

Contact: Patrice Sayre

**BOARD OF REGENTS, STATE OF IOWA
AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE
MAUCKER UNION, OLD CENTRAL BALLROOM, ROOMS A AND B
UNIVERSITY OF NORTHERN IOWA
CEDAR FALLS, IOWA**

MINUTES OF AUGUST 5, 2009

Committee Members

Jack Evans (Chair)
Bonnie Campbell
Robert Downer

Michael Gartner
Ruth Harkin (absent)
Greta Johnson (absent)

Craig Lang
David Miles
Rose Vasquez

Staff Members

Bob Donley, Patrice Sayre, Todd Stewart

Others

Andy Nielsen, Office of Auditor of State
David Vaudt, Office of Auditor of State

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: www2.state.ia.us/regents. 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 8:35 a.m.

Approve Minutes from the June 10, 2009, Committee meeting

- MOVED by DOWNER, SECONDED by LANG, to approve the minutes of the June 10, 2009, meeting. MOTION APPROVED.

Auditor of State Report

FY 2008 STATE AUDIT REPORTS / FY 2009 AUDIT PLAN

Auditor of State David Vaudt discussed the: (1) final FY 2008 audit reports and recommendations; (2) FY 2009 audit plan; and (3) two special investigations performed on the UNI Camp Adventure Program and the UNI Price Laboratory School.

In response to Regent Downer, Deputy Auditor of State Andy Nielsen and Auditor Vaudt elaborated on GASB 52, Land and Other Real Estate Held as Investments by Endowments.

At President Miles' request, Auditor Vaudt talked about the State Auditor's Office's efforts with respect to the American Recovery and Reinvestment Act (ARRA) federal stimulus funds. Auditor Vaudt said that the Auditor's Office would be working with the institutions to make sure controls are in place to monitor expenditures of the ARRA funds.

- The Committee received the report by GENERAL CONSENT.

Internal Audit Director Report

FY 2009 AUDIT PROGRESS AND FY 2010 INTERNAL AUDIT PLANS

Internal Audit Director Todd Stewart discussed the FY 2009 progress and FY 2010 internal audit plans.

In response to President Miles, Director Stewart talked about the number of audits and internal audit staffs at the three universities.

- MOVED by MILES, SECONDED by LANG, to approve the FY 2010 Internal Audit Plans. MOTION APPROVED UNANIMOUSLY.

Internal Audit Reports Issued

Director Stewart discussed the internal audit reports issued and presented to the Committee this month.

Chair Evans thanked Director Stewart, commended him for a fine job and for putting together a competent, professional team; and stressed the importance of these services to the Regents enterprise.

Renewal of Associated Bond Contracts

- MOVED by DOWNER, SECONDED by MILES, to recommend that the Board approve the renewal of Associated Bond Contracts through August 31, 2010, for:
 - ◆ Ahlers & Cooney, P.C. as bond counsel;
 - ◆ Springsted Incorporated as financial advisor; and
 - ◆ Berens–Tate Consulting Group for arbitrage rebate services.

MOTION APPROVED UNANIMOUSLY.

Fund Manager Issues

Chair Evans postponed this item until the September meeting pending additional due diligence.

Chair Evans adjourned the meeting at 9:15 a.m.