

Contact: Andrea Anania

MINUTES OF SEPTEMBER 9, 2015, COMMITTEE MEETING

**MAUCKER UNION, OLD CENTRAL BALLROOM, ROOMS A AND B
UNIVERSITY OF NORTHERN IOWA
CEDAR FALLS, IOWA**

Committee Members

Mary Andringa	Milt Dakovich	Katie Mulholland
Sherry Bates	Rachael Johnson	Bruce Rastetter
Patty Cownie (Vice Chair)	Larry McKibben (Chair)	Subhash Sahai

Others

Bradley Baker, Wilshire Consulting
Mary Mosiman, Auditor of State
Andrew Nielsen, Deputy Auditor of State
Marlin Pease, Wilshire Consulting

Chair McKibben called the meeting to order at 10:15 a.m.

Minutes of June 4, 2015, Committee Meeting

➤ The minutes of the June 4, 2015, Committee Meeting were approved by GENERAL CONSENT.

FY 2015 State Audit Plan

State Auditor Mary Mosiman and Deputy Auditor Andrew Nielsen discussed the June 30, 2015, state audit plan.

State Auditor Mosiman highlighted professional standards; discussed anticipated audit scopes, approaches, and deliverables; and covered anticipated timelines, staffing plans, hours, and fees.

➤ By GENERAL CONSENT, the Committee received the FY 2015 State Audit Plan.

State Audit Reports

State Auditor Mary Mosiman discussed the following audit reports:

- ▶ FY 2014 state audit reports for the University of Iowa and Iowa School for the Deaf; no comments were reported in the reports for Iowa State University, University of Northern Iowa, Iowa School for the Deaf, and the Board Office;
- ▶ Report of Recommendations to the State University of Iowa on a Review of Selected General and Application Controls over the University's MAUI Student Financial Aid System;
- ▶ Report on Special Investigation of the University of Iowa Health Care Department of Orthopaedics and Rehabilitation;
- ▶ Report of Recommendations to Iowa State University of Science and Technology on a Review of Selected General and Application Controls over the Kuali Financial System;
- ▶ Report of Recommendations to the University of Northern Iowa on a Review of Selected General and Application Controls over the University's Facility Administration and Maintenance Information System; and
- ▶ Report on Special Investigation of the University of Northern Iowa College of Education – Curriculum and Instruction Department

State Auditor Mosiman said all responses were positive and are headed in the right direction and required follow-up would be performed.

➤ By GENERAL CONSENT, the Committee received the State Audit Reports.

FY 2015 Audit Progress and FY 2016 Internal Audit Plans

Chief Audit Executive Todd Stewart told the Committee about a recent health issue his daughter experienced resulting in a four-day inpatient stay at UIHC. As an auditor, he said he views UIHC as a business. But, as a family member of a patient, he viewed UIHC differently. He said he was glad to have a world-class hospital in Iowa City and expressed appreciation to Vice President for Medical Affairs Dr. Robillard, Chief Executive Officer Ken Kates, and UIHC staff for the work they do to provide excellent care to patients.

He then summarized the progress reports for FY 2015 and the internal audit plans for FY 2016.

In response to a question from Chair McKibben, Chief Audit Executive Stewart elaborated on operations and efficiency audits as they relate to the TIER study.

- By GENERAL CONSENT, the Committee received the FY 2015 Audit Progress report and recommended that the Board approve the FY 2016 Internal Audit Plans.

Internal Audit Reports Issued

Chief Audit Executive Todd Stewart summarized the original and follow-up reports presented this month.

- By GENERAL CONSENT, the Committee received the Internal Audit Reports Issued.

Internal Audit Charter

Chief Audit Executive Todd Stewart reviewed the internal audit charter.

- By GENERAL CONSENT, the Committee recommended that the Board renew the Internal Audit Charter.

Investment and Cash Management Report for the Quarter Ended June 30, 2015

Wilshire Consulting Managing Director Marlin Pease provided an economic backdrop for the quarter ended June 30, 2015, which concentrated on three major issues that have occurred within the global economy: drop in the price of oil, strength of the dollar, and deflation.

Wilshire Vice President Bradley Baker provided highlights on the investment performance for the institutions' operating, intermediate, and long-term endowment portfolios.

- By GENERAL CONSENT, the Committee received the Investment and Cash Management Report for the quarter ended June 30, 2015.

Annual Review of Peer Group Comparisons

Wilshire Vice President Bradley Baker provided highlights on the fourth annual review of peer group comparisons.

- By GENERAL CONSENT, the Committee received the Annual Review of Peer Group Comparisons.

Fund Manager Issue

Wilshire Managing Director Marlin Pease explained the proposed fund manager issue.

- By GENERAL CONSENT, the Committee recommended that the Board approve FTSE EPRA/NAREIT Developed Index as the new investment pool benchmark for Global REITs.

Chair McKibben adjourned the meeting at 11:10 a.m.

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. Audio of the meeting is also available on the web site.