

















**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		
<ul style="list-style-type: none"> <li>• NCAA – Extra Benefits Representatives of the University’s Athletics Interests</li> </ul>		Closed
<ul style="list-style-type: none"> <li>• Center for Biocatalysis and Bioprocessing</li> </ul>		Open
<ul style="list-style-type: none"> <li>• College of Engineering Sponsored Research Administration</li> </ul>		Open
<ul style="list-style-type: none"> <li>• Department of Family Medicine</li> </ul>		Open
<ul style="list-style-type: none"> <li>• UIHC Contract Compliance</li> </ul>		Open
<ul style="list-style-type: none"> <li>• AeroScout</li> </ul>		Open
<ul style="list-style-type: none"> <li>• Carver College of Medicine Administration</li> </ul>		Open
<ul style="list-style-type: none"> <li>• University Counseling Services</li> </ul>		Open
<ul style="list-style-type: none"> <li>• College of Public Health</li> </ul>		Open
<ul style="list-style-type: none"> <li>• MAUI Billing</li> </ul>		Open
<ul style="list-style-type: none"> <li>• College of Nursing</li> </ul>		Open
IOWA STATE UNIVERSITY		
<ul style="list-style-type: none"> <li>• Bioeconomy Institute</li> </ul>		Open
<ul style="list-style-type: none"> <li>• Procure-to-Pay Process</li> </ul>		Open
UNIVERSITY OF NORTHERN IOWA		
<ul style="list-style-type: none"> <li>• Research and Sponsored Programs</li> </ul>		Open
<ul style="list-style-type: none"> <li>• Jacobson Center</li> </ul>		Open
<ul style="list-style-type: none"> <li>• Wellness and Recreation Services</li> </ul>		Open

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

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

- Department of Otolaryngology Closed
- Export Controls Closed
- Physician On-Boarding Closed
- Criminal Background Checks Closed
- Iowa Testing Programs Closed
- Physics and Astronomy IT Closed
- BuildUI Closed
- University Housing and Dining StarRez System Closed





IOWA STATE UNIVERSITY

- Iowa State Center Closed
- Global Programs – College of Agriculture and Life Sciences Closed

UNIVERSITY OF NORTHERN IOWA

- Student Health Clinic Closed
- College of Humanities, Arts and Sciences Closed

**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.*



**The University of Iowa**  
**NCAA – Extra Benefits – Representatives of the University’s Athletics Interests**

*Issued January 15, 2014*

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the NCAA’s audit requirement related to extra benefits and representatives of the university’s athletics interests. No findings were identified and the audit is closed.



**The University of Iowa**  
**Center for Biocatalysis and Bioprocessing**

*Issued January 15, 2014*

Status: Open

The Center for Biocatalysis and Bioprocessing audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include development of a project costing model, collaboration with Information Technology Services on a plan to mitigate Windows XP operating system issues, implementation of an electronic deposit machine to improve deposit timeliness and completion of cash handling training. Management expects to complete its action plans by July 2014.



**The University of Iowa**  
**College of Engineering Sponsored Research Administration**

*Issued January 15, 2014*

Status: Open

The College of Engineering Sponsored Research Administration audit was performed to ensure compliance with the Office of Management and Budget (OMB) Circular A-21 and A-110, National Institutes of Health (NIH) Salary Limitation and university policy. Audit recommendations include establishing an NIH salary cap MFK account for all individuals subject to NIH salary cap, and individuals who are responsible for certifying Personal Activity Reports (PAR) should use an after the fact verification to confirm employee effort distribution prior to certifying annual PARs. Management expects to complete its action plans by September 2014.



**The University of Iowa**  
**Department of Family Medicine**

*Issued February 20, 2014*

Status: Open

The audit was performed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. Primary recommendations include evaluation of the billing processes, implementing a policy requiring changing of the safe combination, updating workflow paths to ensure appropriate level of approval, implementation of a detailed termination checklist, and ensuring appropriate approvals occur on travel reimbursements. Management expects to complete its action plans by April 2014.



**The University of Iowa**  
**UIHC Contract Compliance**

*Issued February 20, 2014*

Status: Open

The audit was performed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. Primary recommendations include implementing a centralized contract database, implementing profit share contracts for all vendor show vendors, and obtaining and verifying all appropriate support documentation per contract terms. Management expects to complete its action plans by September 2014.



**The University of Iowa  
AeroScout**

*Issued February 20, 2014*

Status: Open

The AeroScout audit was performed to provide reasonable assurance the system's operational processes are sound and proper controls are in place and operating as intended. The audit was also used to determine whether system functionality is meeting the user's business needs. Audit recommendations include developing an agreement between Health Care Information System and the current system users documenting the responsibilities in managing/utilizing the system, identifying an employee in an area to oversee an asset management process, and developing a process to help manage asset tags in another area. Management expects to complete its action plans by June 2014.



**The University of Iowa  
Carver College of Medicine Administration**

*Issued February 20, 2014*

Status: Open

The Carver College of Medicine Administration audit reviewed business processes and controls in the college. The audit specifically focused on: purchasing, human resources, University of Iowa Physicians, faculty affairs, information technology, student affairs, facilities, and finance. Audit recommendations include more frequent review of faculty compensation plans, reconciliation of transaction detail reports, increased controls of IT inventory, oversight of faculty performance reviews, more limits of purchasing approval as well as approval of business travel prior to trips. Management expects to complete its action plans by April 2014.



**The University of Iowa  
University Counseling Services**

*Issued February 20, 2014*

Status: Open

The University Counseling Services audit was performed to examine the operations for reasonable internal controls and processes. Audit recommendations include moving all client session video recordings to the shared network drive and setting appropriate access permissions, updating the client eligibility policy and procedures, ensuring the Director's procurement card expenditures are approved by the Assistant Vice President for Student Life, and maintaining segregation of duties for cash receipts. Management expects to complete its action plans by October 2014.



**The University of Iowa  
College of Public Health**

*Issued February 20, 2014*

Status: Open

The College of Public Health audit was performed to examine College operations for reasonable internal controls and processes. Primary audit recommendations include improving travel and procurement card workflows, monitoring cash handling training, timely reconciling of transaction detail reports, addressing server vulnerabilities, and updating the disaster recovery plan. Management expects to complete its action plans by March 2014.



**The University of Iowa  
MAUI Billing**

*Issued February 20, 2014*

Status: Open

Billing functions within the MAUI application were reviewed for reasonable internal controls and processes. Audit recommendations include implementing procedures to process refunds for accounts with credit balances, and improving controls around the application of manual overrides. Management expects to complete its action plans by February 2015.



**The University of Iowa  
College of Nursing**

*Issued March 28, 2014*

Status: Open

The College of Nursing audit was performed to examine business operations for reasonable internal controls and processes. Primary audit recommendations include correcting segregation of duties issues over a revenue process, addressing server and protected information vulnerabilities, creating a disaster recovery plan, improving procurement card workflows, and updating cash handling procedures. Management expects to complete its action plans by July 2014.



**Iowa State University  
Bioeconomy Institute**

*Issued March 27, 2014*

Status: Open

The audit was performed to evaluate the adequacy of significant administrative processes to provide reasonable assurance that internal controls are in place and operating as intended. Audit recommendations include completing the Conflict of Interest and Commitment Disclosure and follow-up process and retaining documentation to support change of funding personnel actions. Management expects to complete its action plans by March 2014.



**Iowa State University  
Procure-to-Pay Process**

*Issued March 27, 2014*

Status: Open

This audit was performed to evaluate procurement and procurement related payment processes to provide reasonable assurance that adequate internal controls are in place and operating as intended. Audit recommendations include consistently documenting the rationale for waiving bid requirements, ceasing to use a generic user account on the purchasing system for student employees, clarifying the documentation requirements in the published procedural guidance for the purchase of used equipment and implementing a policy whereby the initiation and approval actions for processing a disbursement voucher must be taken by two different individuals. Management expects to complete its action plans by June 2014.



**University of Northern Iowa  
Research and Sponsored Programs**

*Issued February 5, 2014*

Status: Open

The audit was performed to examine the administrative, pre-award, and post-award processes of Research and Sponsored Programs for adequate and effective internal controls and compliance with University policies and procedures and applicable federal and state laws and regulations. Audit procedures included management of cash and revenue, human resources, purchasing and payables, financial performance, and selected activities within the pre- and post-award processes. Recommendations were made for improvements in human resources, expenses, facilities and administrative costs, cash and revenue, and the post-award tracking log. Management expects to complete its action plans by October 2014.



**University of Northern Iowa  
Jacobson Center**

*Issued April 2, 2014*

Status: Open

The audit was performed to provide reasonable assurance that the Jacobson Center is operating efficiently, effectively, and complying with University policies and procedures and applicable regulations. Audit procedures included revenue and cash handling, accounts receivable, purchasing and general disbursements, and inventories and supplies. Audit recommendations include documenting billing and scholarship procedures, leave and reporting, general disbursements, and inventory procedures. Management expects to complete its action plans by December 2014.



**University of Northern Iowa  
Wellness and Recreation Services**

*Issued April 2, 2014*

Status: Open

The audit was performed to examine the administrative, financial, and selected operational processes of Wellness and Recreation Services for adequate and effective internal controls and compliance with University policies and procedures. Management of cash and revenue, human resources, purchasing and payables, financial performance, selected operational processes, and a departmental information system were reviewed. Recommendations for improvements were made in departmental information system maintenance and security, cash and revenue handling, establishing an improvements and renewals account, and resale inventories. Management expects to complete its action plans by December 2014.


**STATUS OF AUDIT FOLLOW-UPS**

**University of Iowa**





Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. UI Health Care IT Purchases and Data Center Privatization	Nov 8, 2012	Feb 2013	June 2014	
2. Ambulatory Surgery Center	Feb 13, 2013	Oct 2013		
3. Tippie College of Business	May 14, 2013	Nov 2013	July 2014	
4. Recharge Centers	Aug 20, 2013	Dec 2013	Sept 2014	
5. University Dining Inventory Processes	June 21, 2013	Jan 2014		
6. Department of Pathology	Nov 21, 2013	Jan 2014		
7. 340B Drug Pricing Program	Nov 21, 2013	Feb 2014		
8. Office of Strategic Communication	Sept 19, 2013	Mar 2014		
9. National Advanced Driving Simulator Information Technology	Nov 21, 2013	May 2014		
10. Sports Clubs	Oct 16, 2013	June 2014		
11. University of Iowa Community Medical Services	Oct 16, 2013	June 2014		
12. Biochemistry	Dec 19, 2013	June 2014		
13. College of Dentistry	Dec 19, 2013	July 2014		
14. UIHC Food and Nutrition Services	Aug 20, 2013	Aug 2014		
15. Student Course Fees	Nov 21, 2013	Aug 2014		
16. Office of Animal Resources	Aug 20, 2013	Sept 2014		

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
17. College of Design	Sept 16, 2013	Feb 2014		
18. Laboratory Animal Resources	June 28, 2013	May 2014		
19. Control of Federal Equipment	Dec 4, 2013	June 2014		
20. Department of Physics and Astronomy	Dec 4, 2013	Sept 2014		

**University of Northern Iowa**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
21. Public Safety	Sept 20, 2013	Mar 2014		
22. Effort Reporting	June 27, 2013	Apr 2014		
23. Athletic Equipment and Apparel	June 27, 2013	Apr 2014		
24. McNair Scholars Program	Sept 20, 2013	July 2014		
25. Student Organizations and Intramural & Club Sports	Oct 31, 2013	Aug 2014		

**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>