

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 <ul style="list-style-type: none"> • Center for Disabilities and Development • Cloud Computing • Compliance and Qualifications System • Health Information Management • NCAA Compliance – Extra Benefits – Team Travel • NCAA Compliance – Financial Aid Administration • NCAA Compliance – Student-Athlete Employment • UIHC Charity Care • UI Health System Governance and Processes • Denial Management and Follow-up Processes • College of Education • College of Engineering IT • Grant Accounting • Iowa River Landing Procedure Billing • ReadySet System 	             	Open Open Open Open Closed Closed Closed Open Open Open Open Open Open Closed Open
IOWA STATE UNIVERSITY <ul style="list-style-type: none"> • NCAA Compliance – Recruiting • Office of Intellectual Property and Technology Transfer • Department of Economics • Storage and Transportation of Weapons • Veenker Memorial Golf Course 	    	Open Open Open Open Open
UNIVERSITY OF NORTHERN IOWA <ul style="list-style-type: none"> • Tallgrass Prairie Center • College of Education • Career Services 	  	Open Open Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- School of Art and Art History Closed
- State Hygienic Laboratory Closed
- UIHC Safety and Security Closed
- Recreational Services Closed
- Centralized Coding Closed
- Iowa River Landing Procedure Billing Closed
- Office of the Patient Experience Closed
- Dual Degree Program Closed

UNIVERSITY OF NORTHERN IOWA

- Theatre Department Closed

CONTROLS/EFFICIENCIES ASSESSMENT (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 easily OR • Could result in improved efficiency or effectiveness of operations OR • No reportable observations or corrective action taken prior to report issuance.

The internal auditors have utilized the colors for the CEA in evaluating each overall audit report.



**University of Iowa
Center for Disabilities and Development**

Issued October 26, 2016

Status: Open

The Center for Disabilities and Development (CDD) audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include continuous review on open clinic encounters and CDD medical service charges, strengthening physical security controls, and updating and maintaining electronic device inventory and equipment contracts. Management expects to complete its action plan by January 2017.



**University of Iowa
Cloud Computing**

Issued October 26, 2016

Status: Open

Cloud software and services are reviewed by the Technology Review team, which also makes recommendations on required security controls prior to acquisition and implementation. The technology review process is the centralized process designed to collectively negotiate the best purchase price and licensing terms while reducing the potential for undesired consequences and risks. The Technology Review team is a cross departmental team from General Counsel, Purchasing, Information Technology Services (ITS), and the Information Security & Policy Office. The audit was performed to provide reasonable assurance that cloud services are reviewed and approved appropriately prior to purchase and implementation. The primary audit recommendation was to re-engineer the technology review process to provide clarity and transparency to ensure appropriate usage of cloud services. Additional audit recommendations include implementing an automated risk-based workflow and central repository to direct work appropriately and retain information in one single location. Management will work with the Technology Review team to implement their corrective action by June 2017.



**University of Iowa
Compliance and Qualifications System**

Issued October 26, 2016

Status: Open

The Compliance and Qualifications system is an enterprise system developed by Human Resources Information Technology staff that manages compliance data on campus and at UI Health Care. Audit recommendations include better documentation of the change control process, improving controls around data interfaces with other systems, performing annual vulnerability scans on the system infrastructure, completing regular user access reviews, eliminating the use of inaccurate compliance reports, and migrating existing compliances from another system. Management expects to complete its action plan by October 2017.



**University of Iowa
Health Information Management**

Issued October 26, 2016

Status: Open

The Health Information Management (HIM) audit was completed to examine whether HIM has controls in place to monitor and control coding of primarily inpatient services in addition to HIM's other functions including management of release of health information, transcription services, and storage of paper records. Two recommendations were made during the audit, including correcting segregation of duties challenges over release of information processes and working with the Nursing group to more consistently obtain information required to bill infusion administrations for patients in observation status. Management expects to complete its action plan by February 2017.



University of Iowa
NCAA Compliance – Extra Benefits – Team Travel

Issued October 26, 2016

Status: Closed

The NCAA Compliance – Extra Benefits – Team Travel audit was completed to examine whether the Athletics Department has controls in place to monitor and control team travel activities in compliance with NCAA rules and regulations. No material weaknesses were noted during the audit and the audit is closed.



University of Iowa
NCAA Compliance – Financial Aid Administration

Issued October 26, 2016

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 financial aid. No findings were identified and the audit is closed.



University of Iowa
NCAA Compliance – Student-Athlete Employment

Issued October 26, 2016

Status: Closed

The NCAA Student-Athlete Employment audit was performed to determine whether the Athletics Department is monitoring employment and maintaining adequate documentation to establish compliance with NCAA bylaws governing employment. No material weaknesses were noted during the audit and the audit is closed.



University of Iowa
UIHC Charity Care

Issued October 26, 2016

Status: Open

The UIHC Charity Care audit was performed to examine the operations for reasonable internal controls and processes over award and reporting of charity care. The audit recommendation is to update the internal policy with current state law citations and criteria for all types of charity care adjustments. Management expects to complete its action plan by November 2016.



University of Iowa
UI Health System Governance and Processes

Issued November 29, 2016

Status: Open

The UI Health System Governance and Processes audit was completed to examine acquisition project management and governance for reasonable internal controls and processes. Audit recommendations related to project management include defining roles and responsibilities, improving coordination with functional units, establishing project management and implementation teams, and standardizing the due diligence and presentation format. Operational recommendations include establishing purchasing authority for information technology equipment, implementing a project management tool that adheres to University of Iowa security standards, and transferring acquired medical records to a server that is supported by institutional backup procedures and included in the disaster recovery plan. Management expects to complete its action plan by June 2017.



University of Iowa
Denial Management and Follow-up Processes

Issued December 13, 2016

Status: Open

The Denial Management and Follow-up Processes audit was the final audit in a series of hospital revenue cycle audits after the implementation of Epic in August 2014. The audit was performed to review processes for compliance and operational improvements. Significant recommendations noted during the audit include expansion of controls that prevent coding denials related to missing modifiers, improvement of controls that capture workers' compensation claims that do not have workers' compensation insurance attached, and development of reports to evaluate the effectiveness of the denial appeals process. Management expects to complete its action plan by May 2017.



University of Iowa
College of Education

Issued January 19, 2017

Status: Open

The College of Education offers over 80 undergraduate and graduate programs with certification and licensure for both teaching and administrative positions within the education field. The audit was performed to provide reasonable assurance that business processes and internal controls are in place and functioning effectively. Primary audit recommendations focused on revising the management of contracts with cooperating school districts, implementation of billing system functionality to track patient assessment payments, improving technology asset and chemical inventory processes, implementing regular reviews of system access, and communicating time and leave reporting expectations. Management expects to complete its action plans by August 2017.



University of Iowa
College of Engineering IT

Issued January 19, 2017

Status: Open

The College of Engineering maintains a complex information technology environment that supports students, staff, and faculty within the college. Audit recommendations include documenting processes and procedures, implementing change control practices, enhancing disaster recovery documentation, sensitive data scanning, and performing maintenance tasks on the college's websites and internal email server. Management expects to complete its action plan by June 2017.



University of Iowa
Grant Accounting

Issued January 19, 2017

Status: Open

Grant Accounting performs financial reporting and accounting services for externally sponsored projects across campus. Grant Accounting recorded \$357 million in expenditures for 2,700 actively sponsored projects for fiscal year 2016. The Grant Accounting audit was performed to examine operations for reasonable internal controls and processes. Audit recommendations included assigning departments invoicing responsibilities within internal policy and enhanced monitoring of the final reports filed with sponsors. Management expects to complete its action plans by June 2017.



University of Iowa
Iowa River Landing Procedure Billing

Issued January 19, 2017

Status: Closed

The Iowa River Landing (IRL) Procedure Billing audit was completed to determine whether controls are in place to ensure that procedures performed at IRL are appropriately billed. The only significant audit finding was that two infusions were unable to be billed due to documentation errors. These errors occurred shortly after infusions began being performed at IRL and no other errors were found. While these errors appear to be isolated incidents, refresher training has been provided to nurses and the incident has been discussed with Patient Financial Services (PFS) so that back end controls can be reviewed.



University of Iowa
ReadySet System

Issued January 19, 2017

Status: Open

The ReadySet System is a cloud-based electronic health record system implemented at the University Employee Health Clinic. Audit recommendations include documenting downtime procedures, providing a resolution to an inaccurate system report, and regular review of user identifiers. Management expects to complete its action plans by April 2017.



Iowa State University
NCAA Compliance – Recruiting

Issued October 24, 2016

Status: Open

The NCAA Compliance – Recruiting audit was completed to determine whether the Athletics Department is maintaining proper documentation to establish compliance with NCAA legislation governing off and on-campus recruiting activities and whether the department is in compliance with recruiting regulations. The scope of the audit included policies, procedures, and processes in place during the 2015-2016 academic year. Audit recommendations include providing staff with additional education concerning off-campus recruiting procedures and recruiting record retention. Additional recommendations include strengthening internal controls and procedures for making contact with student-athletes. Management expects to complete its action plan by November 2016.



Iowa State University
Office of Intellectual Property and Technology Transfer

Issued December 15, 2016

Status: Open

The Office of Intellectual Property and Technology Transfer (OIPTT) works in conjunction with Iowa State University Research Foundation, Inc. to commercialize technologies for the public good. OIPTT provides professional evaluation, marketing, and negotiation of university innovations and establishes mutually beneficial relationships with commercial parties capable of commercializing university technologies. This process, commonly called technology transfer, lies at the core of the university's land-grant mission. Audit recommendations focused on ensuring federal reporting obligations are met within the requisite timeframes as well as improving the physical and logical access processes. Management expects to complete its action plan by May 2017.



**Iowa State University
Department of Economics**

Issued January 25, 2017

Status: Open

The Iowa State University Department of Economics audit was completed to evaluate the adequacy of significant administrative and fiscal processes to provide reasonable assurance that internal controls are in place and operating as intended. Audit recommendations include establishing a procedure to document principal investigator approval of subrecipient invoices, the development of management plans in relation to conflicts of interest and commitment, and to establish expectations regarding record retention of research files. Additional recommendations include reminding faculty of the importance of submitting grant proposals in a timely manner and evaluating the methods in which building access is restricted. Management expects to complete its action plans by May 2017.



**Iowa State University
Storage and Transportation of Weapons**

Issued January 25, 2017

Status: Open

The Storage and Transportation of Weapons audit was completed per a request from university administration. The purpose of the audit was to review the storage and transportation of weapons to ensure current practices are in compliance with the Iowa State University Firearms and Other Weapons policy.



**Iowa State University
Veenker Memorial Golf Course**

Issued January 25, 2017

Status: Open

Veenker Memorial Golf Course's mission is to provide a championship golf facility for students, faculty, staff, and friends of the university. The course offers 18 holes of championship golf as well as practice facilities including a driving range, all season performance center, and putting green. Audit recommendations focused on ensuring pro shop merchandise and food and beverage inventory available for sale in the clubhouse is adequately controlled, as well as making certain that charges are being appropriately applied for range use. Management expects to complete its action plans by February 2017.



**University of Northern Iowa
Tallgrass Prairie Center**

Issued October 27, 2016

Status: Open

The Tallgrass Prairie Center (TPC) at the University of Northern Iowa is within the College of Humanities, Arts and Sciences. The TPC restores native vegetation for the benefit of society and the environment through research, education, and technology. Integrated Roadside Vegetation Management, Natural Selections, Research and Restoration, Prairie Energy, Plant Iowa Native, Prairie on Farms, Prairie Roots, and Monarch Butterflies and More are all major programs within the TPC. Audit recommendations focused on sponsored program improvements, workplace safety, and fiscal management controls. Management expects to complete its action plan by July 2017.



**University of Northern Iowa
College of Education**

Issued December 19, 2016

Status: Open

The College of Education (COE) at the University of Northern Iowa is the oldest college on campus. There are 176 faculty members that instruct approximately 2,800 graduate and undergraduate students. Audit recommendations focused on improving controls related to financial management and operations. Management expects to complete its action plan by September 2017.



University of Northern Iowa
Career Services
Issued February 9, 2017

Status: Open

Career Services (CS) at the University of Northern Iowa is within the Student Affairs division. The CS connects students to work opportunities while they are students and finishing their educational careers. Audit recommendations focused primarily on financial control improvements for cash, revenue, and expenses. Management expects to complete their action plans by November 2017.

STATUS OF AUDIT FOLLOW-UPS

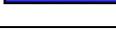
University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Controlled Substances in Laboratories	Sept 8, 2015	July 2016		
2. Heart and Vascular Center	Dec 9, 2015	July 2016	July 2017	
3. Department of Psychiatry	Jan 22, 2016	July 2016		
4. Utilization Management	Jan 22, 2016	Aug 2016		
5. Department of Orthopedics	May 19, 2016	Sept 2016		
6. Finkbine Golf Course	June 23, 2016	Nov 2016		
7. Department of Neurology	Sept 23, 2016	Dec 2016		
8. University Book Store	July 19, 2016	Dec 2016		
9. International Writing Program	Aug 19, 2016	Jan 2017		
10. Iowa Courses Online (ICON)	May 19, 2016	Jan 2017		
11. Mobile Device Encryption	Aug 19, 2016	Jan 2017		
12. 2015 Early Retirement Incentive Program	April 15, 2016	Feb 2017		
13. Claim Submission and Electronic Remittance Processes	March 23, 2016	April 2017		
14. Clinical Quality Safety and Performance Improvement	March 23, 2016	April 2017		
15. Department of Chemistry	Sept 23, 2016	April 2017		
16. Child Health Specialty Clinics	Aug 19, 2016	May 2017		
17. Department of Pediatrics	June 23, 2016	Aug 2017		
18. Department of Public Safety	July 19, 2016	Sept 2017		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
19. America's Small Business Development Centers Iowa	April 1, 2016	Oct 2016		
20. Dr. W. Eugene and Linda Lloyd Veterinary Medicine Center	Jan 5, 2016	Dec 2016		
21. School of Education	July 21, 2016	Jan 2017		
22. Employment Verification and Background Checks	July 21, 2016	April 2017		
23. Veterinary Field Services	Sept 21, 2016	Aug 2017		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
24. Special and Summer Compensation	Feb 25, 2016	Dec 2016		
25. Event Center Beverages	May 20, 2016	Dec 2016	April 2017	
26. Department of Technology	March 22, 2016	Jan 2017		
27. Center for Business Growth and Innovation	Sept 20, 2016	Feb 2017		
28. Center for Energy & Environmental Education	July 12, 2016	April 2017		
29. School of Kinesiology, Allied Health and Human Services	July 12, 2016	May 2017		

Follow-Up Legend

	<ul style="list-style-type: none"> Planned corrective action and/or follow-up report not completed within six months of originally scheduled date.
	<ul style="list-style-type: none"> Planned corrective action and/or follow-up report not completed within three months of originally scheduled date.
	<ul style="list-style-type: none"> Follow-up report is due and is within three months of originally scheduled completion date.
	<ul style="list-style-type: none"> Follow-up report not yet due.