
















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		
• EPIC – Ophthalmology		Open
• Finkbine Golf Course Business Processes		Open
• Office of the President		Closed
• UI Health Care Outside Clinical Practice		Open
• UIHC Ambulatory Care Pharmacy Cash Handling		Open
• UIHC – Solid Organ Procurement		Closed
• University Approved Bank Accounts		Open
• Building Access Security		Open
• Intercollegiate Athletics – Home Game Ticket Revenue		Closed
• Mechanical Engineering Program		Open
IOWA STATE UNIVERSITY		
• Athletics Department Ticketing Procedures		Open
• Non-Employees on Campus		Open
UNIVERSITY OF NORTHERN IOWA		
• Academic Summer Youth Camps		Open
• Iowa Waste Reduction Center		Open
• University Approved Bank Accounts		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA

- | | |
|--|--------|
| • Broadcasting Services Active Directory Review | Closed |
| • Cost Sharing | Closed |
| • Facilities Management – Construction Change Orders | Closed |

- Patient Policy Compliance Closed
- Sexual Harassment Policy Closed
- EPIC Rx Closed
- UI Health Care Finance and Accounting Services Closed
- UIHC Department of Orthopaedics Business Processes Closed





IOWA STATE UNIVERSITY

- Leopold Center for Sustainable Agriculture Closed

UNIVERSITY OF NORTHERN IOWA

- Special Compensation Controls Closed
- Campus Fueling Station Access and Usage Closed
- Study Abroad Programs Closed
- Telework Arrangements Closed
- Procurement Card Closed
- Academic Learning Center - Examination Services Closed
- Applicable Credits and Program Income 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
EPIC – Ophthalmology**

Issued November 11, 2010

Status: Open

The audit was performed to provide assurance that patient documentation and billing is completed timely and accurately and locally supported information systems housing electronic patient health information (PHI) are maintained in compliance with University policies and applicable regulations, such as the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security rules. Primary findings included inconsistent use of EPIC functionality for documentation purposes leading to billing errors and maintaining locally supported information systems in compliance with the HIPAA Security Rule. Management agrees with the findings and expects to complete their action plan by July 2011.



**The University of Iowa
Finkbine Golf Course Business Processes**

Issued November 11, 2010

Status: Open

This audit was performed in order to evaluate the adequacy of operational procedures and internal controls of significant business processes within Finkbine Golf Course. Principal findings center on: developing a defined mission and objectives specific to Finkbine operations; creating a business plan that includes a formalized fee structure, consistent allocation of applicable shared costs, and a monthly analysis of actual financial data to budgeted amounts; compliance with the University's cash handling policies and procedures; proper inventory management, including separation of duties and tracking waste/spoilage of perishables; and creating internal policy limiting purchases on green grass accounts to Finkbine's professional staff. Management agrees with the findings and expects to complete their action plans by February 28, 2011.



**The University of Iowa
Office of the President**

Issued November 11, 2010

Status: Closed

The purpose of the audit was to provide assurance that the President's Office follows the policies and procedures established by the University of Iowa and the Board of Regents and the laws and regulations of the state of Iowa. The audit included review of authorization and documentation of travel and departmental expenditures, payments of salary and benefits, and competitive bidding procedures. No reportable conditions were noted. This audit is closed.



**The University of Iowa
UI Health Care Outside Clinical Practice**

Issued November 11, 2010

Status: Open

The audit was performed to determine the extent and impact of University of Iowa physicians working at outside institutions, otherwise known as outside clinical practice. The purpose of the audit was to verify 1) that a consistent approval process is in place, 2) that authority to enter into contracts is maintained at an appropriate level, 3) that payments for services are received timely and are properly allocated, and 4) that there is a follow-up analysis to ensure that outside clinical practice contracts are beneficial to UIHC. Primary findings indicate a lack of oversight in the process which contributes to lapses in contracts, delayed payments and no assurance of contract metrics. Internal Audit will verify the implementation of their corrective action plans in March 2011.



The University of Iowa
UIHC Ambulatory Care Pharmacy Cash Handling

Issued November 11, 2010

Status: Open

The audit was performed at the request of UIHC administration to provide assurance that the ambulatory care pharmacies are handling cash in compliance with departmental and University policies and procedures. The audit included observations in each of the ambulatory care pharmacy locations and verification that policy is in place and being followed. The primary finding was that the departmental cash handling policy needed to be revised and reviewed with all pharmacy employees handling cash. Management agreed with the findings and expects to complete their action plan immediately. Internal Audit will verify the action plan in the third quarter of FY 2011.



The University of Iowa
UIHC – Solid Organ Procurement

Issued November 11, 2010

Status: Closed

The audit was performed to provide reasonable assurance that the Organ Transplant Center's business processes that occur between UIHC, Iowa Donor Network, and Organ Procurement Organizations are appropriate; all charges related to procurement are recorded; and internal controls are in place. The audit tested the billing process for both organ donors and recipients. The Organ Transplant Center has adequate controls in place. The audit produced no significant findings. This audit is closed.



The University of Iowa
University Approved Bank Accounts

Issued December 14, 2010

Status: Open

This audit was performed to identify depository accounts in the University's name and to ensure all unapproved bank accounts identified are disposed of in a timely manner. Internal Audit identified several bank accounts that did not have proper approval as required by University policy. Management agreed with the findings and developed appropriate action plans to implement the necessary corrective measures by December 31, 2011.



The University of Iowa
Building Access Security

Issued January 12, 2011

Status: Open

This audit was performed to evaluate the adequacy of business processes and internal controls related to University building access. Principal findings include reviewing building access entitlement for individuals with access to University buildings, eliminating the use of generic user accounts in the electronic access systems, performing periodic entitlement reviews of electronic access system users, adopting restricted door guidelines for new electronic access system, and establishing policies and procedures for departmental management related to keys and electronic access rights. Management concurs with the findings and expects to complete the action plans by July 2011.



The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue

Issued January 12, 2011

Status: Closed

This audit is performed annually to provide an independent verification of home game athletic revenue, ensure completion of guaranteed payments to visiting institutions, reconcile complimentary ticket listings, and provides oversight for the removal and destruction of unused, pre-printed tickets. No material audit findings or weaknesses were noted during the course of this audit. This audit is closed.



**The University of Iowa
Mechanical Engineering Program**

Issued January 12, 2011

Status: Open

The purpose of the audit was to provide reasonable assurance that the Mechanical Engineering program is compliant with policies and procedures as set forth by the University of Iowa and related best practices. The audit included reviewing grant and program expenditures, cost transfers, capital equipment, and workstation and financial management. Notable recommendations included self-administered workstations and accounting for grant expenditures. The audit will remain open until follow-up procedures have been completed in the fourth quarter of FY 2011.



**Iowa State University
Athletics Department Ticketing Procedures**

Issued December 1, 2010

Status: Open

The purpose of the audit was to evaluate controls for ticket pricing, ordering, and reconciling; the sufficiency of complimentary ticket monitoring; the adequacy of security measures for the ticket office; and whether access to Ticketmaster was limited to the appropriate employees. Audit recommendations included enhancing ticket reconciliation procedures and oversight, increased monitoring of complimentary tickets and ticket exchanges, making physical and procedural improvements to better secure cash, and limiting access in Ticketmaster. Management expects to complete their action plans by August 2011.



**Iowa State University
Non-Employees on Campus**

Issued January 13, 2011

Status: Open

The audit was performed to determine if non-employees have an authorized reason for being on campus and holding access cards and keys to buildings on campus. Objectives also included determining if non-employees are receiving ISU benefits, have made purchases on behalf of ISU, were subject to a background check, and had past due balances in the ISU receivables system. Audit recommendations included the need for increased guidance on the documentation of the reasons non-employees are on campus, importance of background checks, and conflict of interest policy as applicable to non-employees. A recommendation was also made to review the defined contribution retirement plan to determine the allowability of participation by employees of ISU affiliate organizations. Management expects to complete the action plans by July 2011.



**University of Northern Iowa
Academic Summer Youth Camps**

Issued January 7, 2011

Status: Open

The Academic Summer Youth Camps audit was performed to examine the operations for reasonable internal controls and processes. Audit findings include centralizing the registration process, reviewing faculty compensation and developing a policy for volunteers, discontinuing the use of PayPal accounts, reviewing the scholarship process, proper recording of revenue and expenditures, and a review of the budget for adequate camp fees before the camp begins. Management agrees with the findings and expects to complete their action plan after September 2011.



**University of Northern Iowa
Iowa Waste Reduction Center**
Issued January 7, 2011

Status: Open

The Iowa Waste Reduction Center audit was performed to provide reasonable assurance the IWRC is operating effectively with adequate internal controls and following accounting principles and various policies, procedures, laws, and regulations. Audit findings include updating the university's competition with private enterprise policy, providing guidance to the university community for obtaining a review for competition with private enterprise, obtaining a competition with private enterprise review for the licensed products the Center sells, improving accountability of Center equipment by verifying equipment tags and serial numbers, completing authorization forms for using university property off-campus, and obtaining signed confidentiality agreements from Center employees with access to confidential information of Center clients. Management agrees with the findings and expects to complete their action plan after April 2011.



**University of Northern Iowa
University Approved Bank Accounts**
Issued January 7, 2011

Status: Open








This audit was performed to identify depository accounts in the University's name and to ensure all unapproved bank accounts identified are disposed of in a timely manner. Management agreed with the findings and developed appropriate action plans to implement the necessary corrective measures. The University Treasurer will develop a bank account authorization policy for the University of Northern Iowa. A follow-up audit will be scheduled after October 2011.

STATUS OF AUDIT FOLLOW-UPS





University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Main Operating Room Billing Process	Sept 3, 2009	May 2010	Nov 2010	
2. College of Pharmacy Business Processes	Sept 3, 2009	Jun 2010		
3. Research Compliance: Cost Transfers	Dec 18, 2008	Aug 2010		
4. GLBA/FERPA Compliance	Apr 1, 2009	Aug 2010		
5. EPIC Software Change Management	Jan 13, 2010	Aug 2010		
6. International Programs – Office for Study Abroad	Apr 5, 2010	Jan 2011		
7. OMB A-21 Allowable Direct Charges	Sept 15, 2010	Jan 2011		
8. Recreational Services Information Technology	Aug 17, 2010	Feb 2011		





Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
9. Effort Reporting	Jul 8, 2009	Feb 2010	Jan 2011 July 2010	
10. Personnel Actions	Aug 19, 2009	Aug 2010	July 2011	
11. NCAA Compliance	May 12, 2010	Sept 2010		
12. Thielen Student Health Center	Mar 30, 2010	Jan 2011		
13. Conflict of Interest	Oct 13, 2009	Feb 2011		
14. Research Data Security	Jul 13, 2010	July 2011		
15. Employee Separation Procedures	Oct 8, 2010	Aug 2011		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
16. Student Course and Program Fees	Jul 7, 2010	Apr 2011		
17. Tuition and Fees Accountability	Jul 7, 2010	May 2011		
18. Motor Vehicle Pool	Oct 1, 2010	May 2011		
19. College of Education	Oct 1, 2010	July 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.