

Contact: Patrice Sayre

### FY 2019 AUDIT PROGRESS AND FY 2020 INTERNAL AUDIT PLANS

**Action Requested:** Receive and approve the progress reports for the universities' FY 2019 audit plans and approve the internal audit plans for FY 2020.

**Executive Summary:** The Internal Audit department is an independent and objective assurance and advisory function designed to add value and improve Regent universities' operations. Internal Audit brings a systematic and disciplined approach to evaluating and improving the effectiveness of the organization's governance, risk management, and control processes.

On an annual basis, in accordance with Audit and Compliance Committee policies, Internal Audit compiles and submits audit progress and future plans for the Regent universities. The plans are flexible and adjusted as needed to adapt to changes in the audit environment.

Our work is conducted and managed in accordance with The Institute of Internal Auditors' (IIA's) *International Professional Practices Framework*, which includes the core principles for the professional practice of internal auditing, the definition of internal auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

We ensure that internal audit work supports the Regents' Strategic Plan:

- Priority 1: Ensuring Access to Education and Student Success - We provide input to help balance the need to protect the public universities, while giving academics the flexibility to use state-of-the-art technology in order to be innovative. Additionally, in general, the work Internal Audit does is a source of education for staff in all areas, about internal controls and compliance standards to protect all operations.
- Priority 2: Promoting and Supporting Innovation in Teaching, Research, and Economic Development - We perform audits of the research conducted at the universities to ensure compliance with regulatory requirements to help safeguard continued funding. We perform audits for the Offices of Sponsored Programs, as well as for research in colleges.
- Priority 3: Promoting Effective Use of Resources to Meet Institutional Missions - Through reviews of the design of controls and testing of them, we ensure that monies received and used for the universities are used for their intended purposes. Additionally, we assess the safeguarding, controls, and record keeping of assets throughout the universities. Through our audit work, we help to ensure proper controls exist in the centralized and decentralized areas to safeguard the Regents' interests. We conduct investigations involving potential fraud and abuse of financial resources, make recommendations for correction of control deficiencies, and work with the Auditor of State in remediation and restitution.

The Annual Internal Audit Plan and Risk Assessment help provide the Audit and Compliance Committee with assurance that it is providing the necessary oversight over the quality and integrity of the accounting, financial reporting practices, system of internal controls, institutional management practices, and the direction of the internal auditing function.

#### Departmental Resources

The Internal Audit Department is comprised of a Chief Audit Executive, an Associate Director, three managers, three IT auditors, two senior auditors, six staff auditors and a departmental administrator.

Professional development is required for certifications. During FY 2019, staff held 20 certifications that required 40 to 60 hours of continuing professional education per person to maintain. Key areas of training included emerging audit issues, governance, risks and controls, information systems auditing, fraud, and compliance.

In FY 2019, operations were negatively affected by vacancies. At SUI, with eight auditors, vacancies created a loss of 1,868 audit hours; at ISU, with three auditors, there was a loss of 726 audit hours. Due to budget constraints, UNI has a temporary reduction in staff and lost 849 hours.

Audit Progress and Plans

Following is a condensed table of the progress of the FY 2019 Audit Plans.

FY 2019 Progress	SUI	ISU	UNI	Total
<b>Audits:</b>				
Original Audits Planned	48	17	9	74
Added During Year	6	0	0	6
<b>Totals</b>	<b>54</b>	<b>17</b>	<b>9</b>	<b>80</b>
Completed	28	9	3	40
In Progress	10	3	1	14
Deferred	5	2	2	9
Cancelled	11	3	3	17
<b>Totals</b>	<b>54</b>	<b>17</b>	<b>9</b>	<b>80</b>

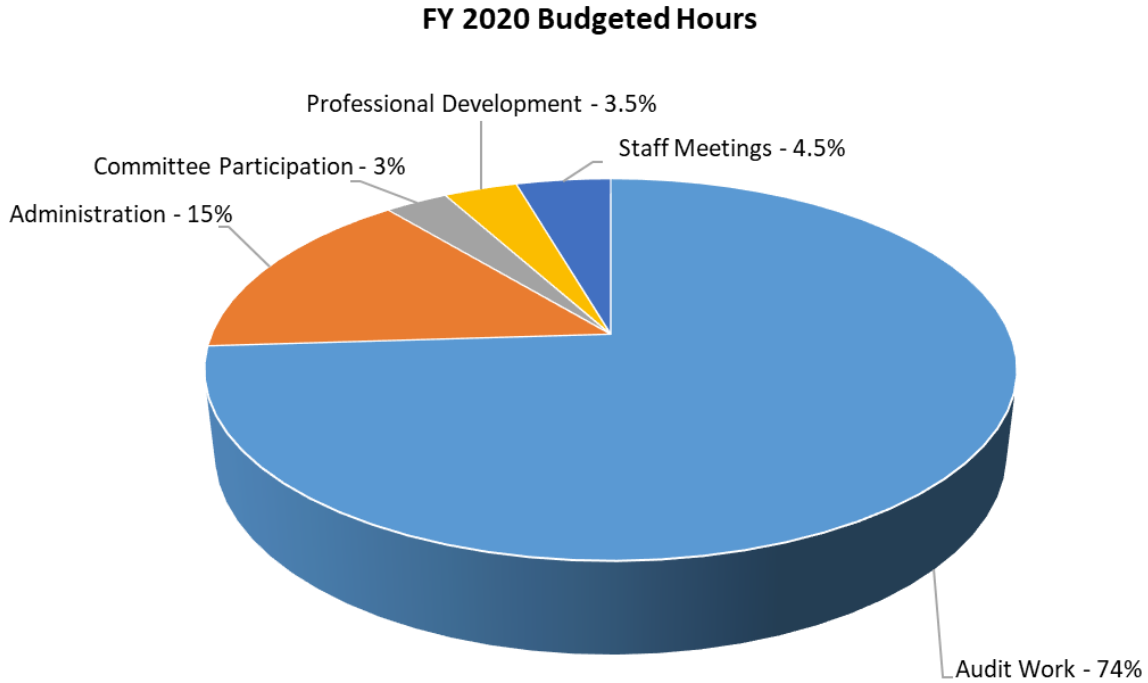
The FY 2020 Plans are proposed after extensive interviews across each campus with key leadership staff, reviewing past audit history, and surveying the current, nationwide audit landscape. Plans are then prepared using a risk-based approach to ensure that areas and activities specific to the Regent universities with the greatest impact are identified for consideration, while allowing for unannounced and unplanned engagements to allow for events that may transpire. The Auditor of the State and external auditors provide financial audit services, allowing Internal Audit to concentrate on unique operational audits.

The Plans are based on available staff hours for 15 internal audit professionals with 26,536 available hours. The Plan includes risk-based and requested audits (financial, operational, compliance, information technology), risk-based consulting reviews, follow-up audits, investigations, reserves for management requests, and other projects and initiatives as needed.

The risk assessment performed for FY 2020 identified the following high risk areas:

- Effectiveness and efficiency of operational processes;
- Governance and regulatory compliance;
- IT governance, security and data protection, and data privacy;
- New and changed business operations;
- Alignment of operations to strategic plans and objectives; and
- Organization-wide initiatives.

FY 2020 Plans	Scheduled Audits	Total Hours Budgeted*
University of Iowa	48	18,360
Iowa State University	18	6,440
University of Northern Iowa	4	1,736
<b>Total</b>	<b>70</b>	<b>26,536</b>



Internal Audit Staff as of June 30, 2019	BOR	SUI	ISU	UNI	TOTAL
Full-Time Professional Audit Positions	1	10	4	1	<b>16.0</b>
Support Positions	.75	0	0	0	<b>.75</b>

Tables detailing FY 2020 plans and FY 2019 progress for each university are included in this document. Tables containing audits completed for the past four fiscal years may be found on the following pages.

UNIVERSITY OF IOWA  
Proposed Internal Audit Plan for FY 2020

<u>Audits and Reviews</u>	<u>Hours</u>	<u>Percent</u>
Anesthesia	250	1.4%
Biology Carry Over	250	1.4%
Central Sterilizing Services	250	1.4%
Charge Master Maintenance Process	300	1.6%
College of Dentistry Revenue Cycle	250	1.4%
College of Engineering	250	1.4%
College of Pharmacy Building Construction Project	250	1.4%
Conflict of Interest	250	1.4%
Discharge Planning Process/Nurse Navigator	250	1.4%
Division of Diversity, Equity, and Inclusion	250	1.4%
Emergency Department	250	1.4%
Epic Financial Assistance Module	250	1.4%
Facilities Management Bidding Processes Carry Over	40	0.2%
Home Game Ticket Revenue FY19 Carryover	40	0.2%
Home Game Ticket Revenue FY20	100	0.5%
HR Transaction System Rewrite Consultation	80	0.4%
Heart and Vascular Center	250	1.4%
Iowa Advanced Technologies Laboratory (IATL) Building IT Support	250	1.4%
Institutional Review Boards Carry Over	200	1.0%
Iowa Electronic Markets Carry Over	100	0.5%
Main OR Utilization/Ambulatory Surgery Center/Children's Hospital	300	1.6%
NCAA Compliance - Camps and Clinics Carryover	36	0.2%
NCAA Compliance - Eligibility Amateurism and Academic Performance	200	1.0%
NCAA Compliance - Extra Benefits - Complimentary Admissions	60	0.3%
NCAA Compliance - General Compliance	60	0.3%
Neurology Sleep Lab	200	1.0%
OBGYN Labor and Delivery	250	1.4%
Office of Fraternity and Sorority Life	250	1.4%
Online Education	300	1.6%
Orthopedics	250	1.4%
Oracle Talent Acquisition Cloud (OTAC)	250	1.4%
Pharmacy Inventory	250	1.4%
Pharmacy Pre-Auths Carry Over	200	1.0%
Risk Connect System	250	1.4%
Rape Victim Advocacy Program (RVAP) Carry Over	212	1.1%
Specialty Pharmacy	250	1.4%
Stratajazz Carry Over	200	1.0%
Student Athlete Academic Services	250	1.4%
Student Organizations	250	1.4%
Surgery	300	1.6%
Threat Assessment	250	1.4%
Title IX	250	1.4%
UIHC Facility Preventive Maintenance Processes Carry Over	200	1.0%
University Affiliations	250	1.4%
University Billing Office	250	1.4%
University Counseling	250	1.4%
Vulnerability Scanning and Management	300	1.6%
Youth Programs	250	1.4%
Annual Risk Assessment	450	2.5%
Auto Audit Upgrade to Version 7	150	0.8%
EthicsPoint	300	1.6%
Follow-Up Audits	832	4.5%
Unallocated Hours	1,409	7.6%
<b>Subtotal</b>	<b>13,569</b>	<b>73.9%</b>
<b>Other Audit Responsibilities</b>	<b>Hours</b>	<b>Percent</b>
Administration	2,876	15.7%
Committee Participation	446	2.5%
Performance Evaluations	115	0.6%
Professional Development	630	3.4%
Staff Meetings	724	3.9%
<b>Subtotal</b>	<b>4,791</b>	<b>26.1%</b>
<b>Total</b>	<b>18,360</b>	<b>100.0%</b>

IOWA STATE UNIVERSITY  
Proposed Internal Audit Plan for FY 2020

<b>Audits and Reviews</b>	<b>Hours</b>	<b>Percent</b>
Center for Survey Statistics and Methodology Carry Over	40	0.6%
College of Agriculture and Life Sciences	250	3.9%
College of Veterinary Medicine Extension and Outreach	250	3.9%
Controlled Substances in Laboratories Carry Over	120	1.8%
Department of Computer Science	250	3.9%
Department of Kinesiology	250	3.9%
Department of Music and Theatre	250	3.9%
Disability Accommodations	300	4.7%
Extension and Outreach Carry Over	120	1.8%
NCAA Compliance - Financial Aid Administration	100	1.6%
NCAA Compliance - Playing and Practice Seasons	75	1.1%
Online Academic Programs	250	3.9%
Reiman Gardens	300	4.7%
Third Party Benefits Providers	250	3.9%
Transportation Services	300	4.7%
WorkCyte	150	2.3%
Workday Change Management	300	4.7%
Workday Security Roles	300	4.7%
Annual Risk Assessment and Audit Planning	250	3.9%
Fraud and Special Investigations	100	1.6%
Follow-up Audits	250	3.9%
Unassigned/Unplanned	400	6.2%
<b>Subtotal</b>	<b>4,855</b>	<b>75.6%</b>
<b>Other Audit Responsibilities</b>	<b>Hours</b>	<b>Percent</b>
Administration	665	10.3%
Committee Participation	220	3.4%
Performance Evaluations	50	0.7%
Professional Development	260	4.0%
Staff Meetings	390	6.0%
<b>Subtotal</b>	<b>1,585</b>	<b>24.4%</b>
<b>Total</b>	<b>6,440</b>	<b>100.0%</b>

UNIVERSITY OF NORTHERN IOWA  
Proposed Internal Audit Plan for FY 2020

<b>Audits and Reviews</b>	<b>Hours</b>	<b>Percent</b>
Active Directory Carry Over	200	11.5%
Department of Residence - Residence Hall Security	7	0.4%
National Program for Playground Safety	275	15.8%
University Relations Carry Over	110	6.3%
Annual Risk Assessment	225	13.0%
Follow-up Audits	166	9.6%
Unassigned/Unplanned	120	6.9%
<b>Subtotal</b>	<b>1,103</b>	<b>63.5%</b>
<b>Other Audit Responsibilities</b>	<b>Hours</b>	<b>Percent</b>
Administration	300	17.3%
Committee Participation	100	5.8%
Performance Evaluations	8	0.5%
Professional Development	100	5.7%
Staff Meetings	125	7.2%
<b>Subtotal</b>	<b>633</b>	<b>36.4%</b>
<b>Total</b>	<b>1,736</b>	<b>100.0%</b>

**UNIVERSITY OF IOWA  
Audits Completed in the Past Four Fiscal Years**

<b>ORIGINAL REPORTS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Intercollegiate Athletics - Home Game Ticket Revenue	√	√	√	√
2015 Early Retirement Incentive Program	√			
Admission and Transfer Center		√		
Affordable Care Act	√			
Anesthesia	√			
Animal Research Compliance			√	
Athletics		√		
Benefits		√		
BioVentures			√	
Building Access Security				√
Campus Social Security Number Remediation	√			
Campus Volunteers			√	
Capital Assets Management			√	
Center for Digestive Disease Charge Capture	√			
Center for Disabilities and Development		√		
Centralized Coding	√			
Cherwell System				√
Child Health Specialty Clinics		√		
Claim Submission and Electronic Remittance Process	√			
Clinical Quality Safety and Performance Improvement	√			
Clinical Staff Office				√
Cloud Computing		√		
College of Education		√		
College of Engineering IT		√		
Community Connect		√		
Compliance and Qualifications System		√		
Computer Management				√
Controlled Substances in Laboratories	√			
DeGowin Blood Center	√			
Denial Management and Follow-up Processes		√		
Department of Chemistry		√		
Department of Family Medicine			√	
Department of Earth and Environmental Sciences				√
Department of Internal Medicine				√
Department of Neurology		√		
Department of Psychiatry	√			
Department of Public Safety	√			
Department of Public Safety Information Technology				√
Department of Radiology				√
Division of Performing Arts			√	
Division of Sponsored Programs		√		
Division of Student Life			√	
Dual Degree Programs	√			
Durable Medical Equipment			√	
Emergency Preparedness			√	
Environmental Health and Safety Office			√	
Epic Willow Ambulatory System		√		
Extra Compensation for Teaching Academic Courses		√		
Finance and Business Information Services IT	√			
Finkbine Golf Course	√			
Grant Accounting		√		
H-1B Immigration Processes		√		
Hancher		√		
Health Information Management		√		
Heart and Vascular Center	√			
Holden Comprehensive Cancer Center and Infusion Suite				√
Hospital Late Charges			√	
Hospital Supply Chain Management		√		

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<b>ORIGINAL REPORTS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Internal Medicine	√			
International Programs	√			
International Writing Program		√		
Iowa Consortium for Substance Abuse				√
Iowa Courses Online (ICON)	√			
Iowa Lakeside Laboratory Regents Resource Center	√			
Iowa River Landing Procedure Billing		√		
ITS Data Center Operations			√	
Joint Office for Compliance			√	
Mobile Device Encryption		√		
NCAA Certification of Compliance	√			
NCAA Compliance - Coaching Staff Limits and Contracts		√		
NCAA Compliance - Extra Benefits - Equipment and Apparel		√		
NCAA Compliance - Extra Benefits - Student-Athlete Vehicles			√	
NCAA Compliance - Extra Benefits - Team Travel		√		
NCAA Compliance - Financial Aid Administration		√		
NCAA Compliance - Playing and Practice Seasons				√
NCAA Compliance - Recruiting On and Off Campus				√
NCAA Compliance - Representatives of the University's Athletic Interests		√		
NCAA Compliance - Student-Athlete Employment		√		
NCAA Complimentary Admissions	√			
NCAA Eligibility, Amateurism, and Academic Performance	√			
NCAA General Compliance	√			
NCAA Recruiting On and Off Campus	√			
Occupational Health			√	
Office of Student Financial Aid			√	
Office of the Patient Experience	√			
Office of the President	√			
Office of the State Archaeologist				√
Off-site Medication Supply Chain		√		
Orthopedics	√			
Paciolan Ticket System				√
Parking		√		
Payment Card Industry Compliance			√	
Payroll				√
Pediatrics	√			
Ponseti International				√
Post-Acute Care				√
PrePaid Services				√
Protected Health Information on Mobile Devices			√	
Public Policy Center	√			
ReadySet System		√		
Recreational Services		√		
Safety and Security's Video Surveillance System	√			
School of Art and Art History	√			
School of Social Work				√
Sociology Information Technology	√			
Stanley Museum of Art				√
State Hygienic Laboratory	√			
State Hygienic Lab IT			√	
Stead Family Children's Hospital Physical Security			√	
Student Disability Services			√	
Telemedicine			√	
The University Club	√			
UI Community HomeCare			√	
UI Health Care Clinical Trial		√		
UI Health Care Finance Inter-Organizational Transfers				√

**UNIVERSITY OF IOWA  
Audits Completed in the Past Four Fiscal Years**

<b>ORIGINAL REPORTS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
UI Health Care Marketing and Communications		√		
UI Health Care Outreach		√		
UI Health Care Patient Access Center			√	
UI Health Care Research Laboratory Information Technology Security				√
UI Health Care User Access			√	
UI Health System Financial Management		√		
UI Student Health and Wellness				√
UIHC Bioengineering	√			
UIHC Capital Management	√			
UIHC Capital Management New Clinic Build			√	
UIHC Cash Handling	√			
UIHC Charity Care		√		
UIHC Engineering Services	√			
UIHC Environmental Services			√	
UIHC Health System Governance and Processes		√		
UIHC Processed Stores				√
UIHC - The Java House Contract			√	
UIHC Violence Protocols			√	
Universal Workflow		√		
University Book Store		√		
University of Iowa Hospitals and Clinics Emergency Management				√
University of Iowa Physicians			√	
University of Iowa Research Foundation		√		
University of Iowa Research Information Systems				√
User Access		√		
Utilities Network		√		
Utilization Management	√			
Volunteer Services			√	



**IOWA STATE UNIVERSITY  
Audits Completed in the Past Four Fiscal Years**

<b>ORIGINAL REPORTS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
America's Small Business Development Centers Iowa	√			
Athletics Department Ticket Operations				√
Capital Project Payments			√	
College of Human Sciences			√	
CVIS and Vetstar		√		
Department of Apparel, Events, and Hospitality Management				√
Department of Economics		√		
Department of Human Development and Family Studies		√		
Department of Natural Resource Ecology and Management				√
Department of Psychology				√
Department of Sociology				√
Department of Statistics	√			
Emergency Preparedness				√
Employee International Travel				√
Employment Verification and Background Checks		√		
Greenlee School of Journalism and Communication			√	
ISU Dining - Cash Handling		√		
ISU Flight Service and University-Owned Aircraft		√		
ISU Research and Demonstration Farms	√			
NCAA Compliance - Academic Performance Program		√		
NCAA Compliance - Camps and Clinics			√	
NCAA Compliance - Extra Benefits				√
NCAA Compliance - Financial Aid	√			
NCAA Compliance - Investigation and Self Reporting	√			
NCAA Compliance - Recruiting		√		
NCAA Compliance - Student-Athlete Eligibility			√	
Office of Intellectual Property and Technology Transfer		√		
Office of Student Financial Aid Professional Judgement Reviews			√	
Recreation Services			√	
Roy J. Carver Dept of Biochemistry, Biophysics, and Molecular Biology			√	
School of Education		√		
Storage and Transportation of Weapons		√		
Study Abroad Center				√
Thielen Student Health Center			√	
Veenker Memorial Golf Course		√		
Velocity Security Management System	√			
Veterinary Field Services		√		
Veterinary Medical Center	√			

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<b>ORIGINAL REPORTS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Academic Learning Center			√	
ACH and Wire Transfer Processes				√
Arctic, Remote, and Cold Territories Interdisciplinary Center		√		
Campus Supply and Warehousing	√			
Capital Assets			√	
Career Services		√		
Center for Business Growth and Development		√		
Center for Energy & Environmental Education	√			
Center for Social and Behavioral Research	√			
Center for Teaching and Learning Mathematics	√			
College of Business Administration			√	
College of Education		√		
Compensated Effort			√	
Department of Technology	√			
Environmental Health and Safety			√	
Event Center Beverages	√			
Financial Aid and Special Circumstances				√
Institute for Decision Making		√		
Regents Center for Early Developmental Education			√	
School of Kinesiology, Allied Health and Human Services	√			
School of Music				√
Special and Summer Compensation	√			
Speech and Hearing Clinic	√			
Student Life and Event Services		√		
Tall Grass Prairie Center		√		
Theatre Department	√			
UNItix			√	