










Contact: Todd Stewart

**PROPOSED REVISED FORMAT FOR AUDITS ISSUED**

**Action Requested:** Consider approval of a revised format for the summary of audits issued and submitted to the Audit/Compliance and Investment Committee.

**Executive Summary:** A number of changes to the summary of audits issued and submitted to the Committee are recommended by Internal Audit Director Stewart. These changes are recommended in an effort to add clarity and understanding to the summaries and to improve the layout of the audit agenda item.

**INTERNAL AUDIT REPORTS ISSUED**

ORIGINAL REPORTS	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

Assessment of Controls Efficiencies (CEA) are defined on the following page.

**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

- Vendor Payment Analysis Closed

**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 overall audit report.*

**SUMMARIES OF INTERNAL AUDIT REPORTS ISSUED**



**The University of Iowa  
College of Dentistry**

*Issued July 11, 2008*

Status: Open

College of Dentistry Administration requested an audit of their business processes in order to provide assurance that adequate operational controls were in place. Primary findings included revenue cycle issues such as the use of professional and courtesy discounts, unapproved fee adjustments, lack of insurance verification for claims and actual delays in processing and submitting claims. The college is also implementing a new electronic patient record and billing system called Axium. The new system should significantly improve these processes going forward. Management has agreed to draft and implement policy that provides guidance and restricts the use of various discounts currently in use. Business processes are also being reworked so they are in alignment with the new system functionality. Management agrees with the findings and expects to complete their action plan by November, 2008.



**The University of Iowa  
Conflict of Interest – Vendors/Extramural Activities**














*Issued May 16, 2008*

Status: Open



The Vice President for Medical Affairs requested an audit of conflict of interest and extramural activities related to College of Medicine physicians and external vendors. Conflict of interest has become a high profile topic for national debate as the healthcare industry tries to identify and minimize the affect these relationships have on patient care. Conflict of commitment is somewhat tied to conflict of interest in that it relates to the physicians spending time away from typical University or clinical responsibilities. Both policies at the University of Iowa are somewhat vague and open to interpretation. Primary findings included development of better defined policies, a disclosure methodology that requires annual attestation by the physicians, a centralized database that can be used cross functionally with other parts of the University and appropriate monitoring of activity and procurement practices. The Vice President for Medical Affairs has dedicated a significant amount of effort and resources to address this issue not only at UI Healthcare but also across the entire campus. Management agrees with the findings and due to the complex issues involved expects to complete their action plan by July, 2009.

**STATUS OF AUDIT FOLLOW-UPS**

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Data Security Center	Oct 9, 2007	Mar 2008		Closed
2. Department of Chemistry	Jan 11, 2008	May 2008		Closed
3. Family Medicine	Jan 11, 2008	Aug 2008		Closed
4. UIHC Transplant Billing Process	Jan 18, 2008	May 2008		Closed
5. Iowa Memorial Union Food Service	Sept 13, 2006	Mar 2007	Dec 2008	
6. Carver College of Medicine Research Data Security	Dec 14, 2006	May 2007	Feb 2009	
7. Wireless IT Environment	Jun 26, 2006	Jul 2007	Aug 2008	
8. Student Health Service	Feb 20, 2007	Sept 2007	Aug 2008	
9. University of Iowa Physicians	Nov 8, 2007	Mar 2008	Sep 2008	
10. NCAA Compliance - Recruiting	Jun 14, 2007	Mar 2008	Nov 2008	
11. School of Library & Information IT Review	Feb 11, 2008	May 2008		
12. University Hygienic Lab	Jun 14, 2007	Aug 2008		
13. UIHC Access Control Security	Mar 12, 2008	Aug 2008		
14. Speech Pathology and Audiology	Sept 17, 2007	Sept 2008		
15. Department of Intercollegiate Athletics	Oct 9, 2007	Sept 2008		
16. Human Subjects Office Process Review	Feb 11, 2008	Jan 2010		
17. Postseason Athletic Participation (Outback Bowl)	Sept 13, 2006	Schedule TBD	TBD	


**Iowa State University**

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






**University of Northern Iowa**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
21. Vendor Payment Analysis	Nov 14, 2007	Jun 2008		Closed

**Iowa School for the Deaf**

<b>Title</b>	<b>Report Date</b>	<b>Original Follow-Up Date</b>	<b>Revised Follow-Up Date</b>	<b>Action Status</b>
22. Iowa School for the Deaf	Aug 8, 2007	Aug 2008		

**Follow-Up Legend**

	<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>