; quarterly bank statement reconciliations; and special reviews.

ISU reports that unexpected findings and unusual circumstances were minimal. The most notable findings were related to internal management reporting in the Residence Hall Convenience Stores Audit. Corrective actions are underway to improve the consistency and reliability of information.

**FY 2002 PROPOSED PLAN**

Iowa State University's annual audit plan is developed based on consultations with internal and external sources, as well as considerations such as:

- Results of ongoing risk assessment activities;
- Past audits and common findings;
- Exception reports from Inventory Control and the Department of Public Safety;
- Specific risk factors including: staffing levels and management changes; level of revenues and expenditures; level of transactions with entities external to the University; inventory stocked for resale; and computerization of operations;
- Requests for unscheduled audits, process reviews, and investigations; and
- Review and approval by the President and the Board of Regents.

**Iowa State University  
FY 2002 Proposed Plan**

<b>Original Audits</b>	<b>Follow-Up Audits</b>	<b>Hours</b>
12	9	10,400

The proposed FY 2002 audit plan detailed in Table 4 on page 18 includes: 12 scheduled audits; nine follow-up audits; other responsibilities such as recurring reviews, special projects, and audit administration; as well as non-audit activities for a total of 10,400 hours.

The internal audit cycle routinely includes high-risk areas including reviews of investments, bank statement reconciliations, and athletic ticket revenues.

The Internal Audit Department at Iowa State University is also responsible for internal auditing at the Iowa Braille and Sight Saving School. Special projects for FY 2002 include the quarterly cash and investment reviews; an annual internal control review; and a general controls review of computer systems. The audit plan includes 100 budgeted hours for IBSSS at an estimated cost of \$2,961:

Computer Systems General Controls Review	40 hours
Cash and Investment Reviews	50 hours
Annual Review	<u>10 hours</u>
<b>Total</b>	<b>100 hours</b>

The Office of Internal Audit reports that it is now fully staffed. One auditor position remained vacant for part of the fiscal year and a temporary internal auditor was hired for three months during this time. Current internal audit personnel includes: Sheryl Rippke, Director; Karen Cline, Auditor; Toni Zeimen, Auditor; Brad Peterson, Auditor; and Vi Hall, Audit Assistant.

**UNIVERSITY OF NORTHERN IOWA**

The University of Northern Iowa (UNI) reports that the Office of Operations Auditor selects areas throughout the University to audit from the performance of periodic risk analysis as well as from information reported by management during the year. At least two large audits are routinely selected for the plan each year, the Investments & Cash Management compliance audit and the Cash Funds On Hand audit.

The Investments & Cash Management compliance audit is required by the Regents' Investment Policy. The Cash Funds on Hand audit addresses the liquidity risk of cash and cash equivalents in the various departments and units at UNI and promotes the presence and oversight responsibility of the Office of Operations Auditor at UNI on a continual basis.

Table 5 on page 19 lists all of the completed audits at UNI for FY 2001 as well as for the three previous fiscal years.

The first phase of the University's new Modern Executive and Management Financial Information System (MEMFIS) will be implemented during FY 2002. MEMFIS is the new campus-wide comprehensive financial information system. This system will replace the core systems of human resources, payroll, general ledger, purchasing, accounts payable, grants and contracts, projects, and budgeting. UNI reports that impact of MEMFIS on the FY 2002 internal audit plan is unknown at this time.

**FY 2001 AUDIT PLAN STATUS**

At the July 2000 Banking Committee meeting, UNI presented its FY 2001 internal audit plan with five new audits; four follow-up audits; as well as special request and unplanned reviews; other responsibilities such as advisory services and risk analysis; and non-audit activities.

<b>University of Northern Iowa FY 2001 Plan Status</b>		
<b>Planned Audits</b>	<b>Original Audits</b>	<b>Follow-Up Audits</b>
<b>Planned Audits</b>	<b>5</b>	<b>4</b>
Completed/Released	4	5
In Process or Pending	1	0
Deferred	<u>1</u>	<u>0</u>
Totals	6	5

Of the five new audits, three were completed, one is in process, and one is deferred until FY 2002. All four of the follow-up audits were completed. In addition to the plan approved by the Board, one original audit and one follow-up audit were added, completed, and released during the year.

Variances from the FY 2001 Internal Audit Plan resulted from the additional audits, the decrease in work hours of the Student Assistant Auditor, and one audit that required more hours than originally planned. The University reports that it did not encounter any unexpected findings or unusual circumstances.

**FY 2002 PROPOSED PLAN**

In addition to the two routine audits for cash and investments, the Internal Audit Plan includes two audits on the Residence System, and one on each of the following: Continuing Education & Special Programs, Conference & Visitor Services, Human Resources, and Motor Vehicle Pool.

**University of Northern Iowa  
FY 2002 Proposed Plan**

<b>Original Audits</b>	<b>Follow-Up Audits</b>	<b>Hours</b>
8	4	3,116

The proposed FY 2002 audit plan detailed in Table 6 on page 20 includes: eight scheduled audits; four follow-up audits; special requests and unplanned activities; other responsibilities such as advisory services; audit review; risk analysis and annual planning; as well as non-audit activities for a total of 3,116 hours.

The UNI's current internal audit personnel includes Timothy J. McKenna, Operations Auditor (Mr. McKenna also serves in a legal capacity for the University); Carla S. Maletta, Internal Auditor; and Brooke LaCoste, Student Assistant Auditor. The previous Student Assistant Auditor, Teresa Hosch, terminated employment as of April 19, 2001. Brooke LaCoste was hired in May of 2001.

Table 1

UNIVERSITY OF IOWA  
Audits Completed for the Past Three Fiscal Years

Audit	FY 1998	FY 1999	FY 2000	FY 2001
<b>BUSINESS PROCESS REVIEWS</b>				
<b>University Operations</b>				
APPO Implementation - Cash Disbursements		X		
APPO Implementation - P/O Issuance & Invoice Approval			X	
APPO Implementation - Purchasing & Receiving			X	
APPO Implementation - Vendor File Maintenance				X
Asset Management System Implementation - Central Processing			X	
Cash Handling Operations - Vending Services	X			
General Stores Operations	X			
Human Resource Info (HRIS) System - Access Security				X
Student Organization Travel Vouchers				X
Telecommunication Charges	X			
Treasury Department		X		
Intercollegiate Athletics - NCAA Compliance (Men's and Women's)	X	X		
NCAA Compliance (Women) - Complimentary Tickets			X	
NCAA Compliance (Men) - Complimentary Tickets			X	
NCAA Compliance (Women) - Coaching Staff Limits & Contracts			X	
NCAA Compliance (Men) - Coaching Staff Limits & Contracts			X	
NCAA Compliance - Comprehensive - Financial Aid				X
NCAA Compliance - Basic Reviews - Various Areas				X
<b>Hospital Operations</b>				
Accounts and the Allowance for Contractual Adjs - Hospital Acuity System	X	X	X	
AFSCME - Grievance Award: Merit 4-Hours Paid Time Off			X	
Allowances for Doubtful & Indigent Accounts - Hospital Allowance for Contractual Adjustments	X	X	X	X
Ambulatory Care Complimentary Parking Pilot Program			X	
Ambulatory Care & Ancillary Services Complimentary Parking				X
Cash Advances		X	X	
Commercial Insurance Audits		X		
FPP Allowance for Doubtful and Indigent Accounts	X			X
Griffin/Diebold Automated Meal Charging System		X		
Helen K Rossi Volunteer Guest House Receipting			X	
Non-Business Office Cash Receipting Procedures			X	
Retirement Incentive Program		X		
Taxi Permits			X	
UI Health Plans	X		X	
UIHC Cafeteria Meal Card Program			X	
UIHC Identification Badge	X		X	
UIHC Omnicell System			X	
Vacation & Sick Leave Input Controls	X	X		
Value Analysis Program				X

**UNIVERSITY OF IOWA**  
**Audits Completed for the Past Three Fiscal Years**

Audit	FY 1998	FY 1999	FY 2000	FY 2001
<b>INFORMATION TECHNOLOGY</b>				
<b>University Operations</b>				
APPO Implementation - Change Management		X		
FasTrak Inventory System	X			
<b>Hospital Operations</b>				
Hospital Information Systems General Controls	X			
Hospital Information Systems Planning and Systems Life Cycle	X			
Hospital Information Systems Logical Access Controls	X			
Digitized Signature Usage by HIS	X	X		
<b>DEPARTMENTAL REVIEWS</b>				
<b>University Operations</b>				
College of Nursing			X	
Department of Pathology				X
<b>RECURRING AUDITS</b>				
<b>University Operations</b>				
Confirmation of University Depository Accounts		X		
Intercollegiate Athletics - Home Game Ticket Revenue	X	X	X	X
Investment Purchase Transactions (Monthly & Quarterly Reviews)	X	X	X	X
Review of Departmental Cash Collection Activities	X		X	X
Review of Departmental Inventory Activity				X
Year-end Cashier & Dept'l Cash Advances with Auditor of State	X	X	X	
Year-end Supply Inventory Verifications with Auditor of State	X	X	X	
<b>Hospital Operations</b>				
Credit Card Usage	X	X	X	X
<b>SPECIAL PROJECTS</b>				
<b>University Operations</b>				
College of Medicine - University			X	
Control Policies - University	X			
International Writers Program			X	X
ISD - General Internal Control Review		X	X	
ISD - Monthly Cash & Investment Review		X	X	X
Office of Student Services		X		
Office of Provost	X			
Department of Physics and Astronomy				X
Residence Services	X			
Surplus Stores - University			X	
<b>Hospital Operations</b>				
Mapping of Patient Acct System Write-Off Codes to GL				X
Student Health Cash Controls		X		
Travel Expenses			X	

**Table 2**  
**UNIVERSITY OF IOWA**  
**Proposed Internal Audit Plan for FY 2002**

<b>BUSINESS PROCESS REVIEWS</b>	<b>Hours</b>	<b>Percent</b>
<b>University Operations</b>		
Box Office - Athletics	120	1.1%
Box Office - Hancher	100	0.9%
In-State Residency	60	0.5%
NCAA Basic Review - TBD	80	0.7%
NCAA Basic Review - TBD	80	0.7%
NCAA Comprehensive Review - Recruiting	200	1.8%
NCAA Comprehensive Review - Sports Camps and Clinics	120	1.1%
Student Bills - Timely posting of charges	80	0.7%
Student Government	100	0.9%
Transporting Cash	80	0.7%
<b>Subtotal</b>	<b>1,020</b>	<b>9.0%</b>
<b>Hospital Operations</b>		
Business Office - Interim Process	250	2.2%
Business Office - Interim Process	200	1.8%
Contractual Adjustments - Third Party	190	1.7%
Electronic Signatures	80	0.7%
Fixed Assets Management	120	1.1%
On-Call Meals	100	0.9%
Transporting Cash	60	0.5%
<b>Subtotal</b>	<b>1,000</b>	<b>8.8%</b>
<b>University and Hospital Operations</b>		
Conflict of Interest Policy	120	1.1%
Electronic Funds Transfer	120	1.1%
FMLA	120	1.1%
Hazardous Material Management - Chemicals	300	2.7%
Hiring Process	280	2.5%
Institutional Review Board	240	2.1%
Payroll	300	2.7%
Unrelated Business Income	190	1.7%
<b>Subtotal</b>	<b>1,670</b>	<b>14.8%</b>
<b>DEPARTMENTAL REVIEW</b>	<b>Hours</b>	<b>Percent</b>
<b>University Operations</b>		
Departmental Review - Division of Continuing Education	300	2.7%
Departmental Review - Graduate College	300	2.7%
Hygienic Lab - Des Moines facility	160	1.4%
University Bookstore	160	1.4%
Video Center	150	1.3%
<b>Subtotal</b>	<b>1,070</b>	<b>9.5%</b>
<b>Hospital Operations</b>		
Departmental Review - TBD	240	2.1%
<b>Subtotal</b>	<b>240</b>	<b>2.1%</b>

Table 2 (continued)

UNIVERSITY OF IOWA  
Proposed Internal Audit Plan for FY 2002

<b>INFORMATION TECHNOLOGY</b>	<b>Hours</b>	<b>Percent</b>
<b>Hospital Operations</b>		
Firewalls	150	1.3%
<b>Subtotal</b>	<b>150</b>	<b>1.3%</b>
<b>University and Hospital Operations</b>		
Decentralized Processes	300	2.7%
Software Copyrights	200	1.8%
<b>Subtotal</b>	<b>500</b>	<b>4.4%</b>

  

<b>COMPLIANCE</b>	<b>Hours</b>	<b>Percent</b>
<b>Hospital Operations</b>		
Environmental & Code Compliance	200	1.8%
<b>Subtotal</b>	<b>200</b>	<b>1.8%</b>

  

<b>SPONSORED PROGRAMS</b>	<b>Hours</b>	<b>Percent</b>
<b>University Operations</b>		
Review of Sponsored Programs - Department to be determined	200	1.8%
<b>Subtotal</b>	<b>200</b>	<b>1.8%</b>

  

<b>FOLLOW-UP AUDITS</b>	<b>Hours</b>	<b>Percent</b>
<b>University Operations</b>		
Athletics	60	0.5%
FFP Compliance	60	0.5%
Dentistry	60	0.5%
Student Travel	60	0.5%
Surplus Stores	60	0.5%
APPO Security Access	60	0.5%
Asset Management Security Access	60	0.5%
Decentralized HR Processes	60	0.5%
IMU Box Office	60	0.5%
Six Unidentified Follow-up Reviews	360	3.2%
<b>Subtotal</b>	<b>900</b>	<b>8.0%</b>
<b>Hospital Operations</b>		
Valet Parking	60	0.5%
Vending Revenue	60	0.5%
Five Unidentified Follow-up Reviews	300	2.7%
<b>Subtotal</b>	<b>420</b>	<b>3.7%</b>
<b>University and Hospital Operations</b>		
Seven Unidentified Follow-up Reviews	350	3.1%
<b>Subtotal</b>	<b>350</b>	<b>3.1%</b>

Table 2 (continued)

UNIVERSITY OF IOWA  
Proposed Internal Audit Plan for FY 2002

<b>SPECIAL PROJECTS</b>	<b>Hours</b>	<b>Percent</b>
<b>Hospital Operations</b>		
IDX - Consulting and Review	500	4.4%
TSI - Consulting and Review	200	1.8%
HIPAA - Consulting and Review	250	2.2%
<b>Subtotal</b>	<b>950</b>	<b>8.4%</b>
<b>University and Hospital Operations</b>		
ISD - Monthly Cash and Investment Review	42	0.4%
ISD - Annual GL and Internal Control Review	120	1.1%
Miscellaneous - Special Projects	1,200	10.6%
<b>Subtotal</b>	<b>1,362</b>	<b>12.1%</b>
<b>RECURRING AUDITS</b>	<b>Hours</b>	<b>Percent</b>
<b>University Operations</b>		
Quarterly Regents Investment Compliance	480	4.2%
Athletic Home Ticket Revenue	250	2.2%
Confirmation of University Bank Accounts	90	0.8%
Inventory Activity Review	90	0.8%
Cash Collection Activity	130	1.2%
Physical Cash Counts	40	0.4%
<b>Subtotal</b>	<b>1,080</b>	<b>9.6%</b>
<b>University and Hospital Operations</b>		
Audit Coordination -- Auditor of State Annual Financial & Federal A-110	190	1.7%
<b>Subtotal</b>	<b>190</b>	<b>1.7%</b>
<b>GRAND TOTAL</b>	<b>11,302</b>	<b>100.0%</b>

Table 3

IOWA STATE UNIVERSITY  
Audits Completed for the Past Three Fiscal Years

Audit	FY 1998	FY 1999	FY 2000	FY 2001
4-H Youth Development Program		X		
8VA Corporation Contract Compliance	X			
Academic Course Fees			X	
Analytical Services Laboratory			X	
Animal Ecology			X	
Annual Review -- IBSSS	X	X	X	X
Athletic Ticket Office				X
Campus Organizations Accounting		X		
Cash & Investment Review -- IBSSS	X	X	X	X
Cash & Investment Review -- ISD	X			
Cash & Investment Review -- ISU	X	X	X	X
Center for Advanced Technology Development	X			
City of Ames - ISU Fire Service Agreement		X		
City of Ames - ISU Sewer Agreement			X	
College of Design Administration	X			
College of Education Administration		X		
Employee Benefits Processing		X		
Extension Distribution Center				X
Financial Aid Disbursements			X	
Human Subjects in Research				X
International Agricultural Programs				X
Iowa Lakeside Laboratory			X	
ISU Card		X		
Laboratory Animal Resources	X			
Memorial Union Vending Contract	X			
Microelectronics Research Center		X		
Minority Student Affairs		X		
Motor Pool - IBSSS			X	
NCAA Compliance - Part 1		X		
NCAA Compliance - Part 2				X
Payroll Process -- IBSSS		X		
Public Safety - Parking Division	X			
Purchasing Card				X
Purchasing Through ISU - IBSSS				X
Quarterly Bank Statement Reconciliation	X		X	X
Reiman Gardens			X	
Residence Hall Convenience Stores				X
Seed Science Center		X		
Small Business Development Center			X	
Tutoring Services	X			
University Bookstore	X			
Veterinary Diagnostic Production Animal Medicine				X
Veterinary Teaching Hospital			X	

**Table 4**  
**IOWA STATE UNIVERSITY**  
**Proposed Internal Audit Plan for FY 2002**

<b>SCHEDULED AUDITS</b>	<b>Hours</b>	<b>Percent</b>
Agricultural and Biosystems Engineering	320	3.1%
Animal Science	380	3.7%
Athletic Department Business Office	560	5.4%
Computer System General Controls Review - IBSSS	40	0.4%
Electrical and Computer Engineering	360	3.5%
Forestry	280	2.7%
Facilities Planning and Management Prism System	440	4.2%
Microcomputer Products Center	360	3.5%
Printing Services	360	3.5%
Procurement Functions	300	2.9%
Receivables Office	360	3.5%
Residence Hall Accounting	440	4.2%
<b>Subtotal</b>	<b>4,200</b>	<b>40.4%</b>

  

<b>FOLLOW-UP AUDITS</b>	<b>Hours</b>	<b>Percent</b>
Academic Course Fees	20	0.2%
Athletic Ticket Office	20	0.2%
Extension Distribution Center	30	0.3%
Human Subjects in Research	20	0.2%
NCAA Compliance Audit - Part 3	20	0.2%
Residence Hall Convenience Stores	40	0.4%
Student Health Center	40	0.4%
Veterinary Diagnostic Production Animal Medicine	40	0.4%
Follow-up on audits completed in early-mid FY02	80	0.8%
<b>Subtotal</b>	<b>310</b>	<b>3.0%</b>

  

<b>RECURRING REVIEWS, SPECIAL PROJECTS &amp; AUDIT ADMINISTRATION</b>	<b>Hours</b>	<b>Percent</b>
Audit Administration, Supervision, and Support	800	7.7%
Athletic Ticket Revenue Review - Football	80	0.8%
Consultation on System Developments	400	3.8%
IBSSS Annual Review	10	0.1%
IBSSS Cash and Investment Review	50	0.5%
ISU Cash and Investment Review	500	4.8%
Ongoing Departmental Self-Review and Procedural Improvements	450	4.3%
Ongoing Risk Assessment, Annual Risk Assessment, and Audit Planning	700	6.7%
Quarterly Reviews of Bank Statement Reconciliations	80	0.8%
Special Reviews	500	4.8%
<b>Subtotal</b>	<b>3,570</b>	<b>34.3%</b>

  

<b>NON-AUDIT ACTIVITIES</b>	<b>Hours</b>	<b>Percent</b>
Leave (Holiday, Sick, & Vacation)	2,040	19.6%
Professional Development	280	2.7%
<b>Subtotal</b>	<b>2,320</b>	<b>22.3%</b>

  

<b>GRAND TOTAL</b>	<b>10,400</b>	<b>100.0%</b>
--------------------	---------------	---------------

Table 5

UNIVERSITY OF NORTHERN IOWA  
Audits Completed for the Past Three Fiscal Years

Audit	FY 1998	FY 1999	FY 2000	FY 2001
Cash Funds On Hand			x	x
Cash Funds On Hand -- Follow-Up				x
Grants & Contracts Accounting			x	
Grants & Contracts Accounting -- Follow-Up				x
Investments & Cash Management	x	x	x	x
North American Review				x
Office of Financial Aid	x			
Office of Financial Aid -- Follow-Up		x	x	
Price Laboratory School			x	
Price Laboratory School -- Follow-Up				x
Renaissance Group				x
Travel			x	
Travel -- Follow-Up				x
UNI Camp Adventure				x
UNI Small Business Development Center			x	
UNI Small Business Development Center Preliminary Review			x	
UNI Small Business Development Center -- Follow-Up #1				x
UNI Small Business Development Center -- Follow-Up #2				x
Year 2000		x		
Year 2000 -- Follow-Up (2nd)			x	

Table 6

UNIVERSITY OF NORTHERN IOWA  
Proposed Internal Audit Plan for FY 2002

<b>SCHEDULED AUDITS</b>	<b>Hours</b>	<b>Percent</b>
Cash Funds On Hand	360	11.6%
Continuing Education & Special Programs	120	3.9%
Conference & Visitor Services	240	7.7%
Department of Residence -- Administration	240	7.7%
Department of Residence -- Dining Services	240	7.7%
Human Resources	240	7.7%
Investments & Cash Management	400	12.8%
Motor Vehicle Pool	100	3.2%
<b>Subtotal</b>	<b>1,940</b>	<b>62.3%</b>
<b>SPECIAL REQUEST AND UNPLANNED</b>	<b>Hours</b>	<b>Percent</b>
Unspecified	240	7.7%
<b>Subtotal</b>	<b>240</b>	<b>7.7%</b>
<b>FOLLOW-UP AUDITS</b>	<b>Hours</b>	<b>Percent</b>
Cash Funds On Hand	120	3.9%
Camp Adventure	40	1.3%
Continuing Education & Special Programs	0	0.0%
North American Review	40	1.3%
<b>Subtotal</b>	<b>200</b>	<b>6.4%</b>
<b>OTHER RESPONSIBILITIES</b>	<b>Hours</b>	<b>Percent</b>
Advisory Services	160	5.1%
Audit Review	120	3.9%
Risk Analysis & Annual Planning	80	2.6%
<b>Subtotal</b>	<b>360</b>	<b>11.6%</b>
<b>NON-AUDIT ACTIVITIES</b>	<b>Hours</b>	<b>Percent</b>
Leave (Holiday, Sick, & Vacation)	336	10.8%
Professional Development	40	1.3%
<b>Subtotal</b>	<b>376</b>	<b>12.1%</b>
<b>GRAND TOTAL</b>	<b>3,116</b>	<b>100.0%</b>