












**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		
• Department of Emergency Medicine		Open
• Off-Campus/Distance Education		Open
• Pathology/Tissue Bank Inventory		Open
• Patient Financial Services – Pre-Access/Admission		Open
• Department of Pediatrics		Open
• NCAA Compliance Audit On/Off-Campus Recruiting		Open
• PCI Compliance		Open
IOWA STATE UNIVERSITY		
• Engineering Online Learning		Open
• Laboratory Safety		Open
UNIVERSITY OF NORTHERN IOWA		
• Child Development Center		Open
• International Student Admissions		Open

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

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

- UI Health Care Outside Clinical Practice Closed
- College of Pharmacy Business Processes Closed
- EPIC Software Change Management Closed
- GLBA/FERPA Compliance Closed
- Recreational Services Information Technology Closed
- Research Compliance: Cost Transfers Closed





IOWA STATE UNIVERSITY

- Effort Reporting Closed
- NCAA Compliance FY10 Closed
- Thielen Student Health Center Closed

UNIVERSITY OF NORTHERN IOWA

- No Submissions

**ASSESSMENT OF CONTROLS / EFFICIENCIES (CEA)**

<p><b>HIGH</b></p> 	<ul style="list-style-type: none"> <li>• Could seriously affect several areas within the University. Exposes the University to unacceptable risks or liability if not corrected OR</li> <li>• Involves difficult issues requiring the attention of executive management OR</li> <li>• Involves compliance with Federal, State, or other laws and could result in serious consequences if not implemented OR</li> <li>• Unacceptable weakness in the internal and/or accounting controls OR</li> <li>• Substantial savings (perhaps millions) can potentially be realized by correcting.</li> </ul>
<p><b>MODERATE</b></p> 	<ul style="list-style-type: none"> <li>• Could seriously affect a department or area within the University OR</li> <li>• Involves a difficult issue requiring the attention of upper management OR</li> <li>• Involves compliance with Federal, State or other law and could result in minor consequences if not implemented OR</li> <li>• Weakness in the internal and/or accounting controls OR</li> <li>• Savings (perhaps thousands) can potentially be realized by correcting.</li> </ul>
<p><b>LOW</b></p> 	<ul style="list-style-type: none"> <li>• Can affect a department or may be common to several areas OR</li> <li>• Could result in improved internal and accounting control OR</li> <li>• Can be corrected relatively easy OR</li> <li>• Could result in improved efficiency or effectiveness of operations OR</li> <li>• No reportable observations or corrective action taken prior to report issuance.</li> </ul>
<p><b>CONSULTATION</b></p> 	<ul style="list-style-type: none"> <li>• Auditors provided consultation only, without thorough assessment</li> <li>• No audit recommendations at this time.</li> </ul>

*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**  
**Department of Emergency Medicine**  
*Issued February 25, 2011*

Status: Open

The audit was performed to provide reasonable assurance that controls are in place and working as intended so that: 1) Emergency Medicine's business processes are sound and 2) The EPIC ASAP system has appropriate safeguards and controls. Primary findings include considering an additional business resource to support the department, implement a monitoring process for the IV Infusions report, billing cycle times, perform annual review of contract rates and update contracts as needed, perform monthly reconciliations of Air Care vendor charges, and update cash handling policies. Management expects to complete their entire action plan by July 2011.



**The University of Iowa**  
**Off-Campus/Distance Education**

*Issued February 25, 2011*

Status: Open

This audit was performed to evaluate the adequacy of operational procedures and internal controls of key processes within Distance Education. Findings centered on: developing a defined mission statement specific to Distance Education operations; creating a formalized business plan that incorporates the university's strategic objective of increasing distance course enrollment by 15%; and revising the MBA Distance Ed account reconciliation process for increased efficiencies. Management agrees with our conclusions and expects to complete their action plans by September 1, 2011.



**The University of Iowa**  
**Pathology/Tissue Bank Inventory**

*Issued February 25, 2011*

Status: Open

This audit was performed to provide assurance that the Tissue Bank inventory management system processes and controls are in place and operating as intended. Primary findings included a missed billing of a tissue, lack of segregation of duties, inadequate receiving facilities, out of date policy, and duplicate databases. Recommendations included implementing a better system for billing, improving current receiving processes, updating current policies, and re-evaluating the use of their current databases. Internal Audit will verify the implementation of their corrective action plans in August 2011.



**The University of Iowa**  
**Patient Financial Services - Pre-Access/Admission**

*Issued February 25, 2011*

Status: Open

The purpose of the audit was to review front end operations to ensure that best practices are in place with the Pre-Access, Admission teams, clinics and inpatient units to comply with UIHC policies toward self-pay patients and prior authorizations. The audit specifically reviewed policies, communication methods, staff education, and mitigation of denied claims. Primary findings indicate a small percentage of all claims are denied for reasons which could be mitigated by front end operations. In addition, the audit identified outdated policies and fragmented communication methods. Internal Audit will verify the implementation of corrective action plans in September 2011.



**The University of Iowa**  
**Department of Pediatrics**

*Issued March 24, 2011*

Status: Open

The purpose of the audit was to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. The audit specifically reviewed policy compliance with regard to sponsored programs, financial management and revenue, procurement, human resources and information technology. Primary findings include the use of software which is not consistent with the UIHC's Medication Management Policy or the Health Insurance Portability and Accountability Act (HIPAA) Security Rule. Additional findings include an above average charge lag time and a procurement approval process which requires stronger oversight. Internal Audit will verify the implementation of corrective action plan in September 2011.



**The University of Iowa  
NCAA Compliance Audit On/Off-Campus Recruiting**

*Issued March 24, 2011*

Status: Open

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) legislation. This audit was performed to fulfill the portion of the NCAA's requirement related to on and off-campus recruiting. Two reportable conditions were noted. The audit will remain open until follow-up procedures have been completed in the fourth quarter of FY 2011.



**The University of Iowa  
PCI Compliance**

*Issued March 24, 2011*

Status: Open

The audit was performed to provide assurance that university merchants are in compliance with Payment Card Industry Data Security Standards. Primary findings include establishing a reasonable time frame for merchant submission of initial compliance validation documentation, updating policy to indicate the preferred method of processing credit card transactions, and ensuring merchants fully understand their PCI compliance responsibilities. Management expects to complete their action plan by December 2011.



**Iowa State University  
Engineering Online Learning**

*Issued March 28, 2011*

Status: Open

The audit was requested by the College of Engineering Dean's Office and was performed to determine whether equipment inventory is properly controlled, fee-for-service operations are accounted for according to university guidelines, internal financial reporting is accurate, timely, useful, and efficient, and expenditures are adequately supported and allowable per the funding source. Additional objectives included determining whether conflict of interest disclosures are completed and appropriately routed for approval, and personnel actions are appropriately routed for approval, are adequately justified, and are originated and approved in a timely manner. Audit recommendations included working with the Controller's Department on fee-for-service accounting, following up on conflict of interest disclosures, and implementing additional standard operating procedures. Management expects to complete the action plans by July 2011.



**Iowa State University  
Laboratory Safety**

*Issued March 28, 2011*

Status: Open

The audit was performed to determine whether the information contained in the lab database maintained by Environmental Health & Safety (EH&S) is complete and contains accurate and sufficient information with respect to individual labs at Iowa State, lab safety surveys and follow-ups are being conducted in the manner prescribed in the EH&S standard operating procedures, and lab personnel adequately record details of the chemicals used and stored in their labs in the EH&S chemical database and that EH&S provides an adequate level of oversight. Additional objectives included evaluating the process for notifying EH&S of adverse lab events, such as an exposure, fire, or other type of incident, and the procedures in place for storage and disposal of hazardous waste. Audit recommendations included implementing a comprehensive chemical inventory management system and related procedures, modifying incident reporting, periodically ensuring that lab safety resources are current, and implementing safety survey follow-up monitoring. Management expects to complete the action plans by April 2012.



**University of Northern Iowa  
Child Development Center**  
*Issued March 31, 2011*

Status: Open

The audit was performed to analyze the operations for reasonable internal controls and processes. Audit recommendations include segregation of duties, billing procedures, developing the fee schedule and budget, timely reporting, food purchase procedures, maintain control of assets, maintaining records, salary distribution and processing of employment forms, accounts receivable processing, timecard submission and approval, and developing curriculum standards. Management agrees with the findings and expects to complete their action plan by the end of November 2011.



**University of Northern Iowa  
International Student Admissions**  
*Issued March 31, 2011*

Status: Open







The audit was performed to provide reasonable assurance the international student admissions process is operating with adequate internal controls and following applicable laws and regulations and University policies and procedures. Audit procedures included evaluating governance, international recruiting and admissions, federal compliance, information systems, and financial performance. The audit recommended improved file integrity and security, better governance of graduate admissions, satisfying required recordkeeping, and revising cash handling practices. Management expects to complete their action plan by October 2011.

**STATUS OF AUDIT FOLLOW-UPS**



**University of Iowa**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Main Operating Room Billing Process	Sept 3, 2009	May 2010	Nov 2010	
2. International Programs – Office for Study Abroad	Apr 5, 2010	Jan 2011		
3. OMB A-21 Allowable Direct Charges	Sept 15, 2010	Jan 2011		
4. Finkbine Golf Course Business Processes	Nov 11, 2010	Mar 2011		
5. UI Health Care Outside Clinical Practice	Nov 11, 2010	Apr 2011		
6. UIHC Ambulatory Care Pharmacy Cash Handling	Nov 11, 2010	Apr 2011		
7. Mechanical Engineering Program	Jan 12, 2011	July 2011		
8. EPIC – Ophthalmology	Nov 11, 2010	Aug 2011		
9. Building Access Security	Jan 12, 2011	Aug 2011		
10. University Approved Bank Accounts	Dec 14, 2010	Jan 2012		





**Iowa State University**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
11. Personnel Actions	Aug 19, 2009	Aug 2010	July 2011	
12. Conflict of Interest	Oct 13, 2009	Feb 2011	June 2011	
13. Research Data Security	July 13, 2010	July 2011		
14. Employee Separation Procedures	Oct 8, 2010	Aug 2011		
15. Non-Employees on Campus	Jan 13, 2011	Aug 2011		
16. Athletics Department Ticketing Procedures	Dec 1, 2010	Sept 2011		

**University of Northern Iowa**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
17. Student Course and Program Fees	July 7, 2010	Apr 2011		
18. Tuition and Fees Accountability	July 7, 2010	May 2011		
19. Motor Vehicle Pool	Oct 1, 2010	May 2011		
20. Iowa Waste Reduction Center	Jan 7, 2011	June 2011		
21. College of Education	Oct 1, 2010	July 2011		
22. Academic Summer Youth Camps	Jan 7, 2011	Nov 2011		
23. University Approved Bank Accounts	Jan 7, 2011	Dec 2011		

**Follow-Up Legend**

	<ul style="list-style-type: none"> <li>Planned corrective action and/or follow-up report not completed within 6 months of originally scheduled date.</li> </ul>
	<ul style="list-style-type: none"> <li>Planned corrective action and/or follow-up report not completed within 3 months of originally scheduled date.</li> </ul>
	<ul style="list-style-type: none"> <li>Follow-up report is due and is within 3 months of originally scheduled completion date.</li> </ul>
	<ul style="list-style-type: none"> <li>Follow-up report not yet due.</li> </ul>