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		
• Campus SSN Remediation	🟡	Open
• Department of Psychiatry	🟡	Open
• Utilization Management	🟡	Open
• Affordable Care Act	🟢	Closed
• UIHC Capital Management	🟡	Open
• Claim Submission and Electronic Remittance Processes	🟡	Open
• Clinical Quality Safety and Performance Improvement	🟡	Open
• DeGowin Blood Center	🟡	Open
• NCAA Eligibility, Amateurism and Academic Performance	🟢	Closed
IOWA STATE UNIVERSITY		
• Department of Statistics	🟡	Open
UNIVERSITY OF NORTHERN IOWA		
• Special and Summer Compensation	🟡	Open
• Department of Technology	🟡	Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

• Epic Beaker	Closed
• Finance and Business Information Services IT	Closed
• Flexible Benefits	Closed
• Office of the President	Closed
• The University Club	Closed
• Voalte	Closed
• Residence Hall Security	Closed

IOWA STATE UNIVERSITY

• College of Business	Closed

UNIVERSITY OF NORTHERN IOWA

• Center for Multicultural Education	Closed

CONTROLS/EFFICIENCIES ASSESSMENT (CEA)

HIGH 🔴	• 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.
MODERATE 🟡	• 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.
LOW 🟢	• 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 easily OR • Could result in improved efficiency or effectiveness of operations OR • No reportable observations or corrective action taken prior to report issuance.

The internal auditors have utilized the colors for the CEA in evaluating each overall audit report.

The University of Iowa
Campus SSN Remediation
Issued January 22, 2016   Status: Open

The Social Security Number (SSN) "vault" application was developed by Information Technology Services staff with intentions on becoming an enterprise solution for sensitive data storage. The audit focused on application security and key controls to ensure appropriate access to data in the vault. Recommendations include implementing policy to mandate secure storage of SSNs, and performing regular reviews to ensure accounts with access to the vault are appropriately managed. Management expects to complete their action plans by June 2016.

The University of Iowa
Department of Psychiatry
Issued January 22, 2016   Status: Open

The Department of Psychiatry audit was performed to examine the operations for reasonable internal controls and processes. Primary audit recommendations include strengthening controls on charge capture and denial management, updating professional service and payor agreements, enforcing TB and HIPAA compliance and revising cash handling procedures. Management expects to complete its action plan by June 2016.

The University of Iowa
Utilization Management
Issued January 22, 2016   Status: Open

The Utilization Management (UM) audit was performed to examine operations for reasonable internal controls and processes. UM is a department of nurses that are responsible for obtaining precertifications for inpatient admissions, providing payers with clinical continued stay reviews, and responding to and appealing cases denied for medical necessity. Primary audit recommendations include working with Health Care Information Systems (HCIS) to improve the department's use of available systems, working with registration staff to ensure that information required for UM work is correctly entered during the registration process, and considering the hire of administrative support staff to support the department's mission. Management expects to complete its action plan by July 2016.

The University of Iowa
Affordable Care Act – Employer Shared Responsibility
Issued February 18, 2016   Status: Closed

The Employer Shared Responsibility provision of the 2010 Patient Protection and Affordable Care Act became effective on January 1, 2015. In part, this provision requires large employers to offer health insurance coverage to full-time equivalent employees and to provide annual forms of offers made and coverage provided to the IRS and employees. This audit was performed to provide reasonable assurance that processes and controls are in place and functioning effectively to identify employees eligible for offers of coverage under the Employer Shared Responsibility provision. The audit did not identify any recommendations or material weaknesses. This audit is closed.

The University of Iowa
UIHC Capital Management
Issued February 18, 2016   Status: Open

The UIHC Capital Management audit was performed to examine the project management and procurement operations for reasonable internal controls and processes. Audit recommendations related to procurement include establishing appropriate approvals and coordination of equipment/furniture, high value contracts, amendments, and change orders. Operational recommendations include extending financial oversight to the Executive Director level, implementing a new scheduling/project management program that encompasses all lead times/deadlines, and formalizing agreements for improvement of affiliated entities' leased spaces. Management expects to complete its action plan by October 2016.

The University of Iowa
Claim Submission and Electronic Remittance Processes
Issued March 23, 2016   Status: Open

The Claim Submission and Electronic Remittance Processes audit was performed as part of an ongoing series of Epic revenue-cycle audits. The intent of these audits is to examine essential revenue cycle processes for reasonable internal controls and processes after the implementation of Epic, a new patient accounting system. Audit recommendations include separating provider liability balance (PLB) adjustments from remittance files prior to uploading files to Epic (an industry-wide challenge), automating processes to enter check information into the electronic reconciliation database, improving maintenance support for the electronic reconciliation database, and limiting access to payor websites to regular business users. Management expects to complete its action plan by March 2017.

The University of Iowa
Clinical Quality Safety and Performance Improvement
Issued March 23, 2016   Status: Open

The Clinical Quality Safety and Performance Improvement (CQSPI) audit was performed to examine the operational and business processes for reasonable internal controls and processes. Audit recommendations include identifying proper backups for CQSPI staff processes, improving documented registries' procedures, reviewing all registries for the possibility to automate registry abstraction, and reviewing system user identifiers regularly. Management expects to complete its action plan by March 2017.

The University of Iowa
DeGowin Blood Center
Issued March 23, 2016   Status: Open

The DeGowin Blood Center audit was performed to review the blood management software systems and examine the blood center's operations and financial management for reasonable internal controls and processes. Primary audit recommendations include enhancing monthly reviews on infectious disease service charges, educating staff members on operational inventory procedures, and strengthening IT security controls over the blood management software systems. Management expects to complete its action plan by March 2016.

The University of Iowa
NCAA Eligibility Amateurism and Academic Performance
Issued March 23, 2016   Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association's (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to initial, continuing, and transfer academic eligibility. No findings were identified and the audit is closed.

Iowa State University
Department of Statistics
Issued March 24, 2016   Status: Open

The Department of Statistics is jointly administered by the College of Liberal Arts and Sciences and the College of Agriculture and Life Sciences. The department offers undergraduate and graduate degrees and teaches introductory and intermediate statistics to students from academic programs across the university. Recommendations will ensure interior door access is properly controlled and sensitive data is adequately protected when stored electronically. Modified procedures for Conflicts of Interest and Commitment disclosures will ensure disclosures are completed in accordance with university requirements and graduate admissions and scholarships selections are adequately supported. Additionally, audit recommendations will strengthen the statistical consulting fee-for-service operations and the tracking of consulting work completed by graduate assistants. Management expects to complete their action plan by September 2016.

University of Northern Iowa
Special and Summer Compensation

Issued February 25, 2016 Status: Open

Special and summer compensation at the University of Northern Iowa is governed by the university's Special Compensation policy. Special compensation is for work performed by UNI employees that exceeds their normal duties. Summer compensation, also known as "summer appointments", is work performed by nine-month UNI employees, usually faculty, during the summer months to teach summer session classes. Audit recommendations focused on a separate policy for summer compensation and improving controls to meet policy requirements. Management expects to complete its action plan by November 2016.

University of Northern Iowa
The Department of Technology

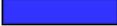*Issued March 22, 2016* Status: Open

The University of Northern Iowa's Department of Technology supports one of the two doctoral programs at the university. The department has over 500 undergraduate and graduate students enrolled in six undergraduate and two graduate programs. There are at least seven major lab areas within the Industrial Technology Center where the department is located. Audit recommendations focused on improving hazardous materials controls, laboratory safety and security, and other departmental controls related to information security and financial management. Management expects to complete its action plan by December 2016.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Communication Sciences and Disorders	Jan 15, 2015	Aug 2015	March 2016	🟥
2. OptiFlex	Jan 15, 2015	Oct 2015		🟨
3. Iowa Lakeside Laboratory Regents Resource Center	Sept 8, 2015	Dec 2015		🟨
4. Sociology Information Technology	Nov 12, 2015	Jan 2016		🟩
5. UIHC Safety and Security	June 29, 2015	Jan 2016		🟩
6. School of Art and Art History	Sept 8, 2015	Feb 2016		🟩
7. Internal Medicine	Nov 12, 2015	Feb 2016		🟩
8. Bowen Science Building Information Technology	Sept 23, 2014	Feb 2016		🟩
9. UIHC Engineering Services	Sept 8, 2015	March 2016		🟩
10. Anesthesia	Nov 12, 2105	March 2016		🟩
11. Controlled Substances in Laboratories	Sept 8, 2015	July 2016		🟦
12. UIHC Cash Handling	Nov 12, 2015	July 2016		🟦
13. Heart and Vascular Center	Dec 9, 2015	July 2016		🟦
14. State Hygienic Laboratory	Dec 9, 2015	Aug 2016		🟦
15. Centralized Coding	July 28, 2015	Sept 2016		🟦
16. Dual Degree Program	July 28, 2015	Oct 2016		🟦

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
17. ISU Research and Demonstration Farms	Jan 5, 2016	March 2016		🟩
18. College of Engineering	July 14, 2015	July 2016		🟦
19. Department of Residence	Aug 25, 2016	Dec 2016		🟦
20. Dr. W. Eugene and Linda Lloyd Veterinary Medicine Center	Jan 5, 2016	Dec 2016		🟦

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
21. Metal Casting Center	Mar 23, 2015	Jan 2016		🟩
22. Center for Social and Behavioral Research	Sept 14, 2015	March 2016		🟩
23. Campus Supply and Warehousing	Oct 30, 2015	March 2016		🟩
24. Center for Teaching and Learning Mathematics	Sept 14, 2015	July 2016		🟦
25. Speech and Hearing Clinic	July 8, 2015	June 2016		🟦
26. Theatre Department	Dec 17, 2015	Nov 2016		🟦

Follow-Up Legend

🟥	• Planned corrective action and/or follow-up report not completed within six months of originally scheduled date.
🟨	• Planned corrective action and/or follow-up report not completed within three months of originally scheduled date.
🟩	• Follow-up report is due and is within three months of originally scheduled completion date.
🟦	• Follow-up report not yet due.