

Contact: Todd Stewart

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		
• Recreational Services Information Technology		Open
• EPIC Rx		Open
• OMB A-21 Allowable Direct Charges		Open
• Institute for Clinical and Translational Science		Closed
• NCAA – Extra Benefits – Student-Athlete Vehicles		Closed
• NCAA – Playing and Practice Seasons		Closed
IOWA STATE UNIVERSITY		
• Benefits Processing		Closed
• NCAA Compliance – Student-Athlete Eligibility		Closed
• Employee Separation Procedures		Open
UNIVERSITY OF NORTHERN IOWA		
• College of Education		Open
• Motor Vehicle Pool		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- University of Iowa Alumni Association Closed
- Departments of Computer Science, Mathematics, Statistics and Actuarial Science Active Directory Closed
- IIHR-Hydroscience & Engineering Active Directory Closed
- EPIC Cardiant Closed
- University Benefits Closed
- Biochemistry Stores Closed
- UIHC Prepaid Services Closed
- NCAA – Camps and Clinics Closed
- EPIC Radiant Closed

UNIVERSITY OF NORTHERN IOWA

- Events Complex Business Plan 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
Recreational Services Information Technology**

Issued August 17, 2010

Status: Open

This audit was performed to evaluate the information technology functions of the University's Recreational Services. Principal findings centered on: improving workstation security and developing a business continuation/disaster recovery plan to comply with University requirements and enhance the department's preparedness for a catastrophic event. Management agrees with the findings and expects to complete their action plans by January 31, 2011.



**The University of Iowa
EPIC Rx**

Issued September 15, 2010

Status: Open

The audit was performed to provide reasonable assurance that 1) All medicine charge data is timely and properly interfaced from EPIC to GE/IDX for accurate billing, 2) All manually coded main operating room medication charges are captured in a timely manner, 3) Financial management of Pharmaceutical Care provides adequate monitoring, and problems are identified and resolved in a timely manner, 4) Medicine order processes are efficient and effective for patient care, and 5) The EPIC Rx system has appropriate safeguards/controls in place and is working as intended. The primary finding involved improper access to EPIC. Management expects to implement their entire action plan immediately. Internal Audit will verify the action plan in the third quarter of FY 2011.



**The University of Iowa
OMB A-21 Allowable Direct Charges**

Issued September 15, 2010

Status: Open

This audit was performed to determine whether the University claimed reimbursement for administrative and clerical expenses as direct costs to grants, contracts, and other agreements in accordance with applicable federal regulations. Principal findings include reviewing document retention practices to ensure that properly approved budgets are maintained for each project and that adequate supporting documentation is made for direct charges to grants and benchmarking monitoring procedures against peer institutions to determine if expanding monitoring is warranted. Management concurs with the findings and expects to complete the action plans by the second quarter of FY2011.



**The University of Iowa
Institute for Clinical and Translational Science**

Issued October 8, 2010

Status: Closed

The audit was performed at the request of the Vice President for Medical Affairs to provide reasonable assurance that the Institute's business processes and internal controls are in place and operating as intended and to ensure the proper accounting of all Clinical and Translational Science Award related activity. The audit included review of funding sources, financial activity, salary and travel expenses, and procurement card purchases. There were no reportable conditions noted. This audit is closed.



**The University of Iowa
NCAA – Extra Benefits-Student-Athlete Vehicles**

Issued October 8, 2010

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 student-athlete vehicles. Analysis of these processes revealed that the Athletics Department has controls in place to monitor and account for student-athlete vehicles in accordance with the NCAA and no reportable conditions were noted. This audit is closed.



**The University of Iowa
NCAA – Playing and Practice Seasons**

Issued October 8, 2010

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 playing and practice seasons. Analysis of these processes revealed that the Athletics Department has controls in place to monitor and account for playing and practice seasons in accordance with the NCAA and no reportable conditions were noted. This audit is closed.



**Iowa State University
Benefits Processing**

Issued August 27, 2010

Status: Closed

The purpose of the audit was to evaluate benefits processing for reasonable controls, policies, and procedures. Testing included review of new hire benefit enrollment, benefit discontinuation for terminated employees, benefit changes due to employee life events, and processing of employee benefit changes during the open change period. The processes for payment to benefit vendors, benefit administration for less than twelve month employee appointments, and benefits while on leave without pay were also reviewed. No reportable issues were identified.



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

Issued August 27, 2010

Status: Closed

The purpose of this audit was to determine whether the Athletics Department maintains an adequate system to establish compliance with NCAA bylaws governing eligibility. Testing objectives included determining whether the University is operating within the guidelines specified by the NCAA in Bylaw, Article 14 of the Division I manual and that ISU Athletics maintains adequate documentation of eligibility determinations made by the NCAA Eligibility Center and ISU representatives. No reportable issues were identified. **Iowa State University**



Employee Separation Procedures

Issued October 8, 2010

Status: Open

The purpose of the audit was to evaluate the controls and timeliness of employee separation processing, collection of amounts owed by former employees, and the University Net-ID suspension process. Objectives also included a review of the completeness of University separation guidance and determination of any occurrence of payroll overpayment. Audit recommendations included providing general University guidance for employee separation procedures, including the timeliness of employee separation processing and updated separation checklist. Recommendations also included increased frequency of Net-ID suspension and development of Net-ID after separation policy. Management expects to complete the action plan by July 2011.



**University of Northern Iowa
College of Education**

Issued October 1, 2010

Status: Open

The College of Education audit was performed to examine its operations for reasonable internal controls and processes within the College. Audit findings include developing job descriptions, reviewing or creating training and communicating policies and procedures for contracts, staff training grants, and expenditures for revenue incentive programs, provide training on proxy or delegation of authority, security of deposits and oversight review of the department's reconciled accounting records, timecard submission and approval, maintaining control over assets, study abroad efficiency, hiring and evaluations, and grant management. Management agrees with the findings and expects to complete their action plan after June 2011.



**University of Northern Iowa
Motor Vehicle Pool**

Issued October 1, 2010

Status: Open

The Motor Vehicle Pool audit was performed to examine its operations for reasonable internal controls, policies, and processes. Audit findings include better accountability in the vehicle reservation system, ensuring travel authorization has been provided when reserving a vehicle, verifying driver eligibility, improving accuracy of labor hours for vehicle maintenance, and ensuring maintenance miles are not included in internal charges to departments using vehicles. Management agrees with the findings and expects to complete their action plan after April 2011.

STATUS OF AUDIT FOLLOW-UPS

University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Broadcasting Services Active Directory Review	Nov 10, 2009	Mar 2010	Oct 2010	
2. Main Operating Room Billing Process	Sept 3, 2009	May 2010	Nov 2010	
3. Facilities Management – Construction Change Orders	Jan 13, 2010	May 2010		
4. College of Pharmacy Business Processes	Sept 3, 2009	Jun 2010		
5. UI Health Care Finance and Accounting Services	Nov 10, 2009	Jul 2010		
6. Research Compliance: Cost Transfers	Dec 18, 2008	Aug 2010		
7. GLBA/FERPA Compliance	Apr 1, 2009	Aug 2010		
8. EPIC Software Change Management	Jan 13, 2010	Aug 2010		

University of Iowa (continued)

9. UIHC Department of Orthopaedics	May 11, 2010	Aug 2010		
10. Cost Sharing	Dec 16, 2009	Oct 2010		
11. Patent Policy Compliance	Nov 6, 2008	Nov 2010		
12. Sexual Harassment Policy	Mar 10, 2010	Nov 2010		
13. International Programs – Office for Study Abroad	Apr 5, 2010	Jan 2011		

Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
14. Effort Reporting	Jul 8, 2009	Feb 2010	Jan 2011 Jul 2010	
15. Personnel Actions	Aug 19, 2009	Aug 2010	Jul 2011	
16. NCAA Compliance	May 12, 2010	Sept 2010		
17. Thielen Student Health Center	Mar 30, 2010	Jan 2011		
18. Conflict of Interest	Oct 13, 2009	Feb 2011		
19. Leopold Center for Sustainable Agriculture	Jul 13, 2010	Feb 2011		
20. Research Data Security	Jul 13, 2010	July 2011		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
21. Special Compensation Controls	Sept 30, 2009	Jun 2010	Jan 2011	
22. Campus Fueling Station Access and Usage	Dec 14, 2009	Jun 2010	Jan 2011	
23. Study Abroad Programs	Dec 14, 2009	Jul 2010		
24. Telework Arrangements	Dec 18, 2009	Jul 2010		
25. Applicable Credits and Program Income	Apr 2, 2010	Oct 2010		
26. Procurement Card	Apr 2, 2010	Oct 2010		
27. Academic Learning Center – Exam Services	May 10, 2010	Oct 2010		
28. Student Course and Program Fees	Jul 7, 2010	Apr 2011		
29. Tuition and Fees Accountability	Jul 7, 2010	May 2011		

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.