























Contact: Todd Stewart

INTERNAL AUDIT REPORTS

Action Requested: Receive the original and follow-up internal audit reports.

Executive Summary: Completed institutional internal audit reports are reported to the Audit and Compliance Committee as required by Board policy.

ORIGINAL REPORTS	M/C*	CEA*	Status
ENTERPRISE WIDE			
• Regent Partnership Plan for Transformation and Excellence			Closed
• Grow Iowa Values Fund			Closed
UNIVERSITY OF IOWA			
• NCAA Student Athlete Vehicles			Closed
• Iowa Institute of Hydraulic Research – Hydrosience & Engineering Sponsored Programs Review			Closed
• Travel Expense Electronic Documentation Controls			Closed
• NCAA Compliance – Playing and Practice Sessions			Closed
• Parking and Transportation Services			Open
• Surplus Stores Hard Drive Cleaning Process			Open
• Student Health Service			Open
• Department of Neurology			Open
IOWA STATE UNIVERSITY			
• Thielen Student Health Center			Open
UNIVERSITY OF NORTHERN IOWA			
• No Submissions			

**Materiality/Criticality (MC) and Assessment of Controls Efficiencies (CEA) are defined in the Attachment.*

The Status of Internal Audit Follow-Up Table on the following page identifies 16 internal audit reports, 12 of which require follow-up.

FOLLOW-UP REPORTS

ENTERPRISE WIDE

• Student Financial Aid Operational Processes Closed

UNIVERSITY OF IOWA

• College of Public Health - Epidemiology Closed

• Department of Anesthesia Closed

IOWA STATE UNIVERSITY

• No Submissions












UNIVERSITY OF NORTHERN IOWA

• International Programs Closed


**Status of Internal Audit Follow-Up
Enterprise Wide**

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. Student Financial Aid Operational Processes	Oct 17, 2006	Originally scheduled Jan 2007	Feb 2007	Closed

University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
2. College of Public Health-Epidemiology	Oct 17, 2006	Originally scheduled Jan 2007	Feb 2007	Closed
3. Department of Anesthesia	Nov 15, 2006	Originally scheduled Jan 2007	Feb 2007	Closed
4. IT Parallel Systems	Mar 2, 2006	Originally scheduled Oct 2006	Nov 2006	
5. Grant Accounting	Apr 12, 2006	Originally scheduled Oct 2006	Nov 2006	
6. Third Party Clinical Trial billing	Apr 12, 2006	Originally scheduled Aug 2006	Nov 2006	
7. IDX Access and Security	Jul 13, 2006	Originally scheduled Dec 2006	Jan 2007	
8. Iowa Memorial Union Food Service	Sep 13, 2006	Originally scheduled Feb 2007	Mar 2007	
9. Protected Health Information on Mobile Devices	Nov 15, 2006	Originally scheduled Feb 2007	Mar 2007	
10. UIHC Cash Handling Changes	Jan 10, 2007	Originally scheduled Apr 2007	Apr 2007	
11. Carver College of Medicine Research Data Security	Dec 14, 2006	Originally scheduled Apr 2007	May 2007	
12. Wireless IT Environment	Jun 26, 2006	Originally scheduled Jun 2007	Jul 2007	
13. Review of Termination Practices	Dec 14, 2006	Originally scheduled Oct 2007	Nov 2007	
14. Postseason Athletic Participation (Outback Bowl)	Sep 13, 2006	Schedule TBD	TBD	

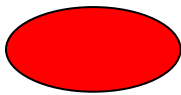
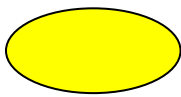
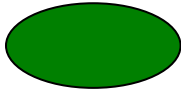
Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
15. Veterinary Teaching Hospital	Aug 2006	Originally scheduled Feb 2007	Mar 2007	

University of Northern Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
16. International Programs	Aug 8, 2005	Originally scheduled Aug 2006	Sep 2006	Closed

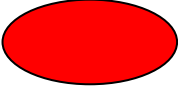
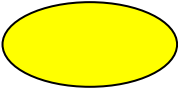
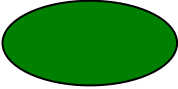
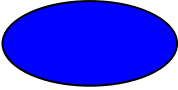
MATERIALITY / CRITICALITY (MC)

<p>HIGH</p> 	<p>Potential:</p> <ul style="list-style-type: none"> • Significant impact on enrollment/teaching/research/extension OR • Significant impact on people/health/safety OR • Exposure to significant financial loss/costly inefficiencies OR • Exposure to loss or interception of sensitive electronic data/information OR • Exposure to significant legal liability/regulatory penalties OR • Significant reputational risk OR • Broad impact of negative event.
<p>MODERATE</p> 	<p>Potential:</p> <ul style="list-style-type: none"> • Moderate impact on people/health/safety OR • Exposure to moderate financial loss/inefficiencies OR • Exposure to loss or interception of non-sensitive electronic data/information OR • Exposure to moderate legal liability/regulatory penalties OR • Moderate reputational risk OR • Localized impact of negative event.
<p>LOW</p> 	<p>Low potential:</p> <ul style="list-style-type: none"> • Impacting people/health/safety OR • Loss/liability OR • Damage to reputation OR • Impact of negative event.

MATERIALITY / CRITICALITY TERMS - Definitions include but are not limited to the following:






- Enrollment/Teaching/Research/Extension: Recruiting, admissions, financial aid, registrar, curriculum, sponsored programs, extension programs.
- People/Health/Safety: Hospital, clinics, student health center, national security issues, environmental health and safety.
- Financial Loss/Inefficiencies: Improper or inefficient use of money, equipment, human resources, or other assets resulting in lost funds or increased costs.
- Loss or Interception of Electronic Data/Information: Central university and departmental information technology security.
- Legal Liability/Regulatory/Penalties: Violation of laws or regulations resulting in litigation, loss of funding, restriction of programs, fines/penalties.
- Reputational Risk: Negative publicity that could result in loss of public trust, contributions, and other support.
- Significance and Impact: Significant impact of a negative event related to any of the above areas could include large dollar losses, penalties, or other types of harm that could broadly restrict fulfillment of the universities' missions. Moderate impact would include losses or penalties that could restrict specific key activities that are related to the universities' missions.

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 individual comment.

FOLLOW-UP

	<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.
	<ul style="list-style-type: none"> • Closed.


**University of Iowa
Regent Partnership Plan for Transformation and Excellence**
Initial Audit Report Issued: April 9, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A


**University of Iowa
Grow Iowa Values Fund (GIVF)**
Initial Audit Report Issued: April 9, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A




**University of Iowa
NCAA Compliance – Student Athlete Vehicles**
Initial Audit Report Issued: March 8, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	No reportable issues were identified during this review.		N/A	N/A


**University of Iowa
Iowa Institute of Hydraulic Research – Hydrosience & Engineering
Sponsored Programs Review**
Initial Audit Report Issued: March 8, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
	1. Effort Reporting.			Completed	Item Closed
2. Administration/Invention Agreement.			Completed	Item Closed	


**University of Iowa
Travel Expense Electronic Documentation Controls**
Initial Audit Report Issued: April 9, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
	No reportable issues were identified during this review.			N/A	N/A

**University of Iowa
NCAA Compliance – Playing and Practice Sessions**
Initial Audit Report Issued: April 9, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
	No reportable issues were identified during this review.			N/A	N/A

**University of Iowa
Parking and Transportation Services**
Initial Audit Report Issued: February 20, 2007

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Special Event Parking.		June 2007	Review: Jul 2007 Report: Aug 2007
2. Business Processes.		June 2007	Review: Jul 2007 Report: Aug 2007
3. Performance Appraisals.		June 2007	Review: Jul 2007 Report: Aug 2007
4. Cash Controls.		February 2007	Review: Jul 2007 Report: Aug 2007

**University of Iowa
Surplus Stores Hard Drive Cleansing Process**
Initial Audit Report Issued: February 20, 2007

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Hard Drive Inventory.		April 2007	Review: Apr 2007 Report: May 2007
2. Access to Hard Drives.		April 2007	Review: Apr 2007 Report: May 2007
3. Reinstalled Files.		April 2007	Review: Apr 2007 Report: May 2007
4. Surplus Stores Process Documentation.		March 2007	Review: Apr 2007 Report: May 2007
5. Campus Wide Documentation & Communication of Process Change.		April 2007	Review: Apr 2007 Report: May 2007
6. IT Security Office Training.		April 2007	Review: Apr 2007 Report: May 2007

**University of Iowa
Student Health Service**
Initial Audit Report Issued: February 20, 2007

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. PCA-AP and IDX Interface and Revenue Capture.		August 2007	Review: Aug 2007 Report: Sep 2007	
2. Cash Handling.		February 2007	Review: Aug 2007 Report: Sep 2007	
3. Reconciling Revenue Accounts.		Immediately	Review: Aug 2007 Report: Sep 2007	
4. Approval of Procurement Card Transactions.		Immediately	Review: Aug 2007 Report: Sep 2007	
5. Segregation of Duties.		Immediately	Review: Aug 2007 Report: Sep 2007	
6. Travel Expense Approval.		Immediately	Review: Aug 2007 Report: Sep 2007	
7. Time Reporting Approval.		Immediately	Review: Aug 2007 Report: Sep 2007	
8. Delegation of Signature Authority.		Completed	Item Closed	
9. Staff Job Description.		Completed	Item Closed	

**University of Iowa
Department of Neurology**
Initial Audit Report Issued: April 9, 2007

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Grant Deficits.		April 2007	Review: Oct 2007 Report: Nov 2007	
2. Financial Management Leadership.		April 2007	Review: Oct 2007 Report: Nov 2007	
3. Data Center Controls.		April 2007	Review: Oct 2007 Report: Nov 2007	
4. Charge Capture Enhancements.		July 2007	Review: Oct 2007 Report: Nov 2007	
5. Network Access Controls.		April 2007	Review: Oct 2007 Report: Nov 2007	
6. Performance Reviews.		April 2007	Review: Oct 2007 Report: Nov 2007	

**Iowa State University
Thielen Student Health Center**
Initial Audit Report Issued: February 8, 2007








Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Pharmacy Inventory Process.		June 2007	Review: Jul 2007 Report: Aug 2007 
2. Pharmacy Inventory Adjustments.		June 2007	Review: Jul 2007 Report: Aug 2007 
3. Pharmacy Inventory Returns.		June 2007	Review: Jul 2007 Report: Aug 2007 
4. Rate Methodologies.		March 2007	Review: Jul 2007 Report: Aug 2007 