

**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 and Compliance Committee as required by Board policy.

ORIGINAL REPORTS	CEA*	Status
UNIVERSITY OF IOWA <ul style="list-style-type: none"> <li>• H-1B Immigration Processes</li> <li>• UI Health Care Outreach</li> <li>• Universal Workflow</li> <li>• Division of Sponsored Programs</li> <li>• Parking</li> <li>• Utilities Network</li> <li>• Admission and Transfer Center</li> <li>• Benefits</li> <li>• Community Connect</li> <li>• NCAA Compliance – Coaching Staff Limits and Contracts</li> <li>• NCAA Compliance – Extra Benefits – Representatives of the University’s Athletic Interests</li> <li>• Off-site Medication Supply Chain</li> <li>• UI Health Care Marketing and Communications</li> <li>• Hancher</li> <li>• UIHC – The Java House Contract</li> <li>• User Access</li> </ul>	               	Open Open Open Open Open Open Open Open Open Closed Closed Open Open Open Open Open
IOWA STATE UNIVERSITY <ul style="list-style-type: none"> <li>• Cyclone Veterinary Information System and Vetstar Hospital Management System</li> <li>• Department of Human Development and Family Studies</li> <li>• NCAA Compliance – Academic Performance Program</li> <li>• NCAA Compliance – Student-Athlete Eligibility</li> </ul>	   	Open Open Closed Closed
UNIVERSITY OF NORTHERN IOWA <ul style="list-style-type: none"> <li>• Institute for Decision Making</li> <li>• Student Life and Event Services</li> </ul>	 	Open Open

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

**FOLLOW-UP REPORTS**

UNIVERSITY OF IOWA

- Department of Neurology Closed
- Mobile Device Encryption Closed
- Claim Submission and Electronic Remittance Processes Closed
- UIHC Charity Care Closed
- Finkbine Golf Course Closed

IOWA STATE UNIVERSITY

- NCAA Compliance – Recruiting Closed
- ISU Dining – Cash Handling Closed
- Office of Intellectual Property and Technology Transfer Closed
- School of Education Closed
- Veenker Memorial Golf Course Closed

UNIVERSITY OF NORTHERN IOWA

- Center for Business Growth and Innovation Closed
- Center for Energy & Environmental Education Closed
- Event Center Beverages Closed
- School of Kinesiology, Allied Health, and Human Services Closed

**CONTROLS/EFFICIENCIES ASSESSMENT (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 easily 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>

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



**University of Iowa**  
**H-1B Immigration Processes**

*Issued March 29, 2017*

Status: Open

Faculty and Staff Immigration Services is responsible for obtaining H-1B status for nonimmigrant university employees. H-1B status permits a foreign national temporary work authorization in the United States. The H-1B immigration process was audited to examine operations for reasonable internal controls and processes. Audit recommendations included improved oversight and documentation of involuntary terminations and complimentary appointments that involve individuals in an H-1B immigration status. Additionally, Faculty and Staff Immigration Services should improve monitoring procedures for public access files and for material changes that require amendments to be filed with the United States Citizenship and Immigration Services agency. Management expects to complete its action plans by September 2017.



**University of Iowa**  
**UI Health Care Outreach**

*Issued April 26, 2017*

Status: Open

The UI Health Care Outreach audit was performed to review outreach charge capture and billing processes, operational procedures, and financial management. Primary audit recommendations included eliminating the paper billing process in adult cardiology outreach clinics, strengthening the controls over medication and medical supplies, updating expired contracts, reinforcing workflows regarding clinic change requests and travel-related form approvals, and re-evaluating outreach flight expenses. Management expects to complete its action plan by July 2017.



**University of Iowa**  
**Universal Workflow**

*Issued April 26, 2017*

Status: Open

The Universal Workflow application at the University of Iowa (UI) is used for electronic routing and approval of forms, documents, and other data, reducing the amount of paper forms that need to be physically signed. It was implemented in 2012 and was developed to provide additional flexibility compared to the existing MAUI and UI workflows. Audit recommendations include developing added application security reports and notifications, strengthening password controls for users with administrative privileges, validating confidentiality agreements are complete, and scheduling automated vulnerability scans for the workflow web servers. Management expects to complete its action plans by January 2018.



**University of Iowa**  
**Division of Sponsored Programs**

*Issued May 30, 2017*

Status: Open

The Division of Sponsored Programs assists faculty, staff, and students in searching and securing external funding for research, training, and service. The Division of Sponsored Programs helped facilitate 2,400 grant and contract awards that accounted for \$552 million dollars in fiscal year 2016. This audit was performed to examine operations for reasonable internal controls and processes. The one audit recommendation involved ensuring that key personnel do not have a conflict of interest or that a conflict of interest is properly managed prior to releasing the award to Grant Accounting. Management expects to complete its action plan by September 2017.



**University of Iowa  
Parking**

*Issued May 30, 2017*

Status: Open

Parking is one of three units in the self-sustaining Department of Parking and Transportation. Parking manages the sales of permits and bus passes, parking citations, and the operations of metered and cashiered lots. The audit was performed to provide reasonable assurance that business processes and internal controls are in place and functioning effectively and efficiently. Primary audit recommendations included improvements in system access for the two applications used in Parking to provide segregation of duties and to ensure timely termination of users, developing and implementing a process to reconcile accounts between the two systems, implementing meter scanning to enable reconciling of meter proceeds, and reviewing voided citations including requiring a higher level of approval for tickets voided or written off for Parking employees. Management expects to complete its action plans by November 2017.



**University of Iowa  
Utilities Network**

*Issued May 30, 2017*

Status: Open

Facilities Management maintains a complex utilities network which controls devices that provide energy, water, environmental, physical plant, and utility services to the university. Primary audit recommendations include collaborating with Information Technology Services (ITS) to better secure the Active Directory environment, utilizing ITS resources to actively monitor and maintain the network, and update computers running unsupported operating systems. Other recommendations include automating computer management, documenting system redundancies and disaster recovery plans, improving physical security to utilities buildings, and updating environmental controls in a utilities server room. Management expects to complete its action plans by September 2017.



**University of Iowa  
Admission and Transfer Center**

*Issued June 27, 2017*

Status: Open

The Admission and Transfer Center audit was performed to examine transfer documentation, workflow, and staff management. Audit recommendations include creating policies and procedures for documentation consistency, working with Health Care Information Systems to resolve issues with bed request cancelations in Epic, creating protocols for level of care management, establishing break time expectations for staff, and evaluating staffing based on call volume. Management expects to complete its action plans by December 2017.



**University of Iowa  
Benefits**

*Issued June 27, 2017*

Status: Open

The Benefits staff of 30 oversees the administration of benefits available to university employees, retirees, and students. The primary services provided are processing benefit selections for new hires, enrollment changes during annual open enrollment periods, overseeing the UI Wellness programs, student and retiree insurance, and processing flexible spending account claims. Primary audit recommendations included conducting a full audit of dependent eligibility, implementing requirements for proof of dependency status, and conducting a regular review of continued eligibility for the double spouse credits on health and dental insurance. Management expects to complete its action plans by August 2018.



**University of Iowa  
Community Connect**

*Issued June 27, 2017*

Status: Open

The Community Connect audit was completed to examine whether adequate business processes and internal controls are in place and operating as intended. Audit recommendations include implementing additional access controls to patient medical records, improving billing controls, automating the employee project time management processes, defining a consistent approach to system builds and ticket requests, evaluating systems to replace the current Help Desk system, and developing a formal client proposal review and approval process. Management expects to complete its action plans by October 2017.



**University of Iowa  
NCAA Compliance – Coaching Staff Limits and Contracts**

*Issued June 27, 2017*

Status: Closed

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



**University of Iowa  
NCAA Compliance – Extra Benefits – Representatives of the University's Athletic Interests**

*Issued June 27, 2017*

Status: Closed

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



**University of Iowa  
Off-site Medication Supply Chain**

*Issued June 27, 2017*

Status: Open

The Off-site Medication Supply Chain audit was completed to examine whether controls over medication supplies were effective and consistent across the different off-site clinic structures. The most significant issue noted during the audit related to medication charges not always being consistently captured or accurate. Other significant issues noted include medication inventories not being tracked at off-site locations, paper processes being used to order medications from the main pharmacy, and inconsistent medication utilization across off-site locations. Management expects to complete its action plans by March 2018.



**University of Iowa  
UI Health Care Marketing and Communications**

*Issued June 27, 2017*

Status: Open

The UI Health Care Marketing and Communications audit was completed to examine the operations for reasonable controls and processes. Audit recommendations include adopting a project management system, creating an equipment tracking and storage policy, implementing standard orientation and termination checklists, adopting efficient video transfer methods, reconciling accounts, creating procedures for accounting processes, ensuring cash handling compliance, and adopting department specific policies based on their needs. Management expects to complete its action plans by March 2018.



**University of Iowa  
Hancher**

*Issued July 19, 2017*

Status: Open

Hancher presents a range of multidisciplinary performing arts events each season, hosts events for the Division of Performing Arts, and manages building rentals throughout the year when there are no scheduled performances. A total of 21 full time Hancher staff moved into the new building in June 2016 after being displaced by the Flood of 2008. The inaugural performance was held September 24, 2016, with a total of 270 events including set-ups and rehearsals hosted in fiscal year 2017. The audit was performed to provide reasonable assurance that business processes and internal controls are in place and functioning effectively. Primary audit recommendations focused on assessing information technology support, implementing regular physical and system access reviews, improving merchandise and non-capital asset inventory processes, and developing policies and procedures for ticket reconciliations. Management expects to complete its action plans by December 2017.



**University of Iowa  
UIHC – The Java House Contract**

*Issued July 19, 2017*

Status: Open

UIHC – The Java House Contract audit was completed to examine whether the terms of the contract were being complied with and to review what monitoring controls at University of Iowa Hospitals and Clinics (UIHC) were in place to ensure the accuracy of the revenue share. Notable issues include human errors in the revenue share calculation prepared by The Java House, voids not being included in the revenue share calculation prepared by The Java House, and rent being underpaid by The Java House. All of these errors were relatively small amounts and should be reviewed during monitoring performed by UIHC. Management expects to complete its action plans by October 2017.



**University of Iowa  
User Access**

*Issued July 19, 2017*

Status: Open

User access provisioning and de-provisioning processes are managed by multiple teams in Information Technology Services. The audit focused on controls around the management of access to applications, institutional data, and services. Recommendations include automatically de-provisioning access when it is no longer needed for employees that transfer roles within or terminate their employment from the university, implementing new tools to improve the management of guest accounts and service IDs, and better documentation for Active Directory organizational unit administrators. Management expects to complete their action plans by July 2018.



**Iowa State University  
Cyclone Veterinary Information System and Vetstar Hospital Management System**

*Issued June 9, 2017*

Status: Open

The Cyclone Veterinary Information System (CVIS) and Vetstar Hospital Management System (Vetstar) are two critical information systems used at the Lloyd Veterinary Medical Center (LVMC) in the College of Veterinary Medicine (CVM). CVIS is the CVM's own in-house developed system and is the primary tool used at the LVMC for maintaining electronic medical records. Vetstar is a clinic management system used for scheduling appointments, patient visit registration, accounting, and client billing. Application and general information technology controls were evaluated for both systems. Implementing audit recommendations will support effective change management for CVIS, user access management, systems recovery procedures, and security incident response planning. Management expects to complete its action plans by September 2017.



**Iowa State University**  
**Department of Human Development and Family Studies**

*Issued June 9, 2017*

Status: Open

The Iowa State University Department of Human Development and Family Studies audit was completed to evaluate the adequacy of significant administrative and fiscal processes to provide reasonable assurance that internal controls are in place and operating as intended. Audit recommendations include establishing guidelines that provide direction to students and employees for updating their background checks, evaluating the income verification requirements for those receiving reduced tuition rates at the Child Development Laboratory School, and confidentially destroying records in conformance with the university's record retention schedule. Additional recommendations include reminding faculty of the importance of submitting grant proposals in a timely manner and following all state regulations regarding purchasing and subcontracting. Management expects to complete its action plans by November 2017.



**Iowa State University**  
**NCAA Compliance – Academic Performance Program**

*Issued June 9, 2017*

Status: Closed

The NCAA Compliance – Academic Performance Program audit was completed to evaluate the controls in place to ensure compliance is occurring with regards to the Academic Performance Program. The scope of this audit included a review of Iowa State University's efforts to comply with the NCAA bylaws regarding the Academic Performance Program. The objectives of the audit were to establish whether the Athletics Department has policies and procedures in place to gather and submit academic data required under the NCAA's Academic Performance Program, to identify university personnel who have responsibility for the university's compliance, and to identify the activities undertaken by the Athletics Department to ensure compliance. Based on audit work performed, the university has established policies and procedures to assure compliance with NCAA regulations regarding the Academic Performance Program. No reportable issues were identified and this audit is closed.



**Iowa State University**  
**NCAA Compliance – Student-Athlete Eligibility**

*Issued August 3, 2017*

Status: Closed

The NCAA Compliance – Student-Athlete Eligibility audit was performed to establish whether the Athletics Department has policies and procedures in place to monitor student-athlete eligibility based on NCAA legislation. Audit recommendations included developing a process to ensure multi-sport student-athletes receive certification of amateur status prior to engaging in competition, to review participation reports for accuracy prior to endorsement, and to ensure all areas of the squad lists, including signatures, are completed. Management has completed all of its action plans and the audit is now closed.



**University of Northern Iowa**  
**Institute for Decision Making**

*Issued May 4, 2017*

Status: Open

The Institute for Decision Making (IDM) at the University of Northern Iowa is within the Academic Affairs division and the economic and community development outreach unit of Business and Community Services. IDM's services include strategic planning and facilitation, marketing and strategic communication, conducting applied community and economic development research, strengthening regional development initiatives, and providing professional development and training. Audit recommendations focused primarily on financial control improvements for revenue and expenses. Management expects to complete their action plans by January 2018.



**University of Northern Iowa  
Student Life and Event Services**

*Issued June 30, 2017*

Status: Open

Student Life and Event Services (SLES) at the University of Northern Iowa is an auxiliary enterprise within the Student Affairs division. SLES is responsible for operating J.W. Maucker University Union, serving students through the Office of Student Life and Northern Iowa Student Government, and providing event services to the university and public community. Audit recommendations focused primarily on control improvements for cash, revenue, and selected operations. Management expects to complete their action plans by September 2017.

**STATUS OF AUDIT FOLLOW-UPS**

**University of Iowa**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Heart and Vascular Center	Dec 9, 2015	July 2016	July 2017	
2. Utilization Management	Jan 22, 2016	Aug 2016	Sept 2017	
3. University Book Store	July 19, 2016	Dec 2016	Aug 2017	
4. Health Information Management	Oct 26, 2016	March 2017		
5. Clinical Quality Safety and Performance Improvement	March 23, 2016	April 2017		
6. Department of Chemistry	Sept 23, 2016	April 2017		
7. Child Health Specialty Clinics	Aug 19, 2016	May 2017		
8. Denial Management and Follow-up Processes	Dec 13, 2016	June 2017		
9. Cloud Computing	Oct 26, 2016	July 2017		
10. College of Engineering IT	Jan 19, 2017	July 2017		
11. Grant Accounting	Jan 19, 2017	July 2017		
12. UI Health System Governance and Processes	Nov 29, 2016	July 2017		
13. Hospital Supply Chain Management	March 29, 2017	July 2017		
14. Department of Pediatrics	June 23, 2016	Aug 2017		
15. UI Health Care Clinical Trial	Feb 21, 2017	Aug 2017		
16. UI Health System Financial Management	Feb 21, 2017	Aug 2017		
17. College of Education	Jan 19, 2017	Sept 2017		
18. Department of Public Safety	July 19, 2016	Sept 2017		
19. Athletics	Feb 21, 2017	Oct 2017		
20. University of Iowa Research Foundation	March 29, 2017	Oct 2017		
21. Compliance and Qualifications System	Oct 26, 2016	Nov 2017		
22. Extra Compensation for Teaching Academic Courses	March 29, 2017	Feb 2018		

**Iowa State University**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
23. Dr. W. Eugene and Linda Lloyd Veterinary Medicine Center	Jan 5, 2016	Dec 2016		
24. Storage and Transportation of Weapons	Jan 25, 2017	March 2017		
25. Employment Verification and Background Checks	July 21, 2016	April 2017		
26. Department of Economics	Jan 25, 2017	June 2017		
27. Veterinary Field Services	Sept 21, 2016	Aug 2017		

**University of Northern Iowa**

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
28. Tallgrass Prairie Center	Oct 27, 2016	Aug 2017		
29. College of Education	Dec 19, 2016	Oct 2017		
30. Career Services	Feb 9, 2017	Dec 2017		
31. Arctic, Remote and Cold Territories Interdisciplinary Center	March 23, 2017	Jan 2018		

**Follow-Up Legend**

	<ul style="list-style-type: none"> <li>Planned corrective action and/or follow-up report not completed within six 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 three months of originally scheduled date.</li> </ul>
	<ul style="list-style-type: none"> <li>Follow-up report is due and is within three months of originally scheduled completion date.</li> </ul>
	<ul style="list-style-type: none"> <li>Follow-up report not yet due.</li> </ul>