

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 Board as required by Board policy.

ORIGINAL REPORTS	M/C*	CEA*	Status
UNIVERSITY OF IOWA			
• University of Iowa Physicians			Open
• NCAA Compliance – Certification of Compliance			Closed
• NCAA General Compliance – Rules Education			Closed
• UI Health Care Research Drugs			Closed
• Compensation of Graduate Students in NIH Funded Research			Closed
• Intercollegiate Athletics – Home Game Ticket Revenue – FY 2006-2007			Closed
• Department of Chemistry			Open
• UIHC Transplant Billing Process			Open
• Department of Family Medicine			Open
IOWA STATE UNIVERSITY			
• Building Access Services – Access Cards			Open
• International Student and Scholar Data Collection			Closed
• Recreation Services			Closed
UNIVERSITY OF NORTHERN IOWA			
• Vendor Payment Analysis			Open

**Materiality/Criticality (MC) and Assessment of Controls Efficiencies (CEA) are defined on pages 3 and 4.*

FOLLOW-UP REPORTS

	Status
UNIVERSITY OF IOWA	
• College of Nursing	Closed
• Review of Termination Practices	Closed
• Department of Neurology	Closed
• Volunteer Services	Closed
• UIHC Engineering Services	Closed
• Department of Dermatology	Closed
• Henry B. Tippie College of Business	Closed

The Status of Internal Audit Follow-Up Table on the following page identifies 24 internal audit reports, 17 of which require follow-up.

University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. College of Nursing	May 10, 2007	Originally scheduled Sept 2007	Oct 2007	Closed
2. Review of Termination Practices	Dec 14, 2006	Originally scheduled Oct 2007	Nov 2007	Closed
3. Department of Neurology	Apr 9, 2007	Originally scheduled Oct 2007	Nov 2007	Closed
4. Volunteer Services	Jul 11, 2007	Originally scheduled Sept 2007	Nov 2007	Closed
5. UIHC Engineering Services	Sept 17, 2007	Originally scheduled Oct 2007	Nov 2007	Closed
6. Department of Dermatology	Jul 11, 2007	Originally scheduled Dec 2007	Jan 2008	Closed
7. Henry B. Tippie College of Business	Sept 17, 2007	Originally scheduled Dec 2007	Jan 2008	Closed
8. Iowa Memorial Union Food Service	Sept 13, 2006	Originally scheduled Feb 2007	Mar 2007	
9. Protected Health Information on Mobile Devices	Nov 15, 2006	Originally scheduled Feb 2007	Mar 2007	
10. Carver College of Medicine Research Data Security	Dec 14, 2006	Originally scheduled Apr 2007	May 2007	
11. Wireless IT Environment	Jun 26, 2006	Originally scheduled Jun 2007	Jul 2007	
12. Parking and Transportation Services	Feb 20, 2007	Originally scheduled Jul 2007	Aug 2007	
13. Student Health Service	Feb 20, 2007	Originally scheduled Aug 2007	Sept 2007	
14. Childrens Miracle Network	May 10, 2007	Originally scheduled Oct 2007	Dec 2007	
15. Security of Initiated ACH Transactions	Jun 14, 2007	Originally scheduled Jan 2008	Feb 2008	
16. HCIS Hardware Change Management	Sept 17, 2007	Originally scheduled Feb 2008	Mar 2008	
17. Data Security Center	Oct 9, 2007	Originally scheduled Feb 2008	Mar 2008	
18. NCAA Compliance - Recruiting	Jun 14, 2007	Originally scheduled Feb 2008	Mar 2008	
19. University Hygienic Lab	Jun 14, 2007	Originally scheduled Aug 2008	Aug 2008	
20. Speech Pathology and Audiology	Sept 17, 2007	Originally scheduled Aug 2008	Sept 2008	
21. Department of Intercollegiate Athletics	Oct 9, 2007	Originally scheduled Sept 2008	Sept 2008	
22. Postseason Athletic Participation (Outback Bowl)	Sept 13, 2006	Schedule TBD	TBD	

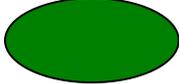
Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
23. Institutional Animal Care & Use Committee Compliance Review	Oct 12, 2007	Originally scheduled Apr 2008	May 2008	

Iowa School for the Deaf

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
24. Iowa School for the Deaf	Aug 8, 2007	Originally scheduled Aug 2008	Aug 2008	

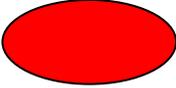
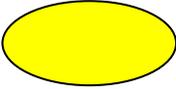
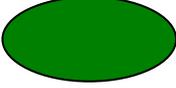
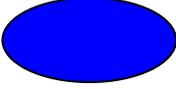
MATERIALITY / CRITICALITY (MC)

<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
University of Iowa Physicians**
Initial Audit Report Issued: November 8, 2007

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	1. Absence of Required Forms.		January 2008	Review: Feb 2008 Report: Mar 2008 
	2. Communication to General Membership.		November 2007	Review: Feb 2008 Report: Mar 2008 
	3. Trust Fund Balances.		November 2007	Review: Feb 2008 Report: Mar 2008 

**The University of Iowa
NCAA Compliance – Certification of Compliance**
Initial Audit Report Issued: December 13, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A

**The University of Iowa
NCAA General Compliance – Rules Education**
Initial Audit Report Issued: December 13, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A

**The University of Iowa
UI Health Care Research Drugs**
Initial Audit Report Issued: December 13, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A

**The University of Iowa
Compensation of Graduate Students in NIH Funded Research**
Initial Audit Report Issued: December 13, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A

**The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue – FY 2006-2007**
Initial Audit Report Issued: December 18, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A

**The University of Iowa
Department of Chemistry**
Initial Audit Report Issued: January 11, 2008

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Security of Chemicals.		March 2008	Review: Apr 2008 Report: May 2008	
2. Chemical Delivery.		March 2008	Review: Apr 2008 Report: May 2008	
3. Increased Information Technology Controls.		March 2008	Review: Apr 2008 Report: May 2008	
4. Supervisor Approval of Expenditures.		Closed	N/A	
5. Review of Human Resource Reports.		Closed	N/A	

**The University of Iowa
UHC Transplant Billing Process**
Initial Audit Report Issued: January 18, 2008

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Missing Physician Charges for Transplant Evaluation Services.		Immediately	Review: Apr 2008 Report: May 2008	
2. Double Reimbursement for Kidney Transplant Evaluation Charges.		January 2008	Review: Apr 2008 Report: May 2008	
3. Inclusion of All Transplant Evaluation Charges in the Medicare Cost Report.		February 2008	Review: Apr 2008 Report: May 2008	
4. Cross-Training and Backup for Transplant Financial Analyst.		Immediately	Review: Apr 2008 Report: May 2008	
5. Documented Training for Transplant Schedulers.		Immediately	Review: Apr 2008 Report: May 2008	

**The University of Iowa
Department of Family Medicine**
Initial Audit Report Issued: January 11, 2008

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
	1. Financial Management of Johnson County Clinics.			Immediately	Review: Jul 2008 Report: Aug 2008
2. Charge Capture.			May 2008	Review: Jul 2008 Report: Aug 2008	

**Iowa State University
Building Access Services – Access Cards**
Initial Audit Report Issued: January 16, 2008

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
	1. Assigning and Monitoring Access Card Rights.			May 2008	Review: May 2008 Report: Jun 2008
2. System Permissions.			February 2008	Review: May 2008 Report: Jun 2008	
3. Building Access Responsibilities.			October 2008	Review: May 2008 Report: Jun 2008	

**Iowa State University
International Student and Scholar Data Collection**
Initial Audit Report Issued: January 16, 2008

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
	No reportable issues were identified during this review.			N/A	N/A

**Iowa State University
Recreation Services**
Initial Audit Report Issued: January 16, 2008

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A

**The University of Northern Iowa
Vendor Payment Analysis**
Initial Audit Report Issued: November 14, 2007

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	1. Invoice Submission by Departments.		April 2008	Review: May 2008 Report: Jun 2008
2. Vendor Payment Process.		April 2008	Review: May 2008 Report: Jun 2008	