

















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/ Compliance and Investment Committee as required by Board Policy.

ORIGINAL REPORTS	CEA*	Status
UNIVERSITY OF IOWA		
• Department of Microbiology		Open
• UI Health Care – Enterprise Labor Management System		Open
• Athletics Operations – Apparel and Promotional Items		Open
• College of Law		Open
• NCAA Compliance – Equipment and Apparel		Closed
• NCAA Student-Athlete Employment		Closed
• Department of Orthopaedics		Open
• Department of Nursing		Open
• Export Controls		Open
• NCAA – Financial Aid		Closed
• NCAA – Team Travel		Closed
IOWA STATE UNIVERSITY		
• Graduate Student Admissions		Closed
• Department of Electrical and Computer Engineering		Open
• Security of Internet-Initiated ACH Transactions		Closed
UNIVERSITY OF NORTHERN IOWA		
• International Programs		Open
• Multimodal Transportation Center		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- | | |
|---|--------|
| • Clinical Quality Safety and Performance Improvement | Closed |
| • Department of Microbiology | Closed |
| • Epic - Ophthalmology | Closed |

(continued on following page)

UNIVERSITY OF IOWA *(continued)*

- Holden Comprehensive Cancer Center Closed
- MARS/MAUI Feeder Systems Closed
- State Hygienic Laboratory Closed
- UI Health Care Epic Stork Closed
- UIHC Employee Health Clinic Closed
- University of Iowa Diagnostics Laboratory Closed





IOWA STATE UNIVERSITY

- Foundation Accounts Spending Closed
- Non-Employees on Campus Closed
- Research Data Security Closed
- Study Abroad Rome Program Closed

UNIVERSITY OF NORTHERN IOWA

- Payment Card Industry Standards Closed
- Temporary Faculty and Staff Closed

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 overall audit report.

SUMMARIES OF INTERNAL AUDIT REPORTS ISSUED



**The University of Iowa
Department of Microbiology**

Issued July 13, 2012

Status: Open

The audit was performed to provide reasonable assurance to the new department head that adequate business processes and internal controls are in place and operating as intended. The audit specifically reviewed compliance regarding sponsored programs, financial management and revenue, procurement, and human resources. Primary recommendations included completing monthly account reconciliations, limiting physical access to secure areas, and ensuring appropriate approvals occur on travel requests, travel reimbursements, and procurement card transactions. Management agrees with the findings and expects to complete their action plan after July 2012.



**The University of Iowa
UI Health Care – Enterprise Labor Management System**

Issued July 13, 2012

Status: Open

The UI Health Care – Enterprise Labor Management System audit was performed to provide reasonable assurance that the system's functionality and the associated business processes are sound and that internal controls are in place and operating as intended. Audit recommendations include reviewing employee's ability to self-approve leave requests, developing training on system reports, and developing a process to delete/deactivate user accounts for individuals transferring outside of UI Health Care. Management agrees with the findings and expects to complete their action plan by October 2012.



**The University of Iowa
Athletics Operations – Apparel and Promotional Items**

Issued August 16, 2012

Status: Open

An audit of the Athletics Department's distribution of apparel and promotional items was performed to ensure transactions are properly documented, controls to monitor auctioned items and support staff are adequately designed, and inventory management of promotional items is reasonable. Audit recommendations included strengthening controls for promotional item inventory and clarifying document retention periods. Management agrees with the findings and expects to complete the action plans by September 2012.



**The University of Iowa
College of Law**

Issued August 16, 2012

Status: Open

The College of Law audit was performed to assess the effectiveness of the unit's career placement and admissions reporting, as well as the internal controls around its business processes, human resource function, and general computer applications. Specific areas noted for improvement included: accurately reporting bar passage data to the American Bar Association, complying with University cash handling and University procurement card policies, completing account reconciliations, segregating incompatible job duties, fortifying general computer controls, and ensuring human resource termination/transfer verification. Management agrees with the findings and expects to complete their action plan by November 2012.



The University of Iowa
NCAA Compliance Audit – Equipment and Apparel

Issued August 16, 2012

Status: Closed

As a Division I member, The University of Iowa is obligated to comply with the National Collegiate Athletics Association (NCAA) legislation. This audit was performed to fulfill the portion of the NCAA's requirement related to equipment and apparel. Review of processes provided evidence that institutional controls have been designed and implemented to monitor and account for athletics equipment and apparel for student-athletes. No findings were identified, and the audit is closed.



The University of Iowa
NCAA Student-Athlete Employment

Issued August 16, 2012

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) legislation. The audit was performed to fulfill the portion of the NCAA's requirement related to student-athlete employment. No findings were identified, and the audit is closed.



The University of Iowa
Department of Orthopaedics

Issued August 16, 2012

Status: Open

The Orthopaedic audit was performed at the request of the Vice President for Medical Affairs. Audit recommendations include improving; IT general computing controls, charge capture process, clinic scheduling criteria, human resources processes, and fiscal management practices. Management agrees with the findings and expects to complete their action plan by January 2013.



The University of Iowa
Department of Nursing

Issued September 27, 2012

Status: Open

The audit was performed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. The audit specifically reviewed compliance regarding financial management and revenue, procurement, and human resources. Primary recommendations included developing a procedure manual and cross training for key personnel, updating workflow paths to ensure appropriate segregation of duties, completing monthly reconciliations, completing additional financial education for nurse managers, implementing a monitoring process to ensure all performance appraisals are completed in accordance to University policy, and ensuring appropriate approvals occur on travel, travel reimbursements, and procurement card transactions. Management agrees with the findings and expects to complete their action plan after May 2013.



**The University of Iowa
Export Controls**

Issued September 27, 2012

Status: Open

The Export Controls audit examined the internal controls and processes in place to ensure compliance with applicable federal regulations. Actions to be taken include performing an institutional risk assessment to identify areas subject to export control regulations, establishing procedures to mitigate identified risks, assigning responsibility for process implementation and oversight, compiling a comprehensive export control manual, examining staff training needs related to export controls, and expanding electronic document storage techniques. Management expects to complete their action plan before November 2013.



**The University of Iowa
NCAA – Financial Aid**

Issued September 27, 2012

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) legislation. This audit was performed to fulfill the portion of the NCAA's requirement related to financial aid. A review of the processes revealed the athletics department has controls in place to monitor and account for student-athlete financial aid in accordance with the NCAA legislation. No findings were identified and the audit is closed.



**The University of Iowa
NCAA – Team Travel**

Issued September 27, 2012

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) legislation. This audit was performed to fulfill the portion of the NCAA's requirement related to team travel. A review of the process revealed the athletics department has controls are in place to monitor team travel activities to ensure the NCAA legislation is not being violated. No findings were identified and the audit is closed.



**Iowa State University
Graduate Student Admissions**

Issued August 21, 2012

Status: Closed

The purpose of this audit was to determine whether University-wide and program specific admission requirements were met by a sample of accepted applicants. The audit also included a review of graduate student assistantship compensation and fulfillment of responsibilities. Continuing academic performance was also evaluated by reviewing academic probation procedures. Applicants and graduate students from the 2011-2012 academic year were included in testing. No findings were noted and the audit is closed.



Iowa State University
Department of Electrical and Computer Engineering

Issued October 3, 2012

Status: Open

The audit was requested by the former Dean of the College of Engineering. Audit objectives included determining if the internal financial reporting process results in understandable, accurate, and timely information for users. Sponsored programs monitoring activities were evaluated to determine if adequate monitoring activities occur within the department to fulfill ISU and sponsor requirements regarding the administration of sponsored research. Additional objectives included verifying whether processes and procedures exist for conflict of interest and commitment disclosures; for the acquisition, recordkeeping, and disposal of departmental equipment; and for monitoring building access controls. Information technology resources were also reviewed to determine if resources are kept current, and verifying that information technology backup practices are adequate. The development of standard operating procedures for sponsored programs fiscal management and equipment management, implementation of an information technology disaster recovery plan, and an enhanced tool for monitoring building access will strengthen the control environment. Internal Audit will conduct a follow-up in February 2013.



Iowa State University
Security of Internet-Initiated ACH Transactions

Issued October 3, 2012

Status: Closed

This audit was requested by the University Treasurer in order to comply with the National Automated Clearing House Association (NACHA) requirement of an annual audit of security practices and procedures. The audit included reviewing the physical security, personnel and access controls to protect against unauthorized access and use, and network security. No issues were noted.



University of Northern Iowa
International Programs

Issued September 21, 2012

Status: Open

The audit was performed to analyze International Programs for reasonable internal controls and processes. Audit procedures included policy review, cash handling, accounts receivable, expenditure and revenue processes, financial performance, and personnel processes. Audit recommendations include development of policies, following expenditure policies, documenting apartment rent calculation, recording and reporting inventory, segregation of duties, and development of a job description. Management agrees with the findings and expects to complete their action plan by June 2013.



University of Northern Iowa
Multimodal Transportation Center














Issued September 21, 2012

Status: Open

The audit was performed to evaluate the operations and financial performance of the University's multimodal transportation center for adequate and effective internal controls and verify FTA requirements are being followed. Cash handling, allocation and recording of parking revenue, procurement processes, allocation and recording of facility expenses, financial performance, facility maintenance with safety and security, and operational and financial reporting were examined. Audit recommendations include improvements in financial performance and setting aside reserves, allocating applicable expenses, monitoring maintenance and repair costs, handling cash and revenue, and submitting required annual reports. Management will implement the recommendations and expects to complete the action plans by June 2013. Internal Audit will begin a follow-up in July 2013.

STATUS OF AUDIT FOLLOW-UPS




University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. UIHC Centralized Pharmacy Inventory	Aug 25, 2011	Jan 2012		
2. Maintenance and Flood Response Equipment	Oct 31, 2011	Apr 2012		
3. Anesthesia	Dec 1, 2011	Apr 2012		
4. UI Heart and Vascular Center	Jan 1, 2012	Apr 2012		
5. Department of Neurology	Dec 1, 2011	June 2012		
6. Department of Psychiatry	Feb 29, 2012	June 2012		
7. University Housing & Dining	June 23, 2011	July 2012		
8. Athletics Ticket Office	May 23, 2012	Sept 2012		
9. Campus Recreation and Wellness Center	May 23, 2012	Sept 2012		
10. IowaCare	July 13, 2012	Oct 2012		
11. UI Health Care Human Resources	Sept 28, 2011	Jan 2013		
12. The Division of Sponsored Programs – Corporate Funded Clinical Trial Agreements	Apr 2, 2012	Jan 2013		
13. Campus Conflict of Interest	Oct 21, 2011	Feb 2013		





Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
14. Employee Separation Procedures	Oct 8, 2010	Aug 2011	June 2012 Dec 2012	
15. ISU Surplus	June 11, 2012	Oct 2012		
16. Identity and Access Management	Nov 1, 2011	Jan 2013		
17. Programs for Youth	Mar 23, 2012	Jan 2013		
18. Extension & Outreach	Jan 30, 2012	June 2013		
19. Export Controls	June 11, 2012	July 2013		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
20. Fringe Benefit Rates and Controls	Mar 22, 2012	Oct 2012		
21. Events Complex Concessions	Jan 4, 2012	Nov 2012		
22. Gallagher-Bluedorn Performing Arts Center	Jan 4, 2012	Nov 2012		
23. Athletic Summer Camps	Mar 22, 2012	Jan 2013		
24. Graduate Assistantships	June 13, 2012	Apr 2013		
25. Physical Plant Utility Billing	June 13, 2012	Apr 2013		

Follow-Up Legend

	<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.