

Contact: Todd Stewart

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		
• Clinical Quality Safety and Performance Improvement		Open
• Department of Psychiatry		Open
• Iowa Lions Eye Bank		Open
• Center for Conferences		Closed
• Division of Sponsored Programs Corporate Funded Clinical Trial Agreements		Open
• NCAA – Eligibility, Amateurism, and Academic Performance Program		Closed
• University Employee Health Clinic		Open
IOWA STATE UNIVERSITY		
• Extension and Outreach		Open
• Foundation Accounts Spending		Open
• Programs for Youth		Open
UNIVERSITY OF NORTHERN IOWA		
• Athletic Summer Camps		Open
• Fringe Benefit Rates & Controls		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- | | |
|--|--------|
| • College of Education | Closed |
| • Department of Surgery | Closed |
| • Veterans Affairs Contract Compliance | Closed |
| • Department of Public Safety - Lost and Found | Closed |
| • UIHC Child Care Center | Closed |
| • Summer Youth Programs | Closed |
| • International Student Reporting - SEVIS | Closed |

IOWA STATE UNIVERSITY

- NCAA Compliance - Amateurism Closed

UNIVERSITY OF NORTHERN IOWA

- Child Development Center Closed
- International Student Admissions Closed
- Modern Languages Closed
- University Approved Bank Accounts 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.

SUMMARIES OF INTERNAL AUDIT REPORTS ISSUED



**The University of Iowa
Clinical Quality Safety and Performance Improvement**

Issued February 29, 2012

Status: Open

The audit was performed to verify that external data sharing processes are supported by documented business associate agreements; are documented with cross trained backup staff; manual intervention is minimized between data extraction and submission; data is stored and transmitted in a secure manner, and data retention schedules are in place and being followed. Audit recommendations focused on reducing the amount of manual intervention between data extraction and submission, improving process documentation, performing regular entitlement reviews, and purging data past its useful life. Management agrees with the findings and expects to complete their action plan in May 2012. Internal Audit will conduct a follow-up in June 2012.



**The University of Iowa
Department of Psychiatry**

Issued February 29, 2012

Status: Open

The audit was performed to provide reasonable assurance to the new department head that adequate business processes and internal controls are in place and operating as intended. The audit specifically reviewed compliance regarding sponsored programs, financial management and revenue, procurement, and human resources. Primary findings included missed billings, grant management concerns, incomplete account reconciliations, outdated disaster recovery plan, inappropriate server room physical access, overdue procurement card reconciliations, overdue performance appraisals, and travel reimbursements with inappropriate approvals. Management agrees with the findings and expects to complete their action plan after September 2011. Internal Audit will conduct a follow-up in June 2012.



**The University of Iowa
Iowa Lions Eye Bank**

Issued February 29, 2012

Status: Open

The purpose of the audit was to evaluate business operations for reasonable controls and processes within the Iowa Lions Eye Bank. Primary recommendations include the need for more stringent oversight of rental lease payments, segregation of cash handling duties, accuracy of financial reporting, and increased physical security measures. Management agrees with all recommendations. Internal will conduct a follow-up in May 2012.



**The University of Iowa
Center for Conferences**

Issued April 2, 2011

Status: Closed

The Center for Conferences audit was performed to ensure cash-handling procedures, expenditures, and financial reports were accurate and also to determine campus awareness of the department. Audit findings include review of cash receipts, adherence with state guidelines for Continuing Education Units, and monthly reconciliations. Management agrees with the findings and completed all action plans. The audit is closed



The University of Iowa
The Division of Sponsored Programs – Corporate Funded Clinical Trial Agreements

Issued April 2, 2012

Status: Open

The Division of Sponsored Programs audit was performed to assess process improvements related to corporate funded clinical trial contract routing/approval procedures. Findings included the absence of metrics for standard contract routing turnaround times and performance based benchmarks and goals. Management agrees with the finding and expects to complete their action plan by December 2012. Internal Audit will conduct a follow-up in January 2013.



The University of Iowa
NCAA Compliance Audit – Eligibility, Amateurism, and Academic Performance Program

Issued April 2, 2012

Status: Closed

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 eligibility, amateurism, and academic performance program. No reportable findings were identified. The audit is closed



The University of Iowa
University Employee Health Clinic

Issued April 2, 2012

Status: Open

The University Employee Health Clinic audit was performed to provide reasonable assurance the business processes are sound, and internal controls are in place and operating as intended. Audit recommendations include documenting the funding agreement between University Human Resources and UI Health Care, reviewing financial activity on a regular basis, resolving the lack of segregation of duties issue in the cash handling procedures, and following the University password policy. Management agrees with the findings and expects to complete their action plan after August 2012. Internal Audit will conduct a follow-up in September 2012.



Iowa State University
Extension & Outreach

Issued January 30, 2012

Status: Open

The audit was requested by the Vice President for Extension and Outreach. Audit objectives included evaluating the adequacy of the budget development and monitoring process, verifying that cost recovery activities have documented cost components and projections, verifying that expenditures are adequately supported and allowable per the funding source, and determining whether conflict of interest disclosures are completed and appropriately routed for approval. Additional objectives included verifying that self-managed information technology resources are kept up to date through patch management and are protected by anti-virus software, determining that access to information system resources is limited to current employees, and verifying that information technology backup practices are adequate. Audit recommendations included requiring background checks on all county employed staff, reevaluating purchasing card and expense reimbursement routing processes and reassigning roles within the approval hierarchy, performing a complete evaluation of policy and procedure resources on the Extension and Outreach website, developing standard operating procedures for budget development and revocation of system access, and developing a disaster recovery plan. Management expects to complete the action plans by June 2013.



**Iowa State University
Foundation Account Spending**

Issued March 23, 2012

Status: Open

The purpose of this audit was to evaluate the process for expending ISU Foundation funds and determine compliance with donor intent and University spending policy. The audit also included a review of central oversight of the ISU Foundation funds and accessibility of the ISU Foundation account information system. Audit recommendations included convening a focus group of ISU Foundation system users to evaluate issues with the account information system and adding the policy for endowed chairs and professorships to the University policy library. Management expects to complete the action plans by September 2012. Internal Audit will conduct a follow-up in October 2012.



**Iowa State University
Programs for Youth**

Issued March 23, 2012

Status: Open

The audit was performed to evaluate internal controls regarding youth programs. Iowa State University provides pre-kindergarten through 12th grade students the opportunity to participate in a wide variety of activities through field trips, summer camps, and other enrichment experiences. Testing of health and safety aspects and fiscal operations were performed during the audit. Audit issues include development of youth program policy guidance regarding health and safety aspects such as background checks and first aid training, fee calculations, and a central registry of programs offered, and improvements needed in cash handling processes. Internal Audit will conduct a follow-up in January 2013.



**University of Northern Iowa
Athletic Summer Camps**

Issued March 22, 2012

Status: Open

The audit was performed to analyze the athletic summer camps for reasonable internal controls and processes. Audit procedures included cash handling and recording, accounts receivable processing, payroll and staff hiring procedures, revenue and refunds, general disbursements, and operational effectiveness and efficiency. Audit recommendations include procedures for cash handling, fee development, refund procedures, hiring practices and timecard recording, documentation for expenditures and account coding. Management agrees with the findings and expects to complete their action plan by December 2012. Internal audit will begin a follow-up in January 2013.



**University of Northern Iowa
Fringe Benefit Rates and Controls**

Issued March 22, 2012

Status: Open

The audit was performed to examine the fringe benefit rate process for adequate and effective internal controls and operations in accordance with University policies and procedures as well as applicable laws and regulations. Audit recommendations included documenting fringe benefit programs included in fringe benefit rates, establishing reserve ceilings, improving documentation for fringe benefit rate calculations, and distributing the fringe benefit pool from the payroll clearing account. Management will implement the recommendations and expects to complete their action plan by September 2012. Internal Audit will begin a follow-up in October 2012.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. EPIC – Ophthalmology	Nov 11, 2010	Aug 2011	July 2012	
2. Building Access Security	Jan 12, 2011	Aug 2011		
3. Holden Comprehensive Cancer Center	May 17, 2011	Nov 2011		
4. UI Health Care Epic Stork	June 23, 2011	Nov 2011		
5. MARS/MAUI Feeder Systems	May 17, 2011	Dec 2011		
6. University Approved Bank Accounts	Dec 14, 2010	Jan 2012		
7. PCI Compliance	Mar 24, 2011	Jan 2012		
8. UIHC Centralized Pharmacy Inventory	Aug 25, 2011	Jan 2012		
9. Maintenance and Flood Response Equipment	Oct 31, 2011	Apr 2012		
10. Anesthesia	Dec 1, 2011	Apr 2012		
11. UI Heart and Vascular Center	Jan 1, 2012	Apr 2012		
12. Department of Neurology	Dec 1, 2011	June 2012		
13. University Housing & Dining	June 23, 2011	July 2012		
14. State Hygienic Laboratory	Jan 11, 2012	Aug 2012		
15. UI Health Care Human Resources	Sept 28, 2011	Jan 2013		
16. Campus Conflict of Interest	Oct 21, 2011	Feb 2013		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
17. Research Data Security	July 13, 2010	July 2011	Sept 2012	
18. Employee Separation Procedures	Oct 8, 2010	Aug 2011	June 2012 Dec 2012	
19. Non-Employees on Campus	Jan 13, 2011	Aug 2011	Sept 2012	
20. Study Abroad Rome Program	Aug 25, 2011	Feb 2012		
21. Laboratory Safety	Mar 28, 2011	May 2012		
22. Service Centers	Jan 10, 2012	May 2012		
23. Identity and Access Management	Nov 1, 2011	Jan 2013		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
24. Payment Card Industry Standards	July 7, 2011	May 2012		
25. Malcolm Price Laboratory School Food Service Program	Sept 22, 2011	July 2012		
26. Temporary Faculty and Staff	Sept 27, 2011	July 2012		
27. Events Complex Concessions	Jan 4, 2012	Nov 2012		
28. Gallagher-Bluedorn Performing Arts Center	Jan 4, 2012	Nov 2012		

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.