

**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		
• Communication Sciences and Disorders		Open
• OptiFlex		Open
• Surgery Preauthorization		Open
• Department of Anatomy and Cell Biology		Open
• Fleet Services		Open
• Hematology, Oncology, and Blood & Marrow Transplantation		Open
• Work Injury Recovery Center		Open
• Voalte		Open
IOWA STATE UNIVERSITY		
• College of Business		Open
• Department of Biomedical Sciences		Open
• Institute for Transportation		Open
UNIVERSITY OF NORTHERN IOWA		
• Centers Administration		Open
• Metal Casting Center		Open

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

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

- |   |        |
|---|--------|
| • College of Nursing  | Closed |
| • NCAA – Commitment of Personnel to Rules – Coaching Staff Limits and Contracts | Closed |
| • Iowa Comprehensive Lung Imaging Center  | Closed |
| • Department of Radiology   | Closed |
| • Office of Animal Resources  | Closed |
| • Physical Therapy and Rehabilitation Sciences                                  | Closed |
| • Tippie College of Business  | Closed |
| • University Libraries  | Closed |
| • Valet Services  | Closed |

UNIVERSITY OF NORTHERN IOWA

- |                                    |        |
|------------------------------------|--------|
| • International Student Teaching   | Closed |
| • Jacobson Center                  | Closed |
| • Psychological Assessment Clinic  | Closed |
| • Wellness and Recreation Services | 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  
Communication Sciences and Disorders**

*Issued January 15, 2015*

Status: Open

The Department of Communication Sciences & Disorders, within the College of Liberal Arts and Sciences, provides patient services, performs research, and offers educational training in the areas of speech-language pathology and audiology. Primary audit recommendations focused on increasing the utilization of current functionality of the clinical database for patient processing, documenting and cross training individuals on critical business functions, ensuring HIPAA guidelines are met and regularly monitored with regard to staff training and data security, defining and documenting standard criteria for patient fee reductions, improving disaster recovery documentation, and ensuring travel requests and expenses are properly approved. Management expects to complete its action plan by July 2015.



**The University of Iowa  
OptiFlex**

*Issued January 15, 2015*

Status: Open

The OptiFlex audit was performed to examine the operations utilizing the system for reasonable information technology controls and processes. Audit recommendations include improving system reporting capabilities, compliance with the University password policy, improving user access deactivation processes on employee terminations/ transfers, reviewing users with administrative access for related job responsibilities, and improving inventory storeroom physical security controls and inventory processes. Management expects to complete its action plan by September 2015.



**The University of Iowa  
Surgery Preauthorization**

*Issued February 12, 2015*

Status: Open

The surgery preauthorization process at the UIHC is a de-centralized process that is managed very differently among the departments. This audit was performed to examine the departments' surgery preauthorization processes for reasonable internal controls and consistency with processes in other areas. Audit recommendations include creating a work group to increase consistency in surgery pre-authorization processes among the departments, scheduling EPIC re-training to improve data entry consistency, and working with Patient Financial Services (PFS) and Health Care Information Systems (HCIS) to utilize EPIC functionality to improve processes where possible. Management expects to complete its action plan by July 2015.



**The University of Iowa  
Department of Anatomy and Cell Biology**

*Issued March 25, 2015*

Status: Open

The Department of Anatomy and Cell Biology audit was performed which included review of the Deeded Body Program (DBP). Primary audit recommendations related to the DBP included implementing a technology solution to make inventory tracking more accurate, completing period physical inventories, standardizing request forms and assessing billing rates and invoicing processes. Department wide recommendations included updating the work flow processes, securely storing sensitive data and ensuring procurement card compliance. Management expects to complete its action plan by July 2015.



**The University of Iowa  
Fleet Services**

*Issued March 25, 2015*

Status: Open

Fleet Services maintains and manages a fleet of vehicles for University departments to conduct day-to-day business activities. Rental and lease activities generated over \$4M in revenue during fiscal year 2014. As of December 2014, the department employed 14 individuals and the vehicle fleet consisted of 575 vehicles. Primary audit recommendations included restricting access to driver's license numbers, strengthening processes related to controlling and monitoring fuel purchases, increasing drivers' awareness of the Fleet Safety Program, and retaining documentation of driver record reviews. Management expects to complete its action plan by May 2015.



**The University of Iowa  
Hematology, Oncology, and Blood & Marrow Transplantation**

*Issued March 25, 2015*

Status: Open

Hematology, Oncology, and Blood & Marrow Transplantation is a division of the Internal Medicine department. The audit was performed to examine operations for reasonable internal controls and processes. Audit recommendations include updating and monitoring HIPAA/TB compliance, ensuring procurement card vouchers are timely reconciled, obtaining approval for all out-of-state trips prior to the trip occurring, and reconciling all fiscal year 2015 accounts through the Transaction Detail Report (TDR) system. Management expects to complete its action plan by May 2015.



**The University of Iowa  
Work Injury Recovery Center**

*Issued March 25, 2015*

Status: Open

The Work Injury Recovery Center audit was performed in response to its recent expansion. Processes reviewed included revenue, human resources, purchasing and financial management. Audit recommendations include improving financial management, travel and cash handling procedures. Management expects to complete its action plans by May 2015.



**The University of Iowa  
Voalte**

*Issued March 25, 2015*

Status: Open

The Voalte audit was performed in response to the large system implementation and roll out of over 1,700 iPhones to be utilized by healthcare staff of various levels beginning in 2012. Audit recommendations include development of a service agreement with user departments and roles and responsibilities for inventory management. Management expects to complete its action plan by August 2015.



**Iowa State University  
College of Business**

*Issued February 16, 2015*

Status: Open

The College of Business currently enrolls approximately 3,719 undergraduate students and 241 graduate students. The Association to Advance Collegiate Schools of Business International approved a re-accreditation of the business programs at the College of Business in December 2014. Implementing the audit recommendations will enhance data backup procedures, improve building access controls, and bolster segregation of duties in purchasing practices. Internal Audit will conduct a follow-up review in the first quarter of FY16 to assess management's progress in implementing the action plans described above.



**Iowa State University  
Department of Biomedical Sciences**

*Issued February 16, 2015*

Status: Open

The Department of Biomedical Sciences within the College of Veterinary Medicine has a combined mission that encompasses three distinct areas: teaching of the basic science curriculum to veterinary medical students, educating graduate students, and conducting state-of-the-art research that is relevant to the health of animals as well as humans. The purpose of the audit was to evaluate the adequacy of administrative processes to provide reasonable assurance that internal controls are in place and operating as intended. The administration of sponsored programs research, financial transactions from different funding sources, building access, and the safeguarding procedures of both capitalized and non-capitalized equipment were reviewed. The scope of the audit included operations and financial transactions during fiscal years 2014 and 2015. Implementing the audit recommendations will provide additional oversight regarding processing of subcontractor invoices for sponsored programs and other recommendations within the areas of building access and non-capitalized equipment. Internal Audit will conduct a follow-up review during the 4<sup>th</sup> quarter of fiscal year 2015.



**Iowa State University  
Institute for Transportation**

*Issued March 31, 2015*

Status: Open

The Institute for Transportation performs transportation research for public and private agencies and companies. In addition, it manages its own education program for transportation students and conducts local, regional, and national transportation services and continuing education programs. The new Director of InTrans was appointed in February 2014. Implementing the audit recommendations will help ensure research project proposals are fully reviewed in advance of submission to external sponsors and help safeguard capital equipment. Internal Audit will conduct a follow-up review in the first quarter of FY16.



**University of Northern Iowa  
Centers Administration**

*Issued March 23, 2015*

Status: Open

The University of Northern Iowa Centers and Institutes support the mission of the University by addressing complex problems, conducting research, educating students, and providing public service. Audit recommendations include improving documentation and following Board of Regents and University policies. Management expects to complete its action plan by January 2016.



**University of Northern Iowa  
Metal Casting Center**

*Issued March 23, 2015*

Status: Open

The Metal Casting Center specializes in research advancement for the metal casting industry and supports itself with charges to private industry for research and development work. It most recently added a 3D sand printer to its operations at a location off-campus. Audit recommendations focused on improving controls for the additive manufacturing operations at the off-campus location and fiscal and financial activities of the Center. Management will complete its action plan by December 2015.

**STATUS OF AUDIT FOLLOW-UPS**

**University of Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
1. Observation Patient Status – Revenue Loss	July 14, 2014	Oct 2014	Aug 2015	
2. Volunteer Gift Shop	Oct 8, 2014	Dec 2014		
3. Maxient Student Discipline Database Software	Nov 11, 2014	Dec 2014		
4. UIHC Dialysis Services	July 14, 2014	Jan 2015		
5. Centralized Management of Scheduling Program Audit	Aug 22, 2014	Jan 2015		
6. Facilities Management Information Technology	Aug 22, 2014	Jan 2015		
7. Onboarding Audit	June 17, 2014	Feb 2015		
8. MAUI Billing	Feb 20, 2014	Mar 2015		
9. Reduction in Force	Dec 19, 2014	Mar 2015		
10. Department of Risk Management, Insurance and Loss Prevention	Sept 23, 2014	April 2015		
11. UIHC Project Art	Aug 22, 2014	June 2015		
12. Grade Entry and Grade Changes	Dec 19, 2014	June 2015		
13. Iowa House Hotel	Dec 19, 2014	July 2015		
14. Biology Information Technology	Sept 23, 2014	Oct 2015		
15. Bowen Science Building Information Technology	Sept 23, 2014	Feb 2016		

**Iowa State University**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
16. Facilities Planning and Management	Oct 1, 2014	Dec 2014		
17. ISU Dining	May 13, 2014	Jan 2015		
18. University Library	Aug 27, 2014	Mar 2015		

**University of Northern Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
19. Physical Plant Administration	July 8, 2014	May 2015		
20. Athletic Travel	Sept 17, 2014	July 2015		
21. Emeritus Controls	Sept 17, 2014	July 2015		
22. Counseling Center	Dec 18, 2014	Sept 2015		
23. Study Abroad Center	Dec 18, 2014	Oct 2015		

**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>