




















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		
• Iowa Comprehensive Lung Imaging Center		Open
• AcuDose		Open
• Department of Radiology		Open
• University Libraries		Open
• NCAA – Camps and Clinics		Closed
• NCAA – Commitment of Personnel to Rules – Coaching Staff Limits and Contracts		Open
• MAUI Software Change Management		Open
• Onboarding Audit		Open
• 2014 Outback Bowl		Closed
• Observation Patient Status – Revenue Loss		Open
• UIHC Dialysis Services		Open
• Student Activity Fees		Open
• Intercollegiate Athletics – Home Game Ticket Revenue FY 2013-2014		Closed
• Accounts Payable and Purchasing		Open
IOWA STATE UNIVERSITY		
• ISU Dining		Open
• Department of Animal Science - Farms		Open
• Campus Safety and Security Reporting under the Higher Education Act		Open
UNIVERSITY OF NORTHERN IOWA		
• International Student Teaching		Open
• Psychological Assessment Clinic		Open
• Physical Plant Administration		Open

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

FOLLOW-UP REPORTS

UNIVERSITY OF IOWA





- UI Health Care IT Purchases and Data Center Privatization Closed
- College of Public Health Closed
- Ambulatory Surgery Center Closed
- Office of Strategic Communication Closed
- Department of Pathology Closed
- 340B Drug Pricing Program Closed
- UIHC Food and Nutrition Services Closed
- AeroScout Closed
- College of Dentistry Closed
- MAUI Software Change Management Closed
- University of Iowa Community Medical Services Closed

IOWA STATE UNIVERSITY

- College of Design Closed
- Control of Federal Equipment Closed
- Laboratory Animal Resources Closed
- Bioeconomy Institute Closed

UNIVERSITY OF NORTHERN IOWA

- Athletic Equipment and Apparel Closed
- Effort Reporting 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.



**The University of Iowa
Iowa Comprehensive Lung Imaging Center**

Issued April 22, 2014

Status: Open

This audit reviewed business processes and controls in the Lung Imaging Center. The audit specifically focused on purchasing, human resources, finance, information technology, revenue cycle, conflict of interest and controlled substances. Audit recommendations include filing final progress reports for research grants, an updated review of the rate structure, a more robust IT inventory process, increased oversight over the controlled substance inventory and adherence to purchasing and travel policies. Management expects to complete its action plans by May 2014.



**The University of Iowa
AcuDose**

Issued April 22, 2014

Status: Open

This audit was performed to provide reasonable assurance the system and the related Pharmacy/Nursing processes are sound and proper controls are in place and operating as intended. Audit recommendations include improving user access deactivation processes on employee terminations and transfers, limiting access to medication room keypad combinations to appropriate staff, more proactive review of medication diversion reports, an upgrade to system software, and purchasing more lockable medication carts. Management expects to complete its action plans by January 2015.



**The University of Iowa
Department of Radiology**

Issued April 22, 2014

Status: Open

The audit was performed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. Primary recommendations include implementing an annual review process of personnel with physical access to secured areas, implementing controls to track door access, ensuring completion of TB and HIPAA compliance, updating workflow paths to ensure appropriate level of approval, ensuring appropriate approvals occur on procurement card, trip requests, and travel expense vouchers, ensuring appropriate segregation of duties are in place with regard to cash handling, and updating their current termination checklist and Rewards and Recognition Policy. Management expects to complete its action plans by December 2014.



**The University of Iowa
University Libraries**

Issued April 22, 2014

Status: Open

This audit was performed to provide reasonable assurance that business processes and internal controls are appropriate and effective. Audit recommendations include implementing appropriate segregation of duties, documenting management approval for department acquisitions, identify and train back up staff members for cash handling duties, barcoding and conducting periodic physical inventory counts of Special Collections materials, documenting the approval of the Special Collections materials borrowed through Interlibrary Loans, and improving general computer controls. Management expects to complete its action plans by February 2015.



**The University of Iowa
NCAA – Camps and Clinics**

Issued April 22, 2014

Status: Closed

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to camps and clinics. No findings were identified and the audit is closed.



The University of Iowa
NCAA – Commitment of Personnel to Rules – Coaching Staff Limits and Contracts
Issued April 22, 2014 Status: Open

As a Division I member, the University of Iowa is obligated to comply with the National Collegiate Athletic Association (NCAA) rules and regulations. This audit was performed to fulfill the portion of the NCAA's requirement related to commitment of personnel to rules, coaching staff limits, and contracts. Audit recommendations include adding a discipline clause to head coaching contracts that currently do not contain one, and creating a documented desk procedure to help compliance staff consistently monitor coaching staff limits and visits to practice. Management expects to complete its action plans by June 2014.



The University of Iowa
MAUI Software Change Management
Issued May 19, 2014 Status: Open

The change management process for MAUI software development was reviewed for reasonable internal controls and processes. Audit recommendations include documenting testing for all software changes, linking change request issue numbers to all changes deployed to production, and documenting the developer who checked in code changes for each request. Management expects to complete its action plans by May 2014.



The University of Iowa
Onboarding Audit
Issued June 17, 2014 Status: Open

This audit was performed to examine the operations for reasonable internal controls and processes pertaining to onboarding new employees. The audit recommendation is to enhance monitoring controls to ensure new staff complete required Family Educational Rights and Privacy Act (FERPA) Training. Management expects to complete its action plans by January 2015.



The University of Iowa
2014 Outback Bowl
Issued June 17, 2014 Status: Closed

In January of 2014, The University of Iowa participated in the 2014 Outback Bowl in Tampa, Florida. The audit was performed to review internal controls associated with bowl game travel to ensure compliance with applicable NCAA and Big Ten regulations, as well as taxable benefits. No findings were identified and the audit is closed.



The University of Iowa
Observation Patient Status – Revenue Loss
Issued July 14, 2014 Status: Open

The Observation Patient Status – Revenue Loss audit was performed to examine business operations for reasonable internal controls and processes. Audit recommendations include decreasing length of stay of observation patients, implementing processes to properly code and bill infusions for observation patients, hiring a company to perform a secondary review of level of care decisions, and training staff on the differences between observation and inpatient visits. Management expects to complete its action plans by September 2014.



**The University of Iowa
UIHC Dialysis Services**

Issued July 14, 2014

Status: Open

The audit was performed to provide reasonable assurance that adequate business processes and internal controls are in place and operating as intended. Primary recommendations include completion of a full inventory, evaluation of current inventory processes, implementation of inventory tracking and monitoring processes for medications and supplies, ensuring medication and supply keys are secured properly, evaluation of the billing processes, timely removal of unused equipment, ensuring sensitive documentation is properly secured, all leases need to be kept up to date and current, and ensuring the completion of monthly account reconciliations. Management expects to complete its action plans by December 2014.



**The University of Iowa
Student Activity Fees**

Issued July 14, 2014

Status: Open

This audit was performed to provide reasonable assurance that business processes and internal controls over student activity fees are appropriate and effective. Audit recommendations include monitoring of the student government's contingency account balance, including all student government procedures in their by-laws, incorporating the reallocation of student activity fee funds procedures into the student government by-laws, and reconciling the electronic Transaction Detail Reports (TDR) on a monthly basis. Management expects to complete its action plans by September 2014.



**The University of Iowa
Intercollegiate Athletics – Home Game Ticket Revenue FY 2013-2014**

Issued July 14, 2014

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.



**The University of Iowa
Accounts Payable and Purchasing**

Issued July 14, 2014

Status: Open

The audit was performed to provide reasonable assurance of effective internal controls and processes across all procurement and payment systems. Audit recommendations include discontinuing the use of generic user accounts and reviewing access to all systems, changing the process of reviewing for conflict of interest transactions on procurement cards, and updating and standardizing policies and procedures to provide consistent information that is compatible with the Operations Manual. Management expects to complete its action plans by August 2014.



**Iowa State University
ISU Dining**

Issued May 13, 2014

Status: Open

The audit was performed to evaluate business processes to provide reasonable assurance that internal controls are in place and operating as intended. Audit recommendations include implementing an inventory variance analysis for retail and residential locations, improving the catering alcohol inventory reconciliation process, and limiting access to the inventory system. Recommendations also include requiring timely submission of invoices, reviewing purchasing card approval roles, complying with established cash handling procedures, and completing the Conflict of Interest and Commitment disclosure and follow-up process. Management expects to complete its action plans by December 2014.



**Iowa State University
Department of Animal Science - Farms**

Issued May 13, 2014

Status: Open

The purpose of the audit was to evaluate processes for completing animal inventories, verifying that the activities for sales, births, and deaths are properly documented, analyzing per diem rate methodologies to ensure that rates are reasonable, appropriate, and adequately documented and evaluating processes for billing research projects. Processes for accounting for capitalized equipment, financial reporting, accepting gift-in-kind donations, and contracting for the sale of animals and animal products were evaluated to provide reasonable assurance that internal controls are in place and operating as intended. The scope of the audit included operations during fiscal years 2013 and 2014. Audit recommendations include documentation and oversight regarding gift-in-kind donations, sales of animals, accounting for per diem rates and research projects, budgetary control, and animal death validation. Management expects to complete its action plans by October 2014.



**Iowa State University
Campus Safety and Security Reporting under the Higher Education Act**

Issued June 17, 2014

Status: Open

This audit was performed to provide reasonable assurance that management has established effective practices to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act and safety and security related aspects of the Higher Education Opportunity Act which are both components of the Higher Education Act. Audit recommendations include developing a systematic process for identifying all individual Campus Security Authorities, establishing a team to coordinate efforts to comply with all relevant requirements, requesting crime statistics for the College of Design's Rome Campus from the relevant local law enforcement agency in Italy each year, developing procedures for key campus safety and security reporting processes carried out at ISU Department of Public Safety, and adding eight teaching farms and the Hansen Agricultural Student Learning Center to the list of properties for which the University must report crime statistics to the Department of Education. Management expects to complete its action plans by August 2014.



**University of Northern Iowa
International Student Teaching**

Issued May 7, 2014

Status: Open

The audit was performed to provide reasonable assurance international student teaching program is operating efficiently, effectively, and complying with University policies and procedures and regulations. Billing and fees, accounts receivable, purchasing and general disbursements, human resource functions, safety, and operational procedures were examined. Audit recommendations include improving student and non-UNI student safety, billing and fees procedures, general disbursement documentation, and reviewing letters of agreement. Management expects to complete its action plans by December 2014.



**University of Northern Iowa
Psychological Assessment Clinic**

Issued May 7, 2014

Status: Open

The audit was performed to examine administrative, financial, and selected operational processes of the Clinic for adequate and effective internal controls and compliance with University policies and procedures and applicable external regulations. Management of cash and revenue, purchasing and payables, financial performance, information systems, and selected human resource and operational processes were reviewed. Improvements were recommended for obtaining approval of Clinic fees according to University policy, managing the Clinic's information system resources, strengthening Clinic security and emergency plans, improving the Administrative and Assessment manual, and handling cash and revenue. Management expects to complete its action plans by December 2014.



University of Northern Iowa
Physical Plant Administration
Issued July 8, 2014

Status: Open

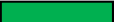

The audit was performed to examine administrative, financial, and selected operational processes of Physical Plant Administration for adequate and effective internal controls and alignment with University policies and procedures and applicable external regulations. Audit procedures included purchasing and payables, financial performance, selected information systems, building access and repairs operations and a limited review of cash handling and human resource functions. Improvements were recommended for key security and inventories, building and room access governance, managing employee separation and key returns, departmental key control and reconciliation, key replacement fines, and cash and revenue handling. Management expects to complete its action plans by April 2015.

STATUS OF AUDIT FOLLOW-UPS







University of Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
1. Tippie College of Business	May 14, 2013	Nov 2013	July 2014	
2. Recharge Centers	Aug 20, 2013	Dec 2013	Sept 2014	
3. University Dining Inventory Processes	June 21, 2013	Jan 2014		
4. National Advanced Driving Simulator Information Technology	Nov 21, 2013	May 2014		
5. Department of Family Medicine	Feb 20, 2014	May 2014		
6. Carver College of Medicine Administration	Feb 20, 2014	May 2014		
7. Sports Clubs	Oct 16, 2013	June 2014		
8. Biochemistry	Dec 19, 2013	June 2014		
9. College of Nursing	Mar 28, 2014	Aug 2014		
10. Center for Biocatalysis and Bioprocessing	Jan 15, 2014	Aug 2014		
11. Student Course Fees	Nov 21, 2013	Aug 2014		
12. Office of Animal Resources	Aug 20, 2013	Sept 2014		
13. College of Engineering Sponsored Research Administration	Jan 15, 2014	Oct 2014		
14. UIHC Contract Compliance	Feb 20, 2014	Oct 2014		
15. University Counseling Services	Feb 20, 2014	Nov 2014		
16. MAUI Billing	Feb 20, 2014	Mar 2015		





Iowa State University

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
17. Procure-to-Pay Process	Mar 27, 2014	July 2014		
18. Department of Physics and Astronomy	Dec 4, 2013	Sept 2014		

University of Northern Iowa

Title	Report Date	Original Follow-Up Date	Revised Follow-Up Date	Action Status
19. Public Safety	Sept 20, 2013	Mar 2014	Sept 2014	
20. McNair Scholars Program	Sept 20, 2013	July 2014		
21. Research and Sponsored Programs	Feb 5, 2014	July 2014		
22. Student Organizations and Intramural & Club Sports	Oct 31, 2013	Aug 2014		
23. Jacobson Center	April 2, 2014	Jan 2015		
24. Wellness and Recreation Services	April 2, 2014	Jan 2015		

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.