

FY 2012 AUDIT PROGRESS AND FY 2013 INTERNAL AUDIT PLANS

Action Requested: Receive the progress reports for the universities' FY 2012 audit plans and approve the internal audit plans for FY 2013.

Executive Summary: On an annual basis, the Regent universities compile and submit audit plans to the Audit/Compliance and Investment Committee. In accordance with Board policy, these plans review past accomplishments and identify the next fiscal year's internal audit focuses.

FY 2012 Progress	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>Total</u>
Audits:				
Original Audits Planned	50	18	10	78
Added during Year	3	1	-	4
Totals	53	19	10	82
Completed	37	17	8	62
In Progress	8	1	2	11
Deferred	4	0	-	4
Cancelled	4	1	-	5
Totals	53	19	10	82

FY 2013 Plans	<u>Scheduled Audits</u>	<u>Total Hours Budgeted*</u>
University of Iowa	49	18,663
Iowa State University	15	5,208
University of Northern Iowa	<u>10</u>	<u>3,662</u>
Total	74	27,533

*Includes budgeted hours for recurring reported audits / reviews; original audits; follow-up audits; non-audit activities; and other responsibilities.

Internal audit plans for FY 2013 are based on known circumstances and certain areas needing routine audit coverage. Portions of the plans are unannounced and unplanned to allow the internal auditors flexibility to respond to events that transpire throughout the year and to add audits throughout the year as necessary. In addition, our ethics hotline reports identify possible instances of fraud or financial misconduct that would need to be investigated.

Internal Audit Staff as of June 30, 2012	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>TOTAL</u>
Full-Time Professional Audit Positions	9	3	2	14
Support / Intern / Student Positions	1	0	1	2

Tables detailing FY 2013 plans and FY 2012 progress for each university included in this document. Tables containing audits completed for the past three fiscal years may be found on the following pages.

The FY 2013 Internal Audit Plan for all three Regent institutions is based on the following:

- Regent Internal Audit Director evaluation of plans and guidance from the Board;
- The input of university management personnel, the Auditor of State, and information shared between the three internal audit departments;
- Compilation of institutional risk concerns;
- Risk assessment based on the application of certain risk measurement criteria to the compiled risk concerns; and
- Prioritization based on risk criteria and management input.

The risk assessment performed for FY 2013 identified the following high risk areas:

- Business processes;
- Compliance with departmental policies and procedures in areas where there has been a change of top management and complex office processes; and
- Information technology, particularly in areas of new system development and implementation.

UNIVERSITY OF IOWA		
Proposed Internal Audit Plan for FY 2013		
<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
Annual Risk Assessment	450	2.4%
Ethicspoint	150	0.8%
Maui (Billing)	400	2.1%
Maui (Financial Aid)	400	2.1%
Star Rez	300	1.6%
UI Build	300	1.6%
Cerner Interfaces	250	1.3%
AccuDose	250	1.3%
Physics & Astronomy	250	1.3%
Stratajazz	250	1.3%
Meaningful Use	250	1.3%
IRL Billing/Financials	250	1.3%
340B Programs for Pharmacy	300	1.6%
Neurosurgery	250	1.3%
Ophthalmology Optical Shop	250	1.3%
Dialysis	300	1.6%
GME	200	1.1%
Medicare ACO	200	1.1%
UICMS	300	1.6%
Hospital Dentistry	200	1.1%
IRL Medication Security	100	0.5%
Urology	250	1.3%
Otolaryngology	250	1.3%
Contract Compliance	250	1.3%
Space Utilization	250	1.3%
Ambulatory Surgery Center	260	1.4%
On-Boarding	150	0.8%
Department of Nursing	100	0.5%
Orthopedics	50	0.3%
Center for Digestive Diseases	225	1.2%
Responsible Conduct in Research	300	1.6%
Animal Resources / Animal Care	350	1.9%
CLAS - Departmental (Political Science, Social Work)	300	1.6%
Lakeside Labs Camps and Courses	160	0.9%
EOD	300	1.6%
College of Business	300	1.6%
Recharge Centers	300	1.6%
Gift Funding / Donor Intent	300	1.6%
Art Museum Inventory	250	1.3%
Risk Management Departmental	300	1.6%
Payroll Audit	300	1.6%
Extra Compensation on Grants	300	1.6%
Student Orgs - Dance Marathon	250	1.3%
Clery Act	130	0.7%
Export Controls	100	0.5%
College of Law	50	0.3%
NCAA - Financial Aid Administration	190	1.0%
NCAA - Team Travel	35	0.2%
NCAA - Student Athlete Employment	25	0.1%
Athletics Equipment	40	0.2%
Athletic Ticket Revenue	275	1.5%
Follow-Up	517	2.8%
Special Requests - Unassigned	1,273	6.8%
Subtotal	13,730	73.6%
<u>Other Audit Responsibilities</u>	<u>Hours</u>	<u>Percent</u>
Administration	3,008	16.1%
Committee Participation	419	2.2%
Performance Evaluations	190	1.0%
Professional Development	585	3.1%
Staff Meetings	731	3.9%
Subtotal	4,933	26.4%
Total	18,663	100.0%

IOWA STATE UNIVERSITY		
Proposed Internal Audit Plan for FY 2013		
<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
Annual Risk Assessment	220	4.2%
Bookstore	350	6.7%
Electrical and Computer Engineering, Department of	10	0.2%
Global Programs, College of Agriculture and Life Sciences	300	5.8%
Graduate Student Admissions	100	1.9%
Laboratory Animal Resources	320	6.1%
NCAA Compliance - Commitment of Personnel to Rules Compliance	40	0.8%
NCAA Compliance - Extra Benefits	300	5.8%
NCAA Compliance - Recruiting	260	5.0%
NCAA Compliance - Rules Education	40	0.8%
Office of the Provost	200	3.8%
Parking Division, Department of Public Safety	300	5.8%
Payroll	350	6.7%
Property Control System Analysis	120	2.3%
Student Organizations	320	6.1%
Veterinary Medical Center	350	6.7%
Follow-up Audits	260	5.0%
Special Requests - Unassigned	240	4.6%
Subtotal	4,080	78.3%
<u>Other Audit Responsibilities</u>	<u>Hours</u>	<u>Percent</u>
Administration	610	11.7%
Committee Participation	80	1.5%
Performance Evaluations	42	0.8%
Professional Development	180	3.5%
Staff Meetings	216	4.1%
Subtotal	1,128	21.7%
Total	5,208	100.0%

University of Northern Iowa		
Proposed Internal Audit Plan for FY 2013		
<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
Annual Risk Assessment	200	5.5%
Athletic Equipment & T-shirts	300	8.2%
College of Humanities, Arts & Sciences	320	8.7%
Effort Reporting Process	300	8.2%
International Programs	280	7.6%
ITS Business Procedures & Chargebacks	320	8.7%
Multi-Modal Transit Center Operations	220	6.0%
National Agriculture -Based Lubricants (NABL)	63	1.7%
Public Safety & Parking	45	1.2%
Student Health Center	320	8.7%
University of Northern Iowa Center for Urban Education (UNI-CUE)	320	8.7%
Follow-Up Audits	416	11.4%
Special Requests - Unassigned	200	5.5%
Subtotal	3,104	84.8%
<u>Other Audit Responsibilities</u>	<u>Hours</u>	<u>Percent</u>
Administration	240	6.6%
Committee Participation	85	2.3%
Performance Evaluations	16	0.4%
Professional Development	120	3.3%
Staff Meetings	97	2.6%
Subtotal	558	15.2%
Total	3,662	100.0%

UNIVERSITY OF IOWA				
Audits Completed for the Past Four Fiscal Years				
	FY09	FY10	FY11	FY12
RECURRING REPORTED AUDITS / REVIEWS				
Intercollegiate Athletics - Home Game Ticket Revenue	OF	O F	O F	O F
Annual Investment Review (operating and endowment funds) - SUI		R		
ORIGINAL AND FOLLOW-UP REPORTS				
2010 Insight Bowl			O	F
Absence Management Report - FMLA	F			
Anesthesia				O
Athletics Ticket Office				O
Bidding and Purchasing Processes				O
Biochemistry Stores		O	F	
Biosafety Laboratory	O	F		
Blanket Purchase Orders	O	F		
Broadcasting Services Active Directory Review		O	F	
Building Access Security			O	F
Campus Conflict of Interest				O
Campus Recreation and Wellness Center				O
Carver College of Medicine Research Data Security	F			
Center for Conferences				O
Central Sterilizing Services			O	F
Clinical Quality Safety and Performance Improvement				O
College of Dentistry Business Process	F			
College of Education				OF
College of Pharmacy Business Processes		O	F	
Conflict of Interest Vendors/Extramural Activities		F		
Controlled Substances	OF			
Copyright Management	O	F		
Cost Sharing Audit Report		O	F	
Cost Transfers	O		F	
Criminal Background Checks	OF			
Department of Emergency Medicine			O	F
Department of Intercollegiate Athletics	F			
Department of Internal Medicine Administration		O		
Department of Neurology				O
Department of Pediatrics			O	F
Department of Psychiatry				O
Department of Psychology IT Security	O	F		
Department of Public Safety - Lost and Found				OF
Department of Surgery				OF
Division of Sponsored Programs Corporate Funded Clinical Trial Agreements				O
EPIC Cardiant		O	F	
EPIC Ophthalmology			O	
EPIC Radiant		O	F	
EPIC RX			OF	
EPIC Software Change Management		O	F	
Extended Care Moves				O
Facilities Management - Construction Change Orders		O	F	
Finkbine Golf Course Business Processes			OF	
GLBA/FERPA Compliance	O		F	
HIPAA Security	O	F		
Holden Comprehensive Cancer Center			O	
Hospital Supply Chain	O	F		
Human Subjects Office Process Review		F		
Hygienic Lab	F			
IIHR-Hydrosience and Engineering Active Directory Review		O	F	
Institute for Clinical and Translational Science			O	
IowaCare				O
Iowa Lions Eye Bank				OF
ITS Telecom Closet Physical Security	F			
Institute of Clinical and Translational Science	O			
International Programs - Office for Study Abroad		O	F	
International Student Reporting - SEVIS			O	F
Iowa Memorial Union Food Service and Residential dining	F			
Iowa School for the Deaf	F			
Joint Office for Clinical Outreach Services	O	F		
Main Operating Room Billing Process		O	F	
Maintenance and Flood Response Equipment				O
MARS/MAUI Feeder System			O	
Math, Stats and Actuarial Science, Comp Science--Active Directory Review		O	F	
Mechanical Engineering Program			O	F
Medical Kiosk Security	O			
NCAA Certification of Compliance				O
NCAA Extra Benefits Representatives of the University's Athletic Interests		O		
NCAA Extra Benefits - Student-Athlete Vehicles			O	
NCAA Playing and Practice Sessions			O	
NCAA Compliance - Camps and Clinics		O	F	

UNIVERSITY OF IOWA				
Audits Completed for the Past Four Fiscal Years				
	FY09	FY10	FY11	FY12
ORIGINAL AND FOLLOW-UP REPORTS				
NCAA Compliance - Coaching Staff Limits & Contracts		O		
NCAA Complimentary Admissions				O
NCAA - Eligibility, Amateurism, and Academic Performance Program				O
NCAA Compliance - Equipment and Apparel	O			
NCAA Compliance - Financial Aid	O			
NCAA Compliance - On/Off Campus Recruiting			O	F
NCAA Compliance - Recruiting	F			
NCAA Compliance - Student-Athlete Employment	O			
NCAA Compliance - Team Travel	O			
NCAA General Compliance				O
National Advanced Driving Simulator	OF			
Office of the President			O	
Obstetrics and Gynecology	OF			
Off Campus/Distance Education			O	F
OMB A-21 Allowable Direct Charges			OF	
Outback Bowl (original report 09/13/06)	F			
Pandemic Preparedness	OF			
Parking and Transportation Credit Cards		O		
Parking and Transportation Services				
Patent Policy Compliance	O	F	F	
Pathology/Tissue Bank Inventory			O	F
Patient Financial Services - Pre-Access Admission			O	F
PCI Compliance			O	F
Procurement Card		O		
Property Management Office	O	F		
Recreational Services Equipment Disposal				O
Recreational Services Information Technology			OF	
Research Subject Compensation	O	F		
School of Library and Information Science IT Review	F			
Sexual Harassment Policy		O	F	
Shared Campus Active Directory Forest	O	F		
Speech Pathology and Audiology	F			
State Hygienic Laboratory				O
Student Activity Fees	O	F		
Student Course Fees	OF			
Student Health Service	F			
Summer Youth Programs			O	F
Third Party Clinical Trial Billing			O	
Tuition Set-Aside Fund and Iowa Grant Program				OF
UIHC Ambulatory Care Pharmacy Cash Handling			OF	
UIHC Access Control Security	F			
UIHC Centralized Pharmacy Inventory				O
UIHC Child Care Center			O	F
UIHC Construction Project	O	F		
UIHC Department of Orthopaedics Business Practices		O	F	
UIHC Environmental and Guest Services	O	F		
UIHC Patient and Staff Safety	OF			
UIHC Patient Elopement		OF		
UIHC Prepaid Patient Services		O	F	
UIHC Solid Organ Procurement			O	
UIHC Workflow Processes		OF		
UI Health Care Epic Security	OF			
UI Health Care Epic Stork			O	
UI Health Care Finance and Accounting		O	F	
UI Health Care Human Resources				O
UI Health Care Integrated Call Center	OF			
UI Health Care Outside Clinical Practice			OF	
UI Heart and Vascular Center				O
University Approved Bank Accounts - University of Iowa			O	F
University of Approved Bank Accounts - University of Northern Iowa			O	F
University Benefits		O	F	
University Bookstore - Apple Merchandise		OF		
University Box Office	F			
University Employee Health Clinic				O
University Housing & Dining			O	
University of Iowa Alumni Association		O	F	
University of Iowa Bookstore Distribution Center			O	F
University of Iowa Diagnostics Laboratory				O
University of Iowa Physicians	F			
University Surplus Processes	O	F		
Veterans Affairs Contract Compliance				OF
Wireless Technology	F			

IOWA STATE UNIVERSITY				
Audits Completed for the Past Four Fiscal Years				
	FY 2009	FY 2010	FY 2011	FY 2012
RECURRING REPORTED AUDITS / REVIEWS				
Quarterly Cash and Investment Reviews (operating funds) - ISU	√			
Quarterly Cash and Investment Reviews (operating funds) - IBSSS				
Security of Internet-Initiated ACH Transactions	O	O	O	O
ENTERPRISE WIDE AUDITS				
Grow Iowa Values Fund				
Student Financial Aid				
Office of the President Accounts Review				
Regents Partnership Plan for Transformation & Excellence				
ORIGINAL AND FOLLOW-UP REPORTS				
Thielen Student Health Center		O	F	
Admissions	F			
Biosafety Compliance	F			
Building Access Services - Access Cards		F		
Institutional Animal Care and Use Committee Compliance	F			
Special Course Fees	F			
Construction Change Orders	O	F		
Department of Public Safety Accreditation Review	O			
Fuel Access and Usage	O			
Human Subjects	O	F		
Personnel Actions	O		F	
Social Security Number Protection	O	F		
Veterinary Diagnostic Laboratory	O F			
Conflict of Interest		O		F
Effort Reporting		O	F	
ISU Dining		O F		
Employee Expense Reimbursements		O F		
Intellectual Property and Technology Transfer		O F		
Leopold Center for Sustainable Agriculture		O	F	
NCAA Compliance FY10		O	F	
Purchasing Card		O		
Research Data Security		O		
Athletic Department Ticketing Procedures			O	F
Employee Benefits			O	
Laboratory Safety			O	F
NCAA Compliance - Eligibility			O	
Non-Employees on Campus			O	
Department of Residence Access Control			O	F
Separation Procedures			O	
Engineering Online Learning			O	F
Electrical and Computer Engineering, Department of				O
Export Controls				O
Extension				O
Foundation Account Spending				O
Identity and Access Management				O
ISU Surplus				O
NCAA Compliance - Academic Performance Program				O
NCAA Compliance - Amateurism				O F
NCAA Compliance - Financial Aid				O
NCAA Compliance - Governance and Organization				O
NCAA Compliance - Investigation and Self Reporting				O
Office of the President				O
Programs for Youth				O
Recharge Centers				O F
Study Abroad Rome Program				O
University Community Childcare				O

UNIVERSITY OF NORTHERN IOWA				
Audits Completed for the Past Four Fiscal Years				
	FY 2009	FY2010	FY2011	FY2012
RECURRING REPORTED AUDITS / REVIEWS				
Cash on Hand				
Quarterly Cash and Investment Reviews (operating funds)	√			
ENTERPRISE WIDE AUDITS				
Transformation & Excellence Plan				
Office of the President Accounts' Review				
Student Financial Aid				
Grow Iowa Values Fund				
ORIGINAL AND FOLLOW-UP REPORTS				
Academic Learning Center Examination Services		O	F	
Academic Summer Youth Camps			O	F
Adjunct Instructors and Temporary Employees				O
Applicable Credits and Program Income		O	F	
Athletics Cash, Gift & Tradeout Handling	O	F		
Athletic Summer Camps				O
Athletic Ticket Sales	O	F		
Campus Fueling Station Access & Usage		O	F	
Centralized Revenue Processes	O	F		
Child Development Center			O	F
College of Education			O	F
Events Complex Business Plan		O	F	
Events Complex Concessions				O
Federal Export Controls	O	F		
Fringe benefits Rates & Controls				O
Gallagher-Bluedorn Performing Arts Center				O
Graduate Asssitantships				O
Hong Kong MBA Program		F		
International Student Admissions			O	F
Iowa Waste Reduction Center			O	F
Modern Languages			O	F
Motor Vehicle Pool			O F	
Payment Card Industry Standards			O	
Physical Plant Job Cost System Efficiency	O	F		
Physical Plant Utility Billing				O
Price Laboratory School Fees	O	F		
Price Laboratory School Food Service Program				O F
Procurement Card		O	F	
Recharge Centers Rate Compliance Improvement	O	F		
Special Compensation Controls		O	F	
Student Course & Program Fees		O	F	
Study Abroad Programs		O	F	
Telecommuting Arrangements		O	F	
Tuition & Fees Accountability & Allocation		O	F	
UNItix Operations	O F			
University Conflict of Interest Analysis	O	F		
University Spending Controls	O	F		
Vendor Payment Analysis	F			

LEGEND		
O		Original Audit Report
F		Follow-up Audit Report
R		Recurring Audits