

**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 Board as required by Board policy.

<b>ORIGINAL REPORTS</b>	<b>M/C*</b>	<b>CEA*</b>	<b>Status</b>
UNIVERSITY OF IOWA			
• College of Nursing			Open
• Childrens Miracle Network			Open
• Department of Physics and Astronomy			Open
• University Hygienic Lab			Open
• Security of Initiated ACH Transactions			Open
• NCAA Recruiting			Open
• Department of Dermatology			Open
• Volunteer Services			Open
IOWA STATE UNIVERSITY			
• Office of the Registrar			Open
• Security of Internet Initiated ACH Transactions			Closed
UNIVERSITY OF NORTHERN IOWA			
• NCAA Rules - Compliance Program Evaluation Process Review			Open

*\*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 17 internal audit reports, 14 of which require follow-up.

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

- IDX Access and Security Closed
- UIHC Cash Handling Changes Closed
- Surplus Stores Hard Drive Cleaning Process Closed

IOWA STATE UNIVERSITY

- No Submissions

UNIVERSITY OF NORTHERN IOWA

- No Submissions

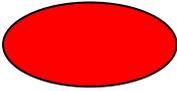
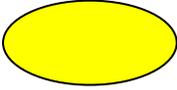
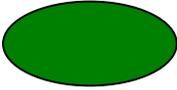
**University of Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Status</b>	<b>Expected Completion</b>	<b>Action Status</b>
1. IDX Access and Security	Jul 13, 2006	Originally scheduled Dec 2006	Jan 2007	Closed
2. UIHC Cash Handling Changes	Jan 10, 2007	Originally scheduled Apr 2007	Apr 2007	Closed
3. Surplus Stores Hard Drive Cleaning Process	Feb 20, 2007	Originally scheduled Apr 2007	May 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. Iowa Memorial Union Food Service	Sep 13, 2006	Originally scheduled Feb 2007	Mar 2007	
8. Protected Health Information on Mobile Devices	Nov 15, 2006	Originally scheduled Feb 2007	Mar 2007	
9. Carver College of Medicine Research Data Security	Dec 14, 2006	Originally scheduled Apr 2007	May 2007	
10. Wireless IT Environment	Jun 26, 2006	Originally scheduled Jun 2007	Jul 2007	
11. Parking and Transportation Services	Feb 20, 2007	Originally scheduled Jul 2007	Aug 2007	
12. Student Health Service	Feb 20, 2007	Originally scheduled Aug 2007	Sept 2007	
13. Review of Termination Practices	Dec 14, 2006	Originally scheduled Oct 2007	Nov 2007	
14. Department of Neurology	Apr 9, 2007	Originally scheduled Oct 2007	Nov 2007	
15. Postseason Athletic Participation (Outback Bowl)	Sep 13, 2006	Schedule TBD	TBD	

**Iowa State University**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Status</b>	<b>Expected Completion</b>	<b>Action Status</b>
16. Veterinary Teaching Hospital	Aug 25, 2006	Originally scheduled Feb 2007	Mar 2007	
17. Thielen Student Health Center	Feb 8, 2007	Originally scheduled Jul 2007	Aug 2007	

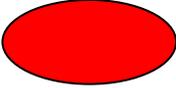
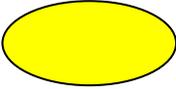
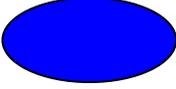
**MATERIALITY / CRITICALITY (MC)**

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

**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><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 individual comment.*

**FOLLOW-UP**

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

**The University of Iowa  
College of Nursing**  
Initial Audit Report Issued: May 10, 2007

Summary

**M/C**

**CEA**

Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Cash Handling- Annual Review.		July 2007	Review: Sep 2007 Report: Oct 2007	
2. Documentation of Revenue Processes.		July 2007	Review: Sep 2007 Report: Oct 2007	
3. Human Resources – Annual Performance Appraisals.		July 2007	Review: Sep 2007 Report: Oct 2007	

**The University of Iowa  
Children's Miracle Network**  
Initial Audit Report Issued: May 10, 2007

Summary

**M/C**

**CEA**

Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Cash Receipts.		Immediately	Review: Nov 2007 Report: Dec 2007	
2. Fundraising.		June 2007	Review: Nov 2007 Report: Dec 2007	
3. Inventory.		Immediately	Review: Nov 2007 Report: Dec 2007	
4. Information Technology Services.		Immediately	Review: Nov 2007 Report: Dec 2007	
5. Vendor Rebate Agreements.		Immediately	Review: Nov 2007 Report: Dec 2007	
6. Allocation and Distribution of Requested Funds.		December 2007	Review: Nov 2007 Report: Dec 2007	

The University of Iowa  
Department of Physics & Astronomy - Sponsored Programs Review  
Initial Audit Report Issued: May 10, 2007

Summary



Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Effort Report Certification.		Immediately	Review: Jul 2007 Report: Jul 2007
2. Cost Transfer Documentation.		Immediately	Review: Jul 2007 Report: Jul 2007

The University of Iowa  
University Hygienic Lab  
Initial Audit Report Issued: June 14, 2007

Summary



Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Price Setting for Sample Testing Services.		August 2008	Review: Aug 2008 Report: Aug 2008
2. Accounts Receivable and Billing.		August 2008	Review: Aug 2008 Report: Aug 2008
3. Financial Reporting.		January 2008	Review: Aug 2008 Report: Aug 2008
4. Equipment Purchasing and Accountability.		January 2008	Review: Aug 2008 Report: Aug 2008
5. General Purchasing.		September 2007	Review: Aug 2008 Report: Aug 2008
6. Cash Receipting.		January 2008	Review: Aug 2008 Report: Aug 2008

The University of Iowa  
Security of Internet Initiated ACH Transactions  
Initial Audit Report Issued: June 14, 2007

Summary

M/C

CEA

Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Data Retention.		December 2007	Review: Jan 2008 Report: Feb 2008	
2. Access ACH Transaction Data.		January 2008	Review: Jan 2008 Report: Feb 2008	

The University of Iowa  
NCAA Compliance – Recruiting  
Initial Audit Report Issued: June 14, 2007

Summary

M/C

CEA

Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Prior Approval for Coaches Recruiting Travel.		January 2008	Review: Feb 2008 Report: Mar 2008	
2. Retention of Recruiting Records.		January 2008	Review: Feb 2008 Report: Mar 2008	
3. Recruiting Calendar Violation.		January 2008	Review: Feb 2008 Report: Mar 2008	
4. Early Unrecorded Official Visit.		January 2008	Review: Feb 2008 Report: Mar 2008	

**The University of Iowa  
Department of Dermatology**  
Initial Audit Report Issued: July 11, 2007

Summary

M/C

CEA

Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Approval of Procurement Card Transactions.		May 2007	Review: Dec 2007 Report: Jan 2008	
2. Approval of Travel Expenses.		May 2007	Review: Dec 2007 Report: Jan 2008	
3. Human Resources – Annual Performance Appraisals.		June 2007	Review: Dec 2007 Report: Jan 2008	
4. Charge Capture.		July 2007	Review: Dec 2007 Report: Jan 2008	

**The University of Iowa  
Volunteer Services**  
Initial Audit Report Issued: July 11, 2007

Summary

M/C

CEA

Status: Open

Recommendations/  
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. On-line gift ordering.		July 2007	Review: Sep 2007 Report: Nov 2007	
2. Manual work procedures.		July 2007	Review: Sep 2007 Report: Nov 2007	

**Iowa State University  
Office of the Registrar**  
Initial Audit Report Issued: July 13, 2007

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	1. Generic User Names.		August 2007	Review: Aug 2007 Report: Sept 2007 <span style="float: right;"></span>

**Iowa State University  
Security of Internet-Initiated ACH Transactions**  
Initial Audit Report Issued: July 13, 2007

Summary   Status: Closed

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	None. Based on audit work performed, no audit observations were identified.		N/A	N/A

**University of Northern Iowa  
NCAA Rules-Compliance Program Evaluation Process Review**  
Initial Audit Report Issued: June 7, 2007

Summary   Status: Open

Recommendations/ Responses	Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
	1. Evaluation Compliance.		July 2007	Review: Sep 2007 Report: Sep 2007 <span style="float: right;"></span>
	2. Evaluation Violation Reporting.		July 2007	Review: Sep 2007 Report: Sep 2007 <span style="float: right;"></span>