

INTERNAL AUDIT REPORTS ISSUED

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	CEA*	Status
UNIVERSITY OF IOWA		
• Cleary Campus Security Policy and Campus Crime Statistics Act		Open
• IT Purchase & Data Center Privatization		Open
• Physician On-Boarding		Open
• Physics and Astronomy IT Audit		Open
• Office of Equal Opportunity and Diversity		Open
• UI Optical		Open
• Hospital Dentistry		Open
• Intercollegiate Athletics - Home Game Ticket Revenue - FY 2011-2012		Closed
• Department of Athletics		Open
IOWA STATE UNIVERSITY		
• Office of the Senior Vice President and Provost		Closed
• Dr. W. Eugene and Linda Lloyd Veterinary Medical Center		Open
• Student Organizations		Open
UNIVERSITY OF NORTHERN IOWA		
• Information Technology Services Business Procedures and Chargebacks		Open
• UNI Center for Urban Education		Open

*Assessment of Controls Efficiencies (CEA) are defined on the following page

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- | | |
|--|--------|
| • UIHC Centralized Pharmacy Inventory | Closed |
| • UI Health Care Human Resources | Closed |
| • IowaCare | Closed |
| • Maintenance and Flood Response Equipment | Closed |

(continued on following page)

UNIVERSITY OF IOWA (*continued*)

- University Employee Health Clinic Closed
- Paciolan and Ticket Office Review Closed
- UI Heart and Vascular Center Closed
- Anesthesia Closed
- Division of Sponsored Programs – Corporate Funded Clinical Trial Agreements Closed

IOWA STATE UNIVERSITY

- ISU Surplus Closed
- Employee Separation Procedures Closed

UNIVERSITY OF NORTHERN IOWA

- Fringe Benefit Rates & Controls Closed
- Events Complex Concessions Closed

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 overall audit report.

SUMMARIES OF INTERNAL AUDIT REPORTS ISSUED



**The University of Iowa
Clery Campus Security Policy and Campus Crime Statistics Act**
Issued November 8, 2012

Status: Open

The Clery Audit was performed to provide reasonable assurance that management has established effective practices to comply with Clery Act requirements. Audit recommendations include developing comprehensive reporting procedures domestically and for institution sponsored international programs, implementing a system to train and identify Campus Security Authorities, maintaining a map of campus boundaries, improving the backup and storage procedures of server data, developing classification guidelines for non-criminal incidents, and reviewing and defining user access for the student incident reporting application. Management agrees with the findings and expects to complete their action plan by June 2013.



**The University of Iowa
UI Health Care IT Purchases and Data Center Privatization**
Issued November 8, 2012

Status: Open

The UI Health Care IT Purchases and Data Center Privatization audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations focused on departmental IT staff collaborating with Health Care IT staff to leverage enterprise IT resources to the best of the organizations ability and creating general ledger institutional accounts to more accurately account for IT purchases. Management agrees with the findings and expects to complete their action plan by January 2013.



**The University of Iowa
Physician On-Boarding**
Issued November 8, 2012

Status: Closed

The Physician On-Boarding audit evaluated the process by which all qualifications and requirements are reviewed for physicians new to UI Health. The audit specifically focused on evaluations of newly hired physicians, the tasks performed in the Clinical Staff Office and compliance by clinical department management. Audit recommendations include well-defined criteria for new physician evaluations, management education regarding necessary timelines for the on-boarding process and monitoring of required health screenings for new physicians. Management agrees with the findings and expects to complete the action plan by July 2013.



**The University of Iowa
Physics and Astronomy**
Issued November 8, 2012

Status: Open

The audit was performed to evaluate the adequacy of Information Technology controls in the Physics and Astronomy department, and to ensure that University policies are followed and IT best practices are in place throughout the entire department. Audit recommendations included using the enterprise Active Directory service for authentication and computer management processes, reducing the number of duplicate email services, removing non-enterprise wireless access points, implementing an IT asset inventory process, backing-up critical data and storing it in approved off-site location, and documenting a disaster recovery plan. Management expects to complete their action plan by the end of May, 2013.



**The University of Iowa
Office of Equal Opportunity and Diversity**

Issued December 13, 2012

Status: Open

The Office of Equal Opportunity and Diversity audit was performed to evaluate the processes related to competitive searches, complaint investigations, and disability accommodation request handling. Audit recommendations focused on Key Performance Indicators, Human Rights Policy revisions, American Disability Act Policy proposals, Disability Accessibility Statement requirements, formal search committee training, Human Resource Unit Representatives communication, and internal standard operating procedures. Management agrees with the finding and expects to complete their action plans by August 2013.



**The University of Iowa
UI Optical**

Issued December 13, 2012

Status: Open

The UI Optical audit was performed to examine the operations for reasonable internal controls and processes. Audit findings include incomplete financial reconciliations between Officemate and the General Ledger, improper cash handling, Officemate and UI Optical compatibility, and missed billing. Management expects to complete their action plan by January 2013.



**The University of Iowa
Hospital Dentistry**

Issued January 15, 2013

Status: Open

The Hospital Dentistry audit evaluated the business processes in place in the Hospital Dentistry clinic. The audit specifically focused on the revenue cycle, purchasing, information systems and financial management. Audit recommendations include an inventory of technological devices owned by the department, more thorough oversight of procurement card purchases, software password compliance, protection of patient identity, and delegation of signature authority. Management agrees with the findings and will work to complete the action plan by April 2013.



**The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue**

Issued January 15, 2013

Status: Closed

This audit is performed annually to provide an independent verification of home game athletic revenue, ensure completion of guaranteed payments to visiting institutions, and reconcile complimentary ticket listings. No material audit findings or weaknesses were noted during the course of this audit. This audit is closed.



**The University of Iowa
Department of Athletics**

Issued January 15, 2013

Status: Open

The Department of Athletics' audit was performed to provide reasonable assurance that human resource (hiring, personnel files, and personnel appraisals) processes and the employee complimentary ticket process are sound and internal controls are in place and operating as intended. Also, the recent Athletic sexual harassment investigation was reviewed to provide assurance that appropriate procedures and processes were followed in accordance with the University policy. Audit recommendations include forwarding performance reviews to centralized personnel files, training on the requirements for performance reviews, and ensuring all performance reviews are completed timely with appropriate signatures. Management agrees with the findings and expects to complete their action plan by April 2013.



Iowa State University
Office of the Senior Vice President and Provost

Issued January 7, 2013

Status: Closed

The purpose of this audit was to provide assurance that the Office of the Senior Vice President and Provost adheres to the policies and procedures established by Iowa State University for the areas of expenditures, personnel actions, salary adjustments, performance reviews, and conflict of interest disclosure. The audit also included a review of controls in place for building access controls, equipment, and leave management processes. The scope of the audit included fiscal years 2012 and 2013. The audit recommendation was to establish a process to monitor completion of conflict of interest and commitment disclosures to ensure all SVPP employees complete them annually. The recommendation was implemented during the audit and the audit is now closed.



Iowa State University
Lloyd Veterinary Medical Center (LVMC)

Issued January 8, 2013

Status: Open

The purpose of the audit was to provide reasonable assurance that internal controls exist for the billing and accounts receivable function, operations of the pharmacy and central storeroom, and cost accounting methods for the services and procedures provided by the LVMC. Additionally, procedures regarding how controlled substances are ordered, received, dispensed, administered, and wasted were reviewed. Audit recommendations included the security and processes for dispensing controlled substances, accuracy of electronic inventory records, and physical and electronic access to buildings and information systems. Recommendations also included reviewing the process for deleting charges from customer accounts and evaluating the number of system test accounts. Management expects to complete the action plans by June 2013.



Iowa State University
Student Organizations

Issued January 7, 2013

Status: Open

The purpose of the audit was to evaluate event authorization, student fee allocation, organization creation and recognition, and travel approval processes for established procedures and controls. The audit also included reviewing the adviser involvement, purchasing card transaction processing, and cash handling for appropriate oversight. Audit recommendations included modifying the event authorization system to allow final approval only after all other reviewers have approved the event and to show required forms that have been submitted. Recommendations also included providing guidance to help student organizations manage their web presence and to streamline the constitution review process. Management expects to complete the action plans by July 2013.



University of Northern Iowa
Information Technology Services Business Procedures and Chargebacks

Issued January 11, 2013

Status: Open

The audit was performed to analyze centralized Information Technology Services for reasonable internal controls and processes and to review the chargeback of expenditures. Audit procedures included cash and revenue handling, accounts receivable, purchasing and general disbursements, chargeback of expenditures, inventories, and personnel procedures. Audit recommendations include approval of fees, improvements in cash handling, reviewing expenditure, inventory, and accounts receivable processes, and recording absences. Management agrees with the findings and expects to complete their action plans by October 2013.



University of Northern Iowa
UNI Center for Urban Education
Issued January 11, 2013

Status: Open

The audit was performed to evaluate UNI-CUE's business processes for adequate and effective internal controls and verify generally accepted accounting principles, University policies and procedures, and applicable laws and regulations were followed. Cash and revenue handling, human resource processes, purchasing and payables management, financial performance, facility operations, program oversight were examined with a limited review of information systems. Audit recommendations include improvements in photocopying fees and management and monitoring of volunteers. Management will implement the recommendations and expects to complete its action plans by August 2013.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Department of Neurology	Dec 1, 2011	June 2012		
2. Department of Psychiatry	Feb 29, 2012	June 2012		
3. University Housing & Dining	June 23, 2011	July 2012		
4. Campus Recreation and Wellness Center	May 23, 2012	Sept 2012		
5. Athletics Operations – Apparel and Promotional Items	Aug 16, 2012	Sept 2012		
6. UI Health Care – Enterprise Labor Management System	July 13, 2012	Oct 2012		
7. College of Law	Aug 16, 2012	Nov 2012		
8. Department of Orthopaedics	Aug 16, 2012	Jan 2013		
9. Campus Conflict of Interest	Oct 21, 2011	Feb 2013		
10. Department of Nursing	Sept 27, 2012	May 2013		
11. Export Controls	Sept 27, 2012	Nov 2013		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
12. Identity and Access Management	Nov 1, 2011	Jan 2013		
13. Programs for Youth	Mar 23, 2012	Jan 2013		
14. Department of Electrical and Computer Engineering	Oct 3, 2012	Feb 2013		
15. Extension & Outreach	Jan 30, 2012	June 2013		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
16. Export Controls	June 11, 2012	July 2013		
17. Gallagher-Bluedorn Performing Arts Center	Jan 4, 2012	Nov 2012		
18. Athletic Summer Camps	Mar 22, 2012	Jan 2013		
19. Graduate Assistantships	June 13, 2012	Apr 2013		
20. Physical Plant Utility Billing	June 13, 2012	Apr 2013		
21. International Programs	Sept 21, 2012	June 2013		
22. Physical Plant Utility Billing	Sept 21, 2012	July 2013		

Follow-Up Legend

	<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.