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

Recommended Action:
Review the revised Committee work plan and Committee activities to date.

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.
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

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