

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 |
|--|--|--|---------------|
| UNIVERSITY OF IOWA | | | |
| • Protected Health Information on Mobile Devices |  |  | Open |
| • Department of Anesthesia |  |  | Open |
| • Carver College of Medicine – Research Data Security |  |  | Open |
| • Intercollegiate Athletics – Home Game Ticket Revenue |  |  | Closed |
| • UIHC Cash Handling Changes |  |  | Open |
| • Review of Termination Practices |  |  | Open |
| IOWA STATE UNIVERSITY | | | |
| • No Submissions | | | |
| 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 17 internal audit reports, 11 of which require follow-up.

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Department of Psychiatry Closed
- Office of the Registrar Closed
- Bridge Systems Electronic Medication Administration Record Closed
- NCAA Compliance Sports Camps and Clinics Closed
- UIHC Construction Audit Closed

IOWA STATE UNIVERSITY

- No Submissions

UNIVERSITY OF NORTHERN IOWA

- Executive Development Center Closed

**Status of Internal Audit Follow-Up
Enterprise Wide**

| Title | Report Date | Original Follow-Up Status | Expected Completion | Action Status |
|--|--------------|-------------------------------|---------------------|---|
| 1. Student Financial Aid Operational Processes | Oct 17, 2006 | Originally scheduled Jan 2007 | Feb 2007 |  |

University of Iowa

| Title | Report Date | Original Follow-Up Status | Expected Completion | Action Status |
|--|--------------|--------------------------------|---------------------|---|
| 2. Department of Psychiatry | Oct 26, 2005 | Originally scheduled Mar 2006 | Apr 2006 | Closed |
| 3. Office of the Registrar | Mar 2, 2006 | Originally scheduled Aug 2006 | Sep 2006 | Closed |
| 4. Bridge Systems Electronic Medication Administration Record (EMAR) | Aug 23, 2006 | Originally scheduled Sept 2006 | Oct 2006 | Closed |
| 5. NCAA Compliance Audit: Sports Camps and Clinics | Jun 26, 2006 | Originally scheduled Oct 2006 | Nov 2006 | Closed |
| 6. UIHC Construction Audit | Jul 13, 2006 | Originally scheduled Oct 2006 | Nov 2006 | Closed |
| 7. IT Parallel Systems | Mar 2, 2006 | Originally scheduled Oct 2006 | Nov 2006 |  |
| 8. Grant Accounting | Apr 12, 2006 | Originally scheduled Oct 2006 | Nov 2006 |  |
| 9. Third Party Clinical Trial billing | Apr 12, 2006 | Originally scheduled Aug 2006 | Nov 2006 |  |
| 10. IDX Access and Security | Jul 13, 2006 | Originally scheduled Dec 2006 | Jan 2007 |  |
| 11. College of Public Health-Epidemiology | Oct 17, 2006 | Originally scheduled Jan 2007 | Feb 2007 |  |
| 12. Iowa Memorial Union Food Service | Sep 13, 2006 | Originally scheduled Feb 2007 | Mar 2007 |  |
| 13. Wireless IT Environment | Jun 26, 2006 | Originally scheduled Jun 2007 | Jul 2007 |  |
| 14. Postseason Athletic Participation (Outback Bowl) | Sep 13, 2006 | Schedule TBD | TBD |  |

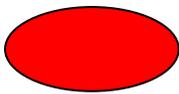
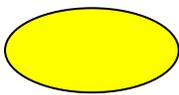
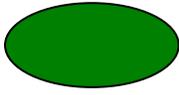
Iowa State University

| Title | Report Date | Original Follow-Up Status | Expected Completion | Action Status |
|----------------------------------|-------------|-------------------------------|---------------------|---|
| 15. Veterinary Teaching Hospital | Aug 2006 | Originally scheduled Feb 2007 | Mar 2007 |  |

University of Northern Iowa

| Title | Report Date | Original Follow-Up Status | Expected Completion | Action Status |
|--|--------------|-------------------------------|---------------------|---|
| 16. Executive Development Center (Formerly Management and Professional Development Ctr.) | Jun 28, 2005 | Originally scheduled Jul 2006 | Jul 2006 | Closed |
| 17. International Programs | Aug 8, 2005 | Originally scheduled Aug 2006 | Sep 2006 |  |

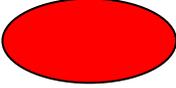
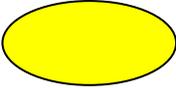
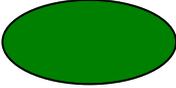
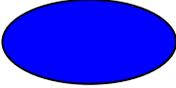
MATERIALITY / CRITICALITY (MC)

| | |
|--|---|
| <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. |

**The University of Iowa
PHI on Mobile Devices**

Initial Audit Report Issued: November 15, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

| Auditor's Observation | CEA | Implementation Target Date | Expected Auditor Follow-up | |
|--|---|----------------------------|--------------------------------------|---|
| 1. Communication of Existing Policies. |  | February 2007 | Review: Feb 2007 Report: Mar 2007 |  |

**The University of Iowa
Department of Anesthesia**

Initial Audit Report Issued: November 15, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

| Auditor's Observation | CEA | Implementation Target Date | Expected Auditor Follow-up | |
|---|---|----------------------------|--------------------------------------|---|
| 1. Cash Handling-Deposits and Annual Review. |  | November 2006 | Review: Jan 2007 Report: Feb 2007 |  |
| 2. Charge Capture. |  | Immediately | Review: Jan 2007 Report: Feb 2007 |  |
| 3. Human Resources-Performance Evaluations. |  | Immediately | Review: Jan 2007 Report: Feb 2007 |  |
| 4. Division of Management Consulting – Invoicing and Current Contract Review. |  | November 2006 | Review: Jan 2007 Report: Feb 2007 |  |
| 5. Travel Expense Approval. |  | Immediately | Review: Jan 2007 Report: Feb 2007 |  |
| 6. Approval of Procurement Card Transactions. |  | Immediately | Review: Jan 2007 Report: Feb 2007 |  |
| 7. Delegation of Signature Authority. |  | Completed | Item Closed |  |

The University of Iowa
Carver College of Medicine - Research Data Security
Initial Audit Report Issued: December 14, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

| Auditor's Observation | CEA | Implementation Target Date | Expected Auditor Follow-up |
|---------------------------------------|---|----------------------------|--|
| 1. Physical Security of Servers. |  | March 2007 | Review: Apr 2007 Report: May 2007  |
| 2. Physical Security of Workstations. |  | March 2007 | Review: Apr 2007 Report: May 2007  |
| 3. Data Backups. |  | March 2007 | Review: Apr 2007 Report: May 2007  |
| 4. System Administration. |  | March 2007 | Review: Apr 2007 Report: May 2007  |
| 5. Data Sharing. |  | March 2007 | Review: Apr 2007 Report: May 2007  |
| 6. Wireless Connections. |  | March 2007 | Review: Apr 2007 Report: May 2007  |

The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue
Initial Audit Report Issued: January 10, 2007

Summary

M/C

CEA

Status: Closed

Recommendations/
Responses

| Auditor's Observation | CEA | Implementation Target Date | Expected Auditor Follow-up |
|--|---|----------------------------|---|
| 1. Accounting for Individual Game Revenue. |  | Completed | Item Closed  |

The University of Iowa
UIHC Cash Handling Changes
Initial Audit Report Issued: January 10, 2007

Summary



Status: Open

Recommendations/
Responses

| Auditor's Observation | CEA | Implementation Target Date | Expected Auditor Follow-up |
|--|-----|----------------------------|--------------------------------------|
| 1. On-line Cash Handling Procedures Not Current. | | March 2007 | Review: Apr 2007 Report: Apr 2007 |

The University of Iowa
Review of Termination Practices
Initial Audit Report Issued: December 14, 2006

Summary



Status: Open

Recommendations/
Responses

| Auditor's Observation | CEA | Implementation Target Date | Expected Auditor Follow-up |
|-----------------------------------|-----|----------------------------|--------------------------------------|
| 1. Increased Awareness/Education. | | September 2007 | Review: Oct 2007 Report: Nov 2007 |
| 2. Enhanced On-line Reports. | | September 2007 | Review: Oct 2007 Report: Nov 2007 |
| 3. Temporary Academic Employees. | | September 2007 | Review: Oct 2007 Report: Nov 2007 |
| 4. Complimentary Appointments. | | September 2007 | Review: Oct 2007 Report: Nov 2007 |