





















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		
• Centralized Management of Scheduling Program Audit		Open
• UIHC Project Art		Open
• Facilities Management Information Technology		Open
• Biology Information Technology		Open
• Bowen Science Building Information Technology		Open
• Department of Risk Management, Insurance and Loss Prevention		Open
• Physical Therapy and Rehabilitation Sciences		Open
• Volunteer Gift Shop		Open
• Maxient Student Discipline Database Software		Open
• NCAA Compliance – Extra Benefits – Student-Athlete Vehicles		Closed
• Valet Services		Open
• Grade Entry and Grade Changes		Open
• Iowa House Hotel		Open
• NCAA Compliance – Playing and Practice Seasons		Closed
• Reduction in Force		Open
IOWA STATE UNIVERSITY		
• University Library		Open
• Facilities Planning and Management		Open
• Federal Work Study Program		Closed
UNIVERSITY OF NORTHERN IOWA		
• Athletic Travel		Open
• Emeritus Controls		Open
• Study Abroad Center		Open
• Counseling Center		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Biochemistry Closed
- Carver College of Medicine Administration Closed
- Center for Biocatalysis and Bioprocessing Closed
- National Advanced Driving Simulator Information Technology Closed
- University Dining Inventory Processes Closed
- Accounts Payable and Purchasing Closed
- Student Activity Fees Closed
- Student Course Fees Closed
- Department of Family Medicine Closed
- University Counseling Services Closed
- Recharge Centers Closed
- AcuDose Closed
- Sports Clubs Closed
- UIHC Contract Compliance Closed
- College of Engineering Sponsored Research Administration Closed





IOWA STATE UNIVERSITY

- Department of Physics and Astronomy Closed
- Procure-to-Pay Process Closed
- Department of Animal Science - Farms Closed
- Campus Safety and Security Reporting under the Higher Education Act Closed
- Federal Work Study Program Closed

UNIVERSITY OF NORTHERN IOWA

- Public Safety Closed
- Research and Sponsored Programs Closed
- McNair Scholars Program Closed
- Student Organizations and Intramural & Club Sports 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.



**The University of Iowa
Centralized Management of Scheduling Program Audit**

Issued August 22, 2014

Status: Open

The Centralized Management of Scheduling Program audit was performed to examine business operations for reasonable internal controls and processes. Audit recommendations include enhancing communication with associated departments to efficiently correct scheduling errors, monitoring physician template compliance with UIP Scheduling Guidelines, monitoring approval of bumped/cancelled clinics, and communicating official procedures for the hourly employee support service it provides to associated departments. Management expects to complete its action plans by December 2014.



**The University of Iowa
UIHC Project Art**

Issued August 22, 2014

Status: Open

The UIHC Project Art audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include completing a full inventory, implementing inventory best practices, implementing controls to track door access, ensure compliance with state fire code, ensuring procurement card compliance with regard to reconciliation and safekeeping, and implementing cash handling policies. Management expects to complete its action plans by May 2015.



**The University of Iowa
Facilities Management Information Technology**

Issued August 22, 2014

Status: Open

The audit was performed to evaluate the adequacy of Information Technology controls in the Facilities Management department, and to ensure that university policies are followed and IT best practices are in place. Audit recommendations include improving password management and distribution, conducting regular user access reviews, enhancing Disaster Recovery/Business Continuation plans, securing departmental websites, documenting IT assets, and scanning departmental shared drives and computers for sensitive data. Management expects to complete its action plans by December 2014.



**The University of Iowa
Biology Information Technology**

Issued September 23, 2014

Status: Open

The Biology department, within the College of Liberal Arts and Sciences, has two full time and several student Information Technology (IT) staff members that support the needs of departmental faculty, staff, and students. This audit focused on the IT support processes. Audit recommendations include performing regular vulnerability scans on departmental infrastructure, securing physical access to the Biology server room, and improving IT support and disaster recovery documentation. Management expects to complete its action plans by September 2015.



**The University of Iowa
Bowen Science Building Information Technology**

Issued September 23, 2014

Status: Open

The Bowen Science Building Information Technology audit was performed to provide assurances that departments are effectively managing IT systems and purchasing IT equipment according to policy. Audit recommendations include upgrading computers to supported operating systems, properly backing up data, setting up user accounts and passwords according to policy, installing antivirus software and scheduling vulnerability scans. Management expects to complete its action plans by January 2016.



**The University of Iowa
Department of Risk Management, Insurance and Loss Prevention**

Issued September 23, 2014

Status: Open

The Department of Risk Management, Insurance and Loss Prevention audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include regularly scanning department systems for sensitive information and securing any identified, regularly reviewing the Driver's License Review system for data accuracy and appropriate access, updating department website, revising the insurance renewal form, discontinuing the use of generic temporary user accounts, reconciling department expense accounts in a timely manner, and determining the optimal number of Pcards for the department. Management expects to complete its action plans by March 2015.



**The University of Iowa
Physical Therapy and Rehabilitation Sciences**

Issued October 8, 2014

Status: Open

The Physical Therapy and Rehabilitation Sciences audit was performed to determine whether internal controls are effective and processes are operating effectively. Primary audit recommendations include improving the communication between the Director and the Departmental Administrator, rewriting the departmental incentive plan to meet the desired needs of the department, using furloughs appropriately, improving grant management through increased communication with principal investigators and sponsors, and additional oversight from College of Medicine administration. Management expects to complete its action plans by January 2015.



**The University of Iowa
Volunteer Gift Shop**

Issued October 8, 2014

Status: Open

The Volunteer Gift Shop audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include adequately reconciling financial reports, reviewing approval workflow paths, placing appropriate controls in place for cash handling processes, implementing inventory best practices and fire safety measures, and deactivating non-current employees from the inventory system. Management expects to complete its action plans by November 2014.



**The University of Iowa
Maxient Student Discipline Database Software**

Issued November 11, 2014

Status: Open

Maxient is a vended software-as-a-service application for the management of student and academic misconduct records. Audit recommendations were made for the management of system access and the verification of FERPA training for system users. Management expects to complete its action plans by November 2014.



**The University of Iowa
NCAA Compliance – Extra Benefits – Student-Athlete Vehicles**

Issued November 11, 2014

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to extra benefits and student-athlete vehicles. No findings were identified and the audit is closed.



**The University of Iowa
Valet Services**

Issued November 11, 2014

Status: Open

The University of Iowa Hospitals and Clinics Valet Services operations were evaluated. Audit recommendations include improving controls over valet dashboard tickets, updating workflow paths, monitoring annual trainings for HIPAA and cash handling requirements, and removing terminated employees' access to the cash register system. Management expects to complete its action plan by December 2014.



**The University of Iowa
Grade Entry and Grade Changes**

Issued December 19, 2014

Status: Open

Course grades are entered into the student records system, Made At the University of Iowa (MAUI), which has been the authoritative source for grades since the fall 2012 academic term. The audit focused on MAUI access to student records, authorizations within the grade entry and grade change processes, logging, batch processing, and grade validation. Audit recommendations include requiring Departmental Executive Officer (DEO) approval for all grades entered into MAUI, appropriate segregation of duties with regard to authorizations captured electronically in MAUI, and the use of elevated accounts for changing production data. Management expects to complete its action plans by May 2015.



**The University of Iowa
Iowa House Hotel**

Issued December 19, 2014

Status: Open

The Iowa House Hotel is comprised of 96 guest rooms and 38 employees that accommodated over 17,000 guests who generated \$1.2 million of revenue and a surplus of over \$260,000 in Fiscal Year 2014. Audit recommendations include establishing procedures for documenting and reviewing price adjustments to guests' stays, logging issued parking passes, securing storage of cash equivalents, requiring a valid form of payment at the time of arrival for all guests, and increasing password requirements to comply with the University Enterprise Password Policy. Management expects to complete its action plan by June 2015.



**The University of Iowa
NCAA Compliance – Playing and Practice Seasons**

Issued December 19, 2014

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to playing and practice seasons. No findings were identified and the audit is closed.



**The University of Iowa
Reduction in Force**

Issued December 19, 2014

Status: Open

A Reduction in Force (RIF) is used when departments determine staff reductions are necessary due to funding reductions, reorganization, or the evolution of services. RIFs require the approval of a RIF plan in the on-line RIF system prior to implementation. Audit recommendations include establishing a maximum timeframe between RIF approval and implementation, requiring approved RIFs amended to include a lump sum offer to be resubmitted for approval, and review of access to systems used in managing RIFs. Management expects to complete its action plans by February 2015.



**Iowa State University
University Library**

Issued August 27, 2014

Status: Open

This audit was performed to evaluate the adequacy of significant administrative processes to provide reasonable assurance that internal controls are in place and operating as intended. Audit recommendations included documenting appropriate institutional oversight where the University community and general public would be served by following non-competitive procedures in the procurement of academic materials, creating a procedure document detailing budgetary processes, replacing the alarm system at the Special Collection Department and periodically reviewing the access needs of ISU Dining staff at the Bookends Café to ensure access is tied to a business purpose. Management expects to complete its action plans by February 2015.



**Iowa State University
Facilities Planning and Management**

Issued October 1, 2014

Status: Open

Facilities Planning and Management (FP&M) is a service organization consisting of seven divisions providing the university community with a safe, comfortable, and usable environment including all buildings, grounds, walks, drives, parking lots, and utility systems belonging to the university. The audit reviewed the operations for the Facilities Services division of FP&M. Primary recommendations included documenting the status of work orders with supporting information and notes and establishing a process for inventorying and tracking non-capitalized equipment. Management expects to complete its action plans by November 2014.



**Iowa State University
Federal Work Study Program**

Issued November 10, 2014

Status: Closed

The Federal Work Study program subsidizes the wage cost of hiring approved student employees for on-and-off-campus non-profit employment. Over \$1 million dollars was drawn down from the Department of Education to support over 1,700 students participating in the work-study program at the University throughout the 2013-14 academic year. Audit work performed shows that the Office of Student Financial Aid has developed a control environment that addresses most major administrative and compliance risks related to this program. However, one recommendation was made to improve the oversight of employee timesheet certification.



**University of Northern Iowa
Athletic Travel**

Issued September 17, 2014

Status: Open

The audit was performed to provide reasonable assurance athletic travel is operating efficiently, effectively, and complying with University policies and procedures and regulations. Travel forms, purchasing and general disbursements, safety, and operational procedures were examined. Audit recommendations include improving approval processes, travel expenditure procedures, safety, and reviewing the efficiency of the program. Management expects to complete its action plans by June 2015.



**University of Northern Iowa
Emeritus Controls**

Issued September 17, 2014

Status: Open

The audit was performed to provide reasonable assurance emeritus status is controlled efficiently, effectively and complying with University policies and procedures and applicable laws and regulations. Audit procedures focused on emeriti employment activities and operations, including controls associated with managing emeritus status, rights, and optional benefits. Improvements were recommended for policy revision, sponsored research, part-time employment, parking permits, and inclusion in the University directory and use of identification cards. Management expects to complete its action plans by June 2015.



**University of Northern Iowa
Study Abroad Center**

Issued December 18, 2014

Status: Open

The study abroad center offers programs to students in over 60 countries and administers over 20 faculty led programs. Audit recommendations include improving documentation, segregation of duties, and following University policies. The lack of these controls led to the mismanagement of funds. Management expects to complete its action plans by September 2015.



**University of Northern Iowa
Counseling Center**












Issued December 18, 2014

Status: Open


The Counseling Center serves student clients with mental health counseling and is primarily funded by the general fund and the mandatory student health fee. Audit recommendations focused on improving revenue billing and management, closing the testing account to the operational account, upgrading the Center's recording system, and additional security and monitoring of the information system servers. Management expects to complete its action plans by August 2015.

STATUS OF AUDIT FOLLOW-UPS






University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Tippie College of Business	May 14, 2013	Nov 2013	July 2014	
2. Iowa Comprehensive Lung Imaging Center	April 22, 2014	June 2014		
3. NCAA – Commitment of Personnel to Rules – Coaching Staff Limits and Contracts	April 22, 2014	July 2014	Jan 2015	
4. College of Nursing	Mar 28, 2014	Aug 2014		
5. Office of Animal Resources	Aug 20, 2013	Sept 2014		
6. Observation Patient Status – Revenue Loss	July 14, 2014	Oct 2014		
7. Department of Radiology	April 22, 2014	Jan 2015		
8. UIHC Dialysis Services	July 14, 2014	Jan 2015		
9. Onboarding Audit	June 17, 2014	Feb 2015		
10. MAUI Billing	Feb 20, 2014	Mar 2015		
11. University Libraries	April 22, 2014	Mar 2015		





Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
12. ISU Dining	May 13, 2014	Jan 2015		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
13. Jacobson Center	April 2, 2014	Jan 2015		
14. Wellness and Recreation Services	April 2, 2014	Jan 2015		
15. International Student Teaching	May 7, 2014	Jan 2015		
16. Psychological Assessment Clinic	May 7, 2014	Jan 2015		
17. Physical Plant Administration	July 8, 2014	May 2015		

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.