

**Audit and Compliance Committee Memorandum**  
Board of Regents, State of Iowa

**Subject:** Revised Committee Work Plan and Committee Activity Review

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**Date Submitted:** January 19, 2005

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**Recommended Action:**

Review the revised Committee work plan and Committee activities to date.

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**Executive Summary:**

The Board changed its committee structure in May 2004 and created an Audit and Compliance Committee. This Committee's responsibilities, while similar to activities previously completed by the Board's Banking Committee, are more extensive.

Since its inception, the Committee has:

- Established an evolving annual work plan.
- Reviewed numerous audits, including direct discussions with the internal and external auditors.
- Related to Sarbanes-Oxley:
  - Revised audit policies to incorporate associated issues.
  - Discussed best practices for institutional implementation.
- For internal audits:
  - Established a simplified "dashboard" format with definitions for reviewing criticality/materiality, assessments of findings, and follow-up.
  - Developed a new methodology for providing Committee input into the internal audit planning.
- Discussed institutional practices related to the Sarbanes Oxley Act.
- Created a claims activity report.

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**Background / Analysis:**

The Audit and Compliance Committee was established in May 2004 for the following purposes:

- Receiving and reviewing information about internal and external audit functions related to the operation of all Regent institutions
- Oversight of security planning across the Regent enterprise
- Evaluating the annual audit plans proposed by internal auditors, with emphasis on financial control systems, mitigation of major risks, operational efficiencies, and compliance matters
- Reviewing all reports prepared by internal auditors of the Regent institutions
- Assuring continued evaluation, improvement, and adherence to all Board and institutional policies, procedures, and practices
- Facilitating an open avenue of communication among the independent auditors, financial and senior management, internal auditors, the Committee, and the Board of Regents
- Preparing an annual committee plan that defines the scope of the committee work, establishes benchmarks, and identifies indicators of committee progress
- Gathering information on issues and policies pertinent to the committee's work, which may include directing the work and considering the reports of special and interinstitutional committees of the Board of Regents
- Developing short-term and long-term recommendations to the Board of Regents after thoughtful consideration of relevant issues and policies
- Regularly reporting to the Board of Regents regarding the status of the committee's assignments and accomplishments

**Revised Audit and Compliance Committee Work Plan**  
Board of Regents, State of Iowa

February 2-3, 2005 SUI	May 4-5, 2005 IBSSS/Cedar Rapids	August 3-4, 2005 Davenport	November 2-3, 2005 SUI	February 1-2, 2006
<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Semi-annual claims activity report</li> <li>• Discussion of internal audits</li> <li>• Discussion of guidance for enterprise-wide focus for internal audit plans</li> <li>• Discussion of external audits, including bond audits</li> <li>• Committee activity review and self-assessment</li> <li>• Anticipated issues for May 4-5 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of internal audits</li> <li>• Institutional status report on Sarbanes-Oxley activities</li> <li>• Discussion of 2005-2006 committee work plan</li> <li>• Anticipated issues for August 3-4 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Semi-annual claims activity report</li> <li>• Presentation by State Auditor and discussion of state audit reports for FY 2004</li> <li>• Evaluation of institutional internal audit plans</li> <li>• Discussion of internal audits</li> <li>• Anticipated issues for November 2-3 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of internal audits</li> <li>• Anticipated issues for February 1-2 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Semi-annual claims activity report</li> <li>• Discussion of internal audits</li> <li>• Discussion of guidance for enterprise-wide focus for internal audit plans</li> <li>• Discussion of external audits</li> <li>• Committee activity review and self-assessment</li> <li>• Anticipated issues for May 3-4 meeting</li> </ul>

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