

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 Audit and Compliance Committee as required by Board policy.

ORIGINAL REPORTS	M/C*	CEA*	Status
ENTERPRISE WIDE			
<ul style="list-style-type: none"> Audit Memorandum: FY 2006 Mid-Year Progress Report on Universities' Compliance with Regent Partnership Plan for Transformation & Excellence 			
UNIVERSITY OF IOWA			
<ul style="list-style-type: none"> Residence Halls-Hall Government 			Open
<ul style="list-style-type: none"> Department of Psychiatry 			Open
<ul style="list-style-type: none"> NCAA Coaching Staff Limitations 			Closed
<ul style="list-style-type: none"> NCAA Representatives of the University's Athletic Interests 			Open
<ul style="list-style-type: none"> Office of the Registrar 			Open
<ul style="list-style-type: none"> IT Parallel Systems 			Open
IOWA STATE UNIVERSITY			
<ul style="list-style-type: none"> Iowa Agriculture and Home Economics Experiment Station 			Open
UNIVERSITY OF NORTHERN IOWA			
<ul style="list-style-type: none"> No Submissions 			

**Materiality/Criticality (MC) and Assessment of Controls Efficiencies (CEA) are defined in the Attachment.*

The Status of Internal Audit Follow-Up Table on the following page identifies 25 internal audit reports, 9 of which require follow-up.

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- | | |
|--|--------|
| • Data Backup and Business Cont. Planning #2 | Closed |
| • Department of Surgery | Closed |
| • Carver College of Medicine Finance and Adm. | Closed |
| • Recharge Centers – Office of the VP for Research | Closed |
| • Recharge Centers – Carver College of Medicine | Closed |

- Office of State Archaeologist Closed
 - College of Law Closed
 - Department of Pathology Closed
 - HCIS Software Change Management Closed
 - Review of Offer Letter Practices Closed
- IOWA STATE UNIVERSITY
- Procurement – Compliance with OMB A-110 Closed
 - Sponsored Program in Bio-Medical Sciences Closed
- UNIVERSITY OF NORTHERN IOWA
- Field House (UNI Dome) Operations-Event Parking Closed
 - Department of Residence – Facilities Closed
 - Human Resource Services – Worker's Comp. Closed
 - Student Health Center Closed
 - FY 2005 Cash on Hand Open

Status of Internal Audit Follow-Up

University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. Data Backup and Business Continuation Planning #2	Mar 26, 2004	Originally scheduled Mar 2005 Follow-up #1 completed Jun 2005	Mar 2005	Closed
2. Department of Surgery	Apr 27, 2005	Originally scheduled Aug 2005	Sep 2005	Closed
3. Carver College of Medicine – Finance and Administration	Mar 28, 2005	Originally scheduled Aug 2005	Sep 2005	Closed
4. Recharge Centers – Office of the Vice President for Research	Jun 3, 2005	Originally scheduled Oct 2005	Oct 2005	Closed
5. Recharge Centers – Roy J. and Lucille A. Carver College of Medicine	Jun 3, 2005	Originally scheduled Oct 2005	Oct 2005	Closed
6. Office of the State Archaeologist	Jun 3, 2005	Originally scheduled Sep 2005	Oct 2005	Closed
7. College of Law Collegiate Audit	July 27, 2005	Originally scheduled Nov 2005	Dec 2005	Closed
8. Department of Pathology	Aug 30, 2005	Originally scheduled Nov 2005	Dec 2005	Closed
9. Health Care Information Systems Software Change Management	Jun 22, 2005	Originally scheduled Jan 2006	Feb 2006	Closed
10. Review of Offer Letter Practices	Sep 26, 2005	Originally scheduled Feb 2006	Mar 2006	Closed
11. Postseason Athletic Participation Capital One Bowl	Sep 26, 2005	Schedule TBD	TBD	

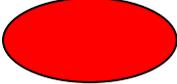
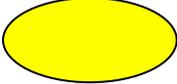
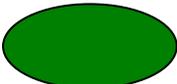
Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
12. Procurement – Compliance with OMB A-110 Procurement Standards	Apr 25, 2005	Originally scheduled Jul 2005	Aug 2005	Closed
13. Sponsored Program in the Department of Biomedical Sciences	Mar 15, 2005	Originally scheduled Jan 2006	Feb 2006	Closed
14. Memorial Union	Jun 28, 2005	Originally scheduled Jan 2006	Jan 2006	
15. IBSSS Assistive Device Center	Mar 9, 2005	Originally scheduled Oct 2005 Revised to Feb 2006	Nov 2005 Mar 2006	

University of Northern Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
16. Field House (UNI Dome) Operations – Event Parking	Aug 25, 2004	Originally scheduled Aug 2005	Sep 2005	Closed
17. Department of Residence – Facilities	Sep 24, 2004	Originally scheduled Oct 2005	Oct 2005	Closed
18. Human Resource Services – Workers' Compensation	Sep 23, 2004	Originally scheduled Oct 2005	Oct 2005	Closed
19. University Health Services – Student Health Center	Sep 24, 2004	Originally scheduled Oct 2005	Nov 2005	Closed
20. Gallagher-Bluedorn Performing Arts Center	Feb 10, 2005	Originally scheduled Feb 2006	Mar 2006	
21. Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	Mar 9, 2005	Originally scheduled Mar 2006	Apr 2006	
22. Classis Upward bound Program	Apr 27, 2005	Originally scheduled May 2006	May 2006	
23. FY 2005 Cash on Hand	Jan 4, 2005	Originally scheduled Oct 2005 Follow #1 completed Dec 2005	1 st Nov 2005 2 nd Jun 2006	
24. Management and Professional Development Center	Jun 28, 2005	Originally scheduled Jul 2006	Jul 2006	
25. International Programs	Aug 8, 2005	Originally scheduled Aug 2006	Sep 2006	

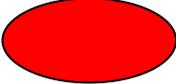
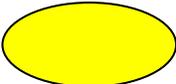
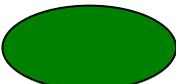
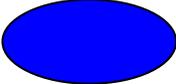
MATERIALITY / CRITICALITY (MC)

<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:

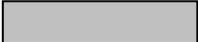
- Enrollment/Teaching/Research/Extension: Recruiting, admissions, financial aid, registrar, curriculum, sponsored programs, extension programs.
- People/Health/Safety: Hospital, clinics, student health center, national security issues, environmental health and safety.
- Financial Loss/Inefficiencies: 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 colors for the control / efficiency assessment (CEA) are used 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
Residence Halls – Hall Government
Initial Audit Report Issued: October 26, 2005

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Training.		July 31, 2006	Review: Aug 2006 Report: Aug 2006

The University of Iowa
Department of Psychiatry
Initial Audit Report Issued: October 26, 2005

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Grant Management. A. Personnel Activity Reporting (PAR). B. Administrative Invention Agreement (A/IA).	 	Immediately Closed	Review: Mar 2006 Report: Apr 2006
2. Research Data Security – Mental Health Clinical Research Center (MH-CRC). A. Data Back-up Security. B. Server Area Security. C. Disaster Recovery/Business Continuation Plan. D. Classification of Institutional Data. E. Financial Budgeting for Image Processing. F. IT Server Scan Results/Issues.	 	Immediately December 2005 December 2005 Closed February 2006 Closed	Review: Mar 2006 Report: Apr 2006

3. Income and Budgeting Controls. A. Accurate Accounting Reports. B. Expedited Charge Capture. C. Cash Handling.	  	February 2006 February 2006 Immediately	Review: Mar 2006 Report: Apr 2006	  
4. Expenditure Controls. A. Travel. B. Payroll. C. Other.	  	November 2005 February 2006 Closed	Review: Mar 2006 Report: Apr 2006	  
5. Controls over Capital Assets.		November 2005	Review: Mar 2006 Report: Apr 2006	
6. Controls over Staff Leave Reporting.		Immediately	Review: Mar 2006 Report: Apr 2006	
7. Human Resource Controls.		Immediately	Review: Mar 2006 Report: Apr 2006	
8. Software Policy.		December 2005	Review: Mar 2006 Report: Apr 2006	
9. Assurance of Business Continuity.		February 2006	Review: Mar 2006 Report: Apr 2006	

**The University of Iowa
NCAA Coaching Staff Limitations**
Initial Audit Report Issued: December 5, 2005

Summary



Status: Closed

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
None. Based on audit work performed, no audit recommendations were identified.		N/A	N/A

The University of Iowa
NCAA Representatives of the University's Athletics Interests
Initial Audit Report Issued: March 2, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	C E A	Implementation Target Date	Expected Auditor Follow-up
1. Processing Gift-in-Kind Contributions.		June 15, 2006	Review: Jul 2006 Report: Aug 2006
2. Strengthened Controls over Booster and Training Groups.		June 15, 2006	Review: Jul 2006 Report: Aug 2006
A. Management of Group Documents.			
B. Booster Group Compliance.			

The University of Iowa
Office of the Registrar
Initial Audit Report Issued: March 2, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Data and Academic Record Archival and Access.			Review: Aug 2006 Report: Sept 2006
A. Access Rights.		Aug. 15, 2006	
B. Data Warehouse.		Aug. 15, 2006	
C. Record Retention.		Aug. 15, 2006	
2. Student Grade Processing.		Aug. 15, 2006	Review: Aug 2006 Report: Sept 2006
3. Misc. Fee Committee.		Aug. 15, 2006	Review: Aug 2006 Report: Sept 2006
4. Cash Handling.		Aug. 15, 2006	Review: Aug 2006 Report: Sept 2006
5. Human Resources.		Aug. 15, 2006	Review: Aug 2006 Report: Sept 2006

**The University of Iowa
IT Parallel Systems**
Initial Audit Report Issued: March 2, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Email Systems	●	Sept. 30, 2006	Review: Oct 2006 Report: Nov 2006 ■
2. Parallel Administrative Systems	●	Sept. 30, 2006	Review: Oct 2006 Report: Nov 2006 ■
3. Collegiate/Departmental System Development	●	Sept. 30, 2006	Review: Oct 2006 Report: Nov 2006 ■

**Iowa State University
Iowa Agriculture and Home Economics Experiment Station**
Initial Audit Report Issued: January 6, 2006

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. McIntire-Stennis Formula Funds.	●	March 15, 2006	Review: Jul 2006 Report: Aug 2006 ■
2. Hatch Regular Formula Funds.	●	March 15, 2006	Review: Jul 2006 Report: Aug 2006 ■
3. Hatch Multistate Research Formula Funds.	●	March 15, 2006	Review: Jul 2006 Report: Aug 2006 ■
4. Website and Forms.	●	June 30, 2006	Review: Jul 2006 Report: Aug 2006 ■