

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/ Compliance and Investment Committee as required by Board policy.

ORIGINAL REPORTS	M/C*	CEA*	Status
UNIVERSITY OF IOWA			
• Conflict of Interest Continuing Medical Education			Closed
• NCAA Complimentary Admission			Closed
• Absence Management Report - FMLA			Open
• Conflict of Interest Vendors/Extramural Activities			Open
• ITS Telecom Security Closet Physical Security			Open
• University Box Office			Open
• College of Dentistry Business Process			Open
IOWA STATE UNIVERSITY			
• Biosafety – Select Agents			Open
UNIVERSITY OF NORTHERN IOWA			
• Hong Kong MBA Program			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 22 internal audit reports, 17 of which require follow-up.

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Data Security Center Closed
- Department of Chemistry Closed
- Family Medicine Closed
- UIHC Transplant Billing Process Closed

IOWA STATE UNIVERSITY

- Institutional Animal Care & Use Committee Compliance Review Closed
- Building Access Services-Access Cards Open

UNIVERSITY OF NORTHERN IOWA

- No Submissions

University of Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
1. Data Security Center	Oct 9, 2007	Originally scheduled Feb 2008	Mar 2008	Closed
2. Department of Chemistry	Jan 11, 2008	Originally scheduled Apr 2008	May 2008	Closed
3. Family Medicine	Jan 11, 2008	Originally scheduled Jul 2008	Aug 2008	Closed
4. UIHC Transplant Billing Process	Jan 18, 2008	Originally scheduled Apr 2008	May 2008	Closed
5. Iowa Memorial Union Food Service	Sept 13, 2006	Originally scheduled Feb 2007	Mar 2007	
6. Carver College of Medicine Research Data Security	Dec 14, 2006	Originally scheduled Apr 2007	May 2007	
7. Wireless IT Environment	Jun 26, 2006	Originally scheduled Jun 2007	Jul 2007	
8. Student Health Service	Feb 20, 2007	Originally scheduled Aug 2007	Sept 2007	
9. University of Iowa Physicians	Nov 8, 2007	Originally scheduled Feb 2008	Mar 2008	
10. NCAA Compliance - Recruiting	Jun 14, 2007	Originally scheduled Feb 2008	Mar 2008	
11. School of Library & Information IT Review	Feb 11, 2008	Originally scheduled Apr 2008	May 2008	
12. University Hygienic Lab	Jun 14, 2007	Originally scheduled Aug 2008	Aug 2008	
13. UIHC Access Control Security	Mar 12, 2008	Originally scheduled Jul 2008	Aug 2008	
14. Speech Pathology and Audiology	Sept 17, 2007	Originally scheduled Aug 2008	Sept 2008	
15. Department of Intercollegiate Athletics	Oct 9, 2007	Originally scheduled Sept 2008	Sept 2008	
16. Human Subjects Office Process Review	Feb 11, 2008	Originally scheduled Jan 2010	Jan 2010	
17. Postseason Athletic Participation (Outback Bowl)	Sept 13, 2006	Schedule TBD	TBD	

Iowa State University

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
18. Institutional Animal Care & Use Committee Compliance Review	Oct 12, 2007	Originally scheduled Apr 2008	May 2008	Closed
19. Building Access Services-Access Cards	Jan 16, 2008	Originally scheduled May 2008	Jun 2008	
20. Office of Admissions	Feb 27, 2008	Originally scheduled May 2008	Jun 2008	

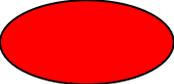
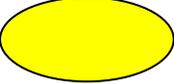
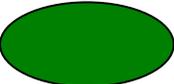
University of Northern Iowa

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
21. Vendor Payment Analysis	Nov 14, 2007	Originally scheduled May 2008	Jun 2008	

Iowa School for the Deaf

Title	Report Date	Original Follow-Up Status	Expected Completion	Action Status
22. Iowa School for the Deaf	Aug 8, 2007	Originally scheduled Aug 2008	Aug 2008	

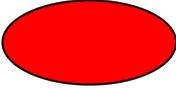
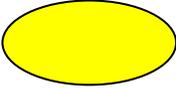
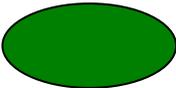
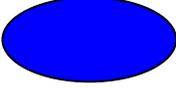
MATERIALITY / CRITICALITY (MC)

<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.

The University of Iowa
Conflict of Interest – Continuing Medical Education
Initial Audit Report Issued: May 16, 2008

Summary

M/C

CEA

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

The University of Iowa
NCAA Compliance – Complimentary Admissions
Initial Audit Report Issued: May 16, 2008

Summary

M/C

CEA

Status: Closed

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
Documentation of Rules Education.	●	Completed	Item Closed

The University of Iowa
Absence Management - FMLA
Initial Audit Report Issued: May 16, 2008

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. FMLA Decision-Making Process.	●	Immediately	Review: Oct 2008 Report: Nov 2008
2. Employee Responsibility to Report and Record Absences.	●	June 2008	Review: Oct 2008 Report: Nov 2008

The University of Iowa
Conflict of Interest – Vendors/Extramural Activities
Initial Audit Report Issued: May 16, 2008

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Conflict of Interest and Conflict of Commitment Policies.		January 2009	Review: Aug 2009 Report: Sept 2009	
2. COI – Disclosure.		July 2009	Review: Aug 2009 Report: Sept 2009	
3. COI – Monitoring.		January 2009	Review: Aug 2009 Report: Sept 2009	
4. COI – Purchasing/ Procurement Issues.		July 2009	Review: Aug 2009 Report: Sept 2009	

The University of Iowa
ITS Telecom Closet Physical Security
Initial Audit Report Issued: May 16, 2008

Summary

M/C

CEA

Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Authorization.		Immediately	Review: Aug 2008 Report: Sept 2008	
2. Key Management.		August 2008	Review: Aug 2008 Report: Sept 2008	
3. Residence Hall Telecom Closets.		August 2008	Review: Aug 2008 Report: Sept 2008	
4. Regular Entitlement Reviews.		August 2008	Review: Aug 2008 Report: Sept 2008	
5. Process Documentation.		August 2008	Review: Aug 2008 Report: Sept 2008	
6. Cost Benefit Analysis.		August 2008	Review: Aug 2008 Report: Sept 2008	

The University of Iowa
University Box Office
Initial Audit Report Issued: May 16, 2008

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Cash Handling.		August 2008	Review: Sept 2008 Report: Oct 2008	
2. Security Features.		August 2008	Review: Sept 2008 Report: Oct 2008	
3. Manager's Position Description.		June 2008	Review: Sept 2008 Report: Oct 2008	

The University of Iowa
College of Dentistry – Business Processes
Initial Audit Report Issued: July 11, 2008

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up	
1. Charge Capture.		November 2008	Review: Nov 2008 Report: Dec 2008	
2. Courtesy Discounts.		June 2008	Review: Nov 2008 Report: Dec 2008	
3. Fee Adjustments.		November 2008	Review: Nov 2008 Report: Dec 2008	
4. Insurance Verification.		November 2008	Review: Nov 2008 Report: Dec 2008	
5. Database to Track Claim Denials.		November 2008	Review: Nov 2008 Report: Dec 2008	
6. Treatment Plans.		November 2008	Review: Nov 2008 Report: Dec 2008	
7. Electronic Transfer of Medicare and Medicaid Claims.		November 2008	Review: Nov 2008 Report: Dec 2008	
8. Claims Transmission Errors.		Closed	Item Closed	

Iowa State University
Biosafety – Select Agents
Initial Audit Report Issued: June 16, 2008

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. Laboratory Access.		March 2009	Review: Mar 2009 Report: Apr 2009
2. Information Security.		March 2009	Review: Mar 2009 Report: Apr 2009

The University of Northern Iowa
Hong Kong MBA Program
Initial Audit Report Issued: July 15, 2008

Summary



Status: Open

Recommendations/
Responses

Auditor's Observation	CEA	Implementation Target Date	Expected Auditor Follow-up
1. GAAP Revenue and Expense Matching.		September 2008	Review: Apr 2009 Report: May 2009
2. Approved Tuition Rate.		April 2009	Review: Apr 2009 Report: May 2009
3. Timely Receivable Billing.		September 2008	Review: Apr 2009 Report: May 2009
4. General Administration Responsibility.		NA	Review: NA Report: NA