

**Contact: Andrea Anania**

**BOARD OF REGENTS, STATE OF IOWA  
UNIVERSITY OF IOWA  
IOWA MEMORIAL UNION, MAIN BALLROOM  
IOWA CITY, IOWA**

**AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE  
MINUTES OF APRIL 28, 2010**

**Committee Members**

Jack Evans (Chair)	Michael Gartner (absent)	Craig Lang (via phone)
Bonnie Campbell (absent)	Ruth Harkin	David Miles
Robert Downer	Greta Johnson	Rose Vasquez

**Staff Members**

Present: Bob Donley, Patrice Sayre, Todd Stewart

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

Chair Evans called the meeting to order at 2:05 p.m.

Regent Downer noted that six members of the Board constitute a quorum and that, at the current time, six members were not in attendance. General Counsel Tom Evans said that, in the absence of a quorum, reports can be received, but not acted upon.

**FY 2009 State Audit Reports**

Auditor of State David Vaudt and Deputy Auditor Andy Nielsen appeared before the Board.

Auditor Vaudt discussed the audits prepared by the Office of Auditor of State. He reported that the: (1) Comprehensive Annual Financial Report received a qualified opinion; (2) Single Audit Report contained one immaterial finding at SUI and one at ISU; they were appropriately addressed by management; (3) University Financial Reports received unqualified opinions; the auditors will perform follow up in next year's audit on two internal control comments related to UNI.

Auditor Vaudt thanked Regent employees and Chair Evans thanked Auditor Vaudt.

➤ The Committee received the reports by GENERAL CONSENT.

**Internal Audit Reports Issued**

Internal Audit Director Todd Stewart introduced SUI Assistant Director Auditor Deb Johnston and elaborated on her education and experience. Director Stewart and Assistant Director Johnston discussed the audit reports presented this month.

Assistant Director Johnston provided highlights on the significant findings in the EPIC Cardiant Audit. UIHC Associate Vice President and Chief Executive Officer Ken Kates, Associate Vice President for Information Systems Lee Carmen, and Associate Vice President for Finance Ken Fisher joined the discussion.

Regent Downer said in his preparation for the UIHC Committee meeting, he had a discussion with Messrs. Kates, Fisher, and Robillard; asked for additional personnel to attend the April 29<sup>th</sup> Board meeting to answer questions; was pleased with responses to his questions and the seriousness in which this matter is being handled; and noted the good work of the internal audit staff.

In response to Chair Evans, Director Stewart discussed the plan for continued work on the audit for the balance of the year.

*Regent Johnson joined the meeting in person and President Miles joined the meeting via phone.*

In response to Regent Harkin, Director Stewart said the reason the Sexual Harassment Policy audit was performed at SUI and not Regent wide at this time was due to the issues over the past several years at SUI.

Regent Evans thanked Director Stewart and SUI Assistant Director Johnston and noted the importance of the internal function.

- The Committee received the reports by GENERAL CONSENT.

#### **Approve Minutes from March 24, 2010, Committee Meeting**

- MOVED by DOWNER, SECONDED by HARKIN, to approve the minutes from the March 24, 2010, Committee Meeting. Motion APPROVED unanimously.

#### **External Audit Reports**

##### **UIHC AUDIT**

KPMG Senior Manager Tyler Marsh joined the meeting via phone and said KPMG: (1) issued an unqualified opinion on the financial statements; (2) identified no internal control deficiencies; and (3) encountered no major issues or difficulties in connection with the audit.

Regent Downer asked about the significant percentage increase in the accounts receivable for the College of Medicine (COM). Associate Vice President Fisher will get that information to Regent Downer.

Chair Evans noted the numbers for indigent patient care and other charity care.

- The Committee received the report by GENERAL CONSENT.

##### **IOWA PUBIC RADIO AUDIT**

Chief Business Officer Patrice Sayre said: (1) on the financial side, the audit had a clean opinion with no findings reported; and (2) on the internal control side, there were deficiencies, which were mostly due to the staffing level. She said the Iowa Public Radio Board is aware of the deficiencies and that they will be addressed in the short term after a general financial officer is hired.

Chair Evans asked Chief Business Officer Sayre to relay to the Iowa Public Radio Board that the Regents look to them to resolve the issues.

- The Committee received the report by GENERAL CONSENT.

##### **IOWA STATE CENTER BUSINESS OFFICE AUDIT - INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREE-UPON PROCEDURES**

The audit had a clean opinion.

- The Committee received the report by GENERAL CONSENT.

##### **GRADUATE CENTER AUDITS**

Clean opinions were issued for the Quad-Cities Graduate Study Center and the Siouxland Interstate Metropolitan Planning Council (SIMPCO) audit report, which includes the Tri-State Graduate Center.

- The Committee received the reports by GENERAL CONSENT.

##### **Committee Referral of Report to the Board**

- MOVED by DOWNER, SECONDED by HARKIN, to recommend that the Board receive the Committee report. Motion APPROVED unanimously.

Chair Evans adjourned the meeting at 2:35 p.m.