

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		
• University of Iowa Museum of Art		Open
• Ambulatory Surgery Center		Open
• College of Liberal Arts and Sciences - School of Social Work		Open
• Dance Marathon		Open
• Department of Neurosurgery		Open
• University Housing and Dining StarRez System		Open
• Department of Otolaryngology		Open
• Student Health Service		Open
IOWA STATE UNIVERSITY		
• Parking Division		Open
UNIVERSITY OF NORTHERN IOWA		
• College of Humanities, Arts and Sciences		Open
• Student Health Clinic		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Campus Recreation and Wellness Center Closed
- University of Iowa Housing and Dining Closed
- UI Health Care – Enterprise Labor Management System Closed
- Department of Neurology Closed

IOWA STATE UNIVERSITY

- None

UNIVERSITY OF NORTHERN IOWA

- Gallagher-Bluedorn Performing Arts Center Closed
- Athletic Summer Camps Closed
- Graduate Assistantships 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
Museum of Art**

Issued February 13, 2013

Status: Open

The University of Iowa Museum of Art audit was performed to provide reasonable assurance that business processes and art inventory controls are appropriate and effective. Audit recommendations include implementing formal documents for the movement of inventory and the condition of outgoing loaned items, a regular review of physical access to inventory, maintaining supporting documentation for the approval of acquisitions, complying with University Procurement Card policy, restricting user access, and ensuring appropriate segregation of duties. Management expects to complete their action plan by June 2013.



**The University of Iowa
Ambulatory Surgery Center**

Issued February 13, 2013

Status: Open

The Ambulatory Surgery Center audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include clarifying the number of concurrent surgical procedures any one surgeon can perform, ensuring inventory items are not expired prior to migrating to a new inventory system, reviewing physical access to the ASC, and reconciling monthly financial statements. Management expects to complete their action plans by September 2013.



**The University of Iowa
College of Liberal Arts and Sciences – School of Social Work**

Issued February 13, 2013

Status: Open

The School of Social Work audit focused on business operations for reasonable internal controls and processes. Audit findings include revising purchasing processes for Wild Bill's Coffee Shop that comply with policy and create adequate segregation of duties, developing agreed upon procedures for the non-primary use of the Coffee Shop, strengthening internal controls over cash handling procedures, reconciling financial account activity monthly, creating a business plan and formal fee structure for National Resource Center operations, and ensuring all faculty and staff receive FERPA training as required. Management expects to complete their action plans by July 2013.



**The University of Iowa
Dance Marathon**

Issued March 7, 2013

Status: Open

The University of Iowa Dance Marathon audit was performed to provide reasonable assurance that business processes and internal controls are appropriate and effective. Audit recommendations focused on ensuring proper cash handling segregation of duties, timely deposits, updating cash handling procedures, retaining evidence of training provided to Dance Marathon students, reviewing the procurement card workflow path to ensure appropriate approvals occur, consistently completing monthly account reconciliations, and implementing formal merchandise inventory procedures. Management expects to complete their action plan by April 2013.



**The University of Iowa
Department of Neurosurgery**

Issued March 7, 2013

Status: Open

The Department of Neurosurgery audit was performed to examine the operations for reasonable internal controls and processes. Audit findings include distributing delinquent bonus payments, only eligible P&S Staff should receive Exceptional Performance Awards, only completed performance appraisals should be documented in the HR system, department's faculty compensation plan should be updated, improve the billing process, and documenting the backup and recovery procedures for the research servers. Management expects to complete their action plan after June 2013.



**The University of Iowa
University Housing and Dining StarRez System**

Issued March 7, 2013

Status: Open

The audit was performed to evaluate the adequacy of Information Technology controls in place for University Housing & Dining's StarRez application, and to ensure compliance with University policies and IT best practices. Recommendations included documenting critical processes, cross training users to provide sufficient support and backup for emergent situations, ensuring users successfully complete FERPA training prior to obtaining system access, performing a review of user access for appropriateness, and reconciling data that is interfaced to/from StarRez on a regular basis to ensure accuracy. Management expects to complete their action plans after August, 2013.



**The University of Iowa
Department of Otolaryngology**

Issued April 9, 2013

Status: Open

The Department of Otolaryngology audit evaluated management processes and controls in the department. The audit specifically focused on the revenue cycle, financial oversight, purchasing, human resources and sponsored programs. Audit recommendations include a revision of the administrative approval structures, improved efficiency in billing, an inventory of technological devices and more controls in duties related to human resources. Management expects to complete their action plan by October 2013.



**The University of Iowa
Student Health**

Issued April 9, 2013

Status: Open

The audit was performed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. The audit specifically reviewed compliance regarding financial management, revenue, procurement, and human resources. Primary recommendations included creating a monitoring mechanism to review system user access, completing Transaction Detail Report reconciliations on a monthly basis, timely visit documentation, reconciling between the student billing system and interfaced Student Health charges, and updating departmental purchasing workflow paths. Management expects to complete their action plan by July 2013.



**Iowa State University
Parking Division**

Issued April 3, 2013

Status: Open

The purpose of the audit was to evaluate daily depositing and balancing activities, accounting for tickets written, voiding parking charges, and processing credits. The audit also included a review of controls surrounding the permit inventory, issuance and security of smart cards used for pay by stall lots, cash collection activities, and the citation appeal review process. Audit recommendations included documenting the rationale for deleting tickets and voiding payment transactions and ensuring management review of the supporting documentation on a monthly basis to verify that tickets deleted and voided payments were for a legitimate business reason. A recommendation was also made to ensure that administrative hearing records contain adequate justification for the decision to grant or deny an appeal. Management expects to complete the action plans by April 2013.



**University of Northern Iowa
College of Humanities, Arts and Sciences**

Issued March 29, 2013

Status: Open

The audit was performed to provide reasonable assurance that the College of Humanities, Arts and Sciences is operating efficiently, effectively, and complying with generally accepted principles as well as University policies and procedures and applicable laws and regulations. Audit procedures included cash and revenue handling, purchasing and general disbursements, general operations, and personnel procedures. Audit recommendations include operational efficiency, improvements in college information technology services, finalizing a strategic plan for the college, and recording absences. Management expects to complete their action plans by December 2013.



**University of Northern Iowa
Student Health Clinic**

Issued March 29, 2013

Status: Open

The audit was performed to evaluate SHC's operational processes for adequate and effective internal controls, following University policies and procedures, and compliance with bonded debt requirements and applicable laws and regulations. Rate and fee development, revenue generation and billing, cash handling, purchasing and payables for allowability and accountability, pharmacy and medical supply inventory management and security, financial performance, and facility operations, security and sanitation were examined with a limited review of human resources and information systems. Audit recommendations include improvements in financial performance, expenses, human resources, and facility security. Management expects to complete its action plans by December 2013.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Department of Psychiatry	Feb 29, 2012	June 2012	July 2013	
2. Athletics Operations – Apparel and Promotional Items	Aug 16, 2012	Sept 2012	July 2013	
3. College of Law	Aug 16, 2012	Nov 2012	May 2013	
4. Department of Orthopaedics	Aug 16, 2012	Jan 2013		
5. Campus Conflict of Interest	Oct 21, 2011	Feb 2013		
6. UI Health Care IT Purchases and Data Center Privatization	Nov 8, 2012	Feb 2013		
7. UI Optical	Dec 13, 2012	Feb 2013		
8. Department of Nursing	Sept 27, 2012	May 2013		
9. Hospital Dentistry	Jan 15, 2013	May 2013		
10. Department of Athletics	Jan 15, 2013	May 2013		
11. Physics and Astronomy	Nov 8, 2012	June 2013		
12. Cleary Campus Security Policy and Campus Crime Statistics Act	Nov 8, 2012	July 2013		
13. Physician On-Boarding	Nov 8, 2012	Aug 2013		
14. Office of Equal Opportunity and Diversity	Dec 13, 2012	Sept 2013		
15. Export Controls	Sept 27, 2012	Nov 2013		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
16. Identity and Access Management	Nov 1, 2011	Jan 2013	Aug 2013	
17. Programs for Youth	Mar 23, 2012	Jan 2013	June 2013	
18. Department of Electrical and Computer Engineering	Oct 3, 2012	Feb 2013		
19. Extension & Outreach	Jan 30, 2012	July 2013		
20. Export Controls	June 11, 2012	July 2013		
21. Lloyd Veterinary Medical Center (LVMC)	Jan 8, 2013	July 2013		
22. Student Organizations	Jan 7, 2013	Aug 2013		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
23. Physical Plant Utility Billing	June 13, 2012	Apr 2013		
24. International Programs	Sept 21, 2012	July 2013		
25. Multi-Modal Transit Center Operations	Sept 21, 2012	July 2013		
26. UNI Center for Urban Education	Jan 11, 2013	Sept 2013		
27. Information Technology Services Business Procedures and Chargebacks	Jan 11, 2013	Nov 2013		

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.