

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 | | |
| • Division of Performing Arts |  | Open |
| • Durable Medical Equipment |  | Open |
| • Intercollegiate Athletics – Home Game Revenue FY 2016-2017 |  | Closed |
| • Volunteer Services |  | Open |
| UNIVERSITY OF NORTHERN IOWA | | |
| • Academic Learning Center |  | Open |
| • UNItix |  | Open |

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- Department of Chemistry Closed

IOWA STATE UNIVERSITY

- Department of Economics Closed
- Department of Human Development and Family Studies Closed
- Employment Verification and Background Checks Closed

CONTROLS/EFFICIENCIES ASSESSMENT (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 easily OR • Could result in improved efficiency or effectiveness of operations OR • No reportable observations or corrective action taken prior to report issuance. |

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



**University of Iowa
Division of Performing Arts**

Issued August 29, 2017

Status: Open

The Division of Performing Arts is within the College of Liberal Arts and Sciences and includes the School of Music, departments of Dance and Theatre Arts, and the Performing Arts Production Unit. The Division of Performing Arts was audited to examine operations for reasonable internal controls and processes. Audit recommendations included improved oversight of music lessons and musical instrument lending programs. Additional recommendations included improving monitoring procedures for background checks, building security, travel approvals, and cash handling. Management expects to complete its action plans by January 2018.



University of Iowa
Durable Medical Equipment

Issued September 21, 2017

Status: Open

The Durable Medical Equipment (DME) audit was completed to examine the operations specific to DME for reasonable controls and processes. Audit recommendations include implementing standardized processes and order sets to ensure proper billing and documentation, increased oversight and training, tracking DME at the institutional level, completing supplier location certifications, updating contracts with third-party DME suppliers, and moving DME operations to third-party DME suppliers. Management expects to complete its action plans by September 2018.



The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue FY 2016-2017

Issued September 21, 2017

Status: Closed

This audit is performed annually to provide an independent verification and reconciliation of home game athletic ticket revenue, ensure accurate payment of sales tax, completion of guaranteed payments according to Big Ten revenue sharing regulation or contractual terms to visiting institutions, and to reconcile complimentary ticket listings. No material audit findings or weaknesses were noted during the course of this audit. This audit is closed.



University of Iowa
Volunteer Services

Issued September 21, 2017

Status: Open

Volunteer Services at the University of Iowa Hospitals and Clinics earns revenue primarily through gift shop sales and revenue sharing agreements with local vendors that sell their products at UIHC. This revenue is used by Volunteer Services to fund their operations and committee approved projects to improve the patient and visitor experience. Significant findings noted during the audit include improving processes to distribute revenues, updating accounting records to better reflect current practices, and improving inventory controls over gift shop inventory. Management expects to complete its action plans by July 2018.



University of Northern Iowa
Academic Learning Center

Issued September 1, 2017

Status: Open

The Academic Learning Center at the University of Northern Iowa (UNI) is an academic student services center in the Academic Affairs division. They provide student advising, coaching, tutoring, and testing. Audit recommendations focused primarily on control improvements for Exam Services, financial and human resource management, and selected operations. Management expects to complete its action plans by June 2018.



University of Northern Iowa
UNItix

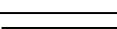
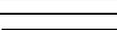
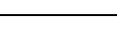
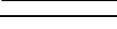
Issued September 1, 2017

Status: Open

UNItix is the centralized ticketing office for the University of Northern Iowa (UNI), selling tickets for the following clients: Gallagher-Bluedorn Performing Arts Center, Intercollegiate Athletics, McLeod Center, UNI-Dome, Theatre, School of Music, Panther Productions, Waterloo-Cedar Falls Symphony Orchestra, and events within the UNI community. Audit recommendations focused primarily on contractual and financial control improvements for revenue and expenses. Management expects to complete its action plans by January 2018.

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. Clinical Quality Safety and Performance Improvement | March 23, 2016 | April 2017 | |  |
| 5. Child Health Specialty Clinics | Aug 19, 2016 | May 2017 | |  |
| 6. Denial Management and Follow-up Processes | Dec 13, 2016 | June 2017 | |  |
| 7. Cloud Computing | Oct 26, 2016 | July 2017 | |  |
| 8. UI Health System Governance and Processes | Nov 29, 2016 | July 2017 | |  |
| 9. College of Engineering IT | Jan 19, 2017 | July 2017 | |  |
| 10. Grant Accounting | Jan 19, 2017 | July 2017 | |  |
| 11. Hospital Supply Chain Management | March 29, 2017 | July 2017 | |  |
| 12. Department of Pediatrics | June 23, 2016 | Aug 2017 | |  |
| 13. UI Health Care Clinical Trial | Feb 21, 2017 | Aug 2017 | |  |
| 14. UI Health System Financial Management | Feb 21, 2017 | Aug 2017 | |  |
| 15. UI Health Care Outreach | April 26, 2017 | Aug 2017 | |  |
| 16. Department of Public Safety | July 19, 2016 | Sept 2017 | |  |
| 17. College of Education | Jan 19, 2017 | Sept 2017 | |  |
| 18. Athletics | Feb 21, 2017 | Oct 2017 | |  |
| 19. University of Iowa Research Foundation | March 29, 2017 | Oct 2017 | |  |
| 20. H-1B Immigration Processes | March 29, 2017 | Oct 2017 | |  |
| 21. Division of Sponsored Programs | May 30, 2017 | Oct 2017 | |  |
| 22. Utilities Network | May 30, 2017 | Oct 2017 | |  |
| 23. Compliance and Qualifications System | Oct 26, 2016 | Nov 2017 | |  |
| 24. Community Connect | June 27, 2017 | Nov 2017 | |  |
| 25. UIHC – The Java House Contract | July 19, 2017 | Nov 2017 | |  |
| 26. Parking | May 30, 2017 | Dec 2017 | |  |
| 27. Admission and Transfer Center | June 27, 2017 | Jan 2017 | |  |
| 28. Hancher | July 19, 2017 | Jan 2017 | |  |

| | | | | |
|--|----------------|------------|--|---|
| 29. Extra Compensation for Teaching Academic Courses | March 29, 2017 | Feb 2018 | |  |
| 30. Universal Workflow | April 26, 2017 | Feb 2018 | |  |
| 31. Off-site Medication Supply Chain | June 27, 2017 | April 2018 | |  |
| 32. UI Health Care Marketing and Communications | June 27, 2017 | April 2018 | |  |
| 33. User Access | July 19, 2017 | Aug 2018 | |  |
| 34. Benefits | June 27, 2017 | Sept 2018 | |  |

Iowa State University

| Title | Report Date | Original Follow-Up Date | Revised Follow-Up Date | Action Status |
|--|---------------|-------------------------|------------------------|---|
| 35. Dr. W. Eugene and Linda Lloyd Veterinary Medicine Center | Jan 5, 2016 | Dec 2016 | |  |
| 36. Veterinary Field Services | Sept 21, 2016 | Aug 2017 | |  |
| 37. Cyclone Veterinary Information System and Vetstar Hospital Management System | June 9, 2017 | Oct 2017 | |  |

University of Northern Iowa

| Title | Report Date | Original Follow-Up Date | Revised Follow-Up Date | Action Status |
|--|----------------|-------------------------|------------------------|---|
| 38. Tallgrass Prairie Center | Oct 27, 2016 | Aug 2017 | |  |
| 39. College of Education | Dec 19, 2016 | Oct 2017 | |  |
| 40. Student Life and Event Services | June 30, 2017 | Oct 2017 | |  |
| 41. Career Services | Feb 9, 2017 | Dec 2017 | |  |
| 42. Arctic, Remote and Cold Territories Interdisciplinary Center | March 23, 2017 | Jan 2018 | |  |
| 43. Institute for Decision Making | May 4, 2017 | Feb 2018 | |  |

Follow-Up Legend

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