

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 and Compliance Committee as required by Board policy.

ORIGINAL REPORTS	CEA*	Status
UNIVERSITY OF IOWA <ul style="list-style-type: none"> • BioVentures • Emergency Preparedness • UI Community HomeCare • Joint Office for Compliance • State Hygienic Lab IT • Stead Family Children's Hospital Physical Security • Hospital Late Charges • Office of Student Financial Aid • UIHC Capital Management New Clinic Build 	        	Open Open Open Open Open Open Open Open
IOWA STATE UNIVERSITY <ul style="list-style-type: none"> • Capital Project Payments • College of Human Sciences • Roy J. Carver Department of Biochemistry, Biophysics, and Molecular Biology 	  	Open Open Open
UNIVERSITY OF NORTHERN IOWA <ul style="list-style-type: none"> • Environmental Health and Safety • Regents' Center for Early Developmental Education 	 	Open Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

• Compliance and Qualifications System	Closed
• Division of Sponsored Programs	Closed
• H-1B Immigration Processes	Closed
• College of Engineering IT	Closed
• Grant Accounting	Closed
• Parking	Closed
• UIHC – The Java House Contract	Closed
• Child Health Specialty Clinics	Closed

- Clinical Quality Safety and Performance Improvement Closed
- Cloud Computing Closed
- College of Education Closed
- Denial Management and Follow-up Processes Closed
- Department of Pediatrics Closed
- Department of Public Safety Closed
- Hospital Supply Chain Management Closed

IOWA STATE UNIVERSITY

- ISU Flight Service and University Owned Aircraft Closed
- Veterinary Field Services Closed
- Dr. W. Eugene and Linda Lloyd Veterinary Medical Center Closed
- Cyclone Veterinary Information System and Vetstar Hospital Management System Closed

UNIVERSITY OF NORTHERN IOWA

- College of Education Closed
- Student Life and Event Services Closed
- Tallgrass Prairie Center Closed
- Career Services 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
BioVentures**

Issued October 31, 2017

Status: Open

BioVentures provides wet lab and office space to life science companies and reports to the Office of Research & Economic Development. BioVentures was audited to examine operations for reasonable internal controls and processes. Audit recommendations included establishing and implementing a solution to address the current and future operating deficit and reviewing tenants for continued tenancy. Additional recommendations included improved monitoring of building access and network security. Management expects to complete its action plans by October 2018.



**University of Iowa
Emergency Preparedness**

Issued October 31, 2017

Status: Open

The University of Iowa Office of Emergency Management (OEM) is responsible for ensuring the entire campus is prepared to mitigate, respond to, and recover from emergencies and disasters. The audit was performed to provide reasonable assurance that proper governance, emergency plans, exercises, training, and reporting are developed, communicated and performed appropriately. The primary audit recommendations were to formally define the role of the OEM, update the university emergency policy and plan, and implement necessary National Incident Management System (NIMS) and Incident Command System (ICS) components. Additional audit recommendations include developing a multi-year training and exercise program, a strategy for communication and presentation of emergency information, and a facilitated program for college, department, and building emergency plans. Management expects to complete all action plans by October 2019.



**University of Iowa
UI Community HomeCare**

Issued October 31, 2017

Status: Open

The UI Community HomeCare audit was completed to examine whether business controls are in place and working as intended. Audit recommendations included segregating the cash handling and payment posting duties, ensuring access and physical security to servers, and updating a system to meet HomeCare's computer security password policy. Management expects to complete its action plans by January 2018.



**University of Iowa
Joint Office for Compliance**

Issued November 29, 2017

Status: Open

The Joint Office for Compliance (JOC) audit was completed to examine JOC operations for reasonable controls and processes. Audit recommendations include re-evaluating the conflict of interest (COI) policy and the COI Oversight Committee to increase oversight, limiting editing access to the policy sharepoint website and defining what constitutes a policy, updating a system to meet the enterprise password policy, and cross training for COI processes. Management expects to complete its action plans by July 2018.



**University of Iowa
State Hygienic Lab IT**

Issued November 29, 2017

Status: Open

The State Hygienic Laboratory is the state of Iowa's official environmental and public health laboratory. The audit focused on current IT controls within the organization including management of the network, applications, and Active Directory domain. Audit recommendations include strengthening security within the Active Directory environment, enforcing mandatory staff training, scanning the network for vulnerabilities, and improving disaster recovery documentation. Strengthening password controls for a vended system and adding fire extinguishers to the local data centers were also identified as opportunities for improvement. Management expects to complete its action plans by June 2018.



**University of Iowa
Stead Family Children's Hospital Physical Security**

Issued November 29, 2017

Status: Open

The Stead Family Children's Hospital (SFCH) Physical Security audit was completed to examine physical security measures in place at SFCH. Audit recommendations included requiring consistent visitor screening and documentation, updating and implementing monitoring of badge access rights within SFCH, commissioning of doors and surveillance cameras, implementing construction contractor background checks and more frequent vendor background checks, and increased oversight of UIHC security system vendors. Management expects to complete its action plans by February 2018.



**University of Iowa
Hospital Late Charges**

Issued December 15, 2017

Status: Open

The Hospital Late Charges audit was completed to identify the primary causes of late charges and to determine what could be done to help reduce their numbers. During a fourteen-month period reviewed by Audit, there were 236,495 late charges valued at \$122 million. Hospital late charges are any hospital billing (HB) charges that are entered after the original claim has been submitted. This can cause a significant increase in days in accounts receivable (A/R) and causes unnecessary rework for Patient Financial Services (PFS). Primary causes of late charges are: physicians entering charges days after an encounter occurs, claims being submitted prior to pathology results being complete, and some hospital charges being held for processing until a related physician charge is entered. The most significant recommendations made during the audit included moving responsibility to monitor late charges from PFS to departments, creating a multidisciplinary group to monitor late charges at a higher level, better aligning documentation expectations found in policies from different groups, re-evaluating the physician querying process and consider uncoupling hospital charges from physician charges. Management expects their action plans will be complete in December 2018.



**University of Iowa
Office of Student Financial Aid**

Issued December 15, 2017

Status: Open

The Office of Student Financial Aid assists students in apply for, securing, and monitoring their financial aid package. Student Financial Aid was audited to examine operations for reasonable internal controls and processes. Audit recommendations included consolidating the number of methods used to apply scholarships to a student's account. Additionally, the office will conduct a cost-benefit analysis of manual changes that can be automated. Management expects to complete its action plans by August 2018.



University of Iowa
UIHC Capital Management New Clinic Build

Issued January 24, 2018

Status: Open

The UIHC Capital Management New Clinic Build audit was completed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended over the planning, design, and construction of North Dodge Clinic. Recommendations included having clear consensus on the governing entity and vision for future off-site projects, developing processes to improve execution and documentation of development of off-site clinics, and implementation of comprehensive software to manage the budget, schedule, change orders, competitive bidding, and documentation. Management expects to complete its action plans by September 2018.



Iowa State University
Capital Project Payments

Issued November 16, 2017

Status: Open

Capital projects provide for the construction, repair, or improvement of university buildings, including fixed equipment within buildings or grounds. Capital project expenditures totaled \$142,590,019 in fiscal year (FY) 2017, of which \$88,171,733 was paid to external contractors. The process to pay contractors for work is coordinated by Facilities Planning and Management (FP&M). FP&M began using a web based payment lifecycle software called ezNetPay in 2010. All completed payments created in ezNetPay in FY 2017 were reviewed to ensure FP&M personnel had verified work was complete prior to payment and that retention had been accurately calculated and withheld in line with Iowa Administrative Code. Implementing audit recommendations will improve user access controls for ezNetPay as well as help protect the integrity and availability of capital project payment data. Management expects to complete its action plans by February 2018.



Iowa State University
College of Human Sciences

Issued November 16, 2017

Status: Open

The Iowa State University (ISU) College of Human Sciences (CHS) audit was completed to evaluate the adequacy of significant administrative processes to provide reasonable assurance that internal controls are in place and operating as intended at both the college and departmental levels. Audit recommendations include encouraging CHS employees who are traveling internationally in relation to ISU business to obtain Cultural Insurance Services International (CISI) insurance prior to travel and requiring students who are participating in ISU sponsored and/or affiliated activities outside the United States to enroll in ISUAbroad and obtain CISI insurance. Additional recommendations include ensuring CHS employees are storing data on approved online storage services and implementing a procedure to grant and revoke computer administrative privileges. Management expects to complete its action plans by February 2018.



Iowa State University
Roy J. Carver Department of Biochemistry, Biophysics, and Molecular Biology

Issued December 12, 2017

Status: Open

The Iowa State University (ISU) Roy J. Carver Department of Biochemistry, Biophysics, and Molecular Biology (BBMB) 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 developing a process to ensure all laboratory safety trainings are being completed and laboratories are compliant with ISU laboratory safety policies. Additional recommendations include implementing a procedure to grant and revoke computer administrative privileges, ensuring BBMB employees store data on approved online storage services, and developing a procedure for restricting building access. Management expects to complete its action plans by August 2018.



**University of Northern Iowa
Environmental Health and Safety**

Issued December 19, 2017

Status: Open

Environmental Health and Safety oversees safety at the university in the following areas: fire, biological, chemical, laboratory, radiation, occupational, and hazardous waste. Audit recommendations focused on improvements in four safety processes. Management expects to complete their action plans by July 2018.



**University of Northern Iowa
Regents' Center for Early Developmental Education**

Issued December 19, 2017

Status: Open

The Regents' Center for Early Developmental Education was established by Iowa Code in 1988. The center was awarded to the University of Northern Iowa to operate as a statewide center within the College of Education. Audit recommendations focused primarily on contractual, financial and human resource management, and process improvements for revenue and expenses. Management expects to complete their action plans by September 2018.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Heart and Vascular Center	Dec 9, 2015	July 2016	July 2017	
2. Utilization Management	Jan 22, 2016	Aug 2016	Sept 2017	
3. University Book Store	July 19, 2016	Dec 2016	Aug 2017	
4. UI Health System Governance and Processes	Nov 29, 2016	July 2017		
5. UI Health Care Clinical Trial	Feb 21, 2017	Aug 2017		
6. UI Health System Financial Management	Feb 21, 2017	Aug 2017		
7. UI Health Care Outreach	April 26, 2017	Aug 2017		
8. Athletics	Feb 21, 2017	Oct 2017		
9. University of Iowa Research Foundation	March 29, 2017	Oct 2017		
10. Utilities Network	May 30, 2017	Oct 2017		
11. Community Connect	June 27, 2017	Nov 2017		
12. Admission and Transfer Center	June 27, 2017	Jan 2018		
13. Hancher	July 19, 2017	Jan 2018		
14. Extra Compensation for Teaching Academic Courses	March 29, 2017	Feb 2018		
15. Universal Workflow	April 26, 2017	Feb 2018		
16. Division of Performing Arts	Aug 29, 2017	Feb 2018		
17. Off-site Medication Supply Chain	June 27, 2017	April 2018		

18. UI Health Care Marketing and Communications	June 27, 2017	April 2018		
19. User Access	July 19, 2017	Aug 2018		
20. Volunteer Services	Sept 21, 2017	Aug 2018		
21. Benefits	June 27, 2017	Sept 2018		
22. Durable Medical Equipment	Sept 21, 2017	Oct 2018		

Iowa State University

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
23. Arctic, Remote and Cold Territories Interdisciplinary Center	March 23, 2017	Jan 2018		
24. Institute for Decision Making	May 4, 2017	Feb 2018		
25. UNItix	Sept 1, 2017	Feb 2018		
26. Academic Learning Center	Sept 1, 2017	July 2018		

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.