

Contact: Andrea Anania

MINUTES OF SEPTEMBER 10, 2014, COMMITTEE MEETING

**SUN ROOM, MEMORIAL UNION
IOWA STATE UNIVERSITY
AMES, IOWA**

Committee Members

Nicole Carroll
Milt Dakovich
Robert Downer (Chair)

Ruth Harkin
Larry McKibben
Katie Mulholland

Bruce Rastetter
Subhash Sahai
Hannah Walsh

Others

Mike Dudkowski, Wilshire Consulting
Mary Mosiman, Auditor of State's Office
Andrew Nielsen, Auditor of State's Office
Todd Stewart, Board Office

Chair Downer called the meeting to order at 9:04 a.m.

Minutes of August 6, 2014, Committee Meeting

- MOVED by CARROLL, SECONDED by MULHOLLAND, to approve the minutes of the August 6, 2014, Committee meeting. MOTION APPROVED UNANIMOUSLY.

FY 2014 State Audit Plan

Auditor of State Mary Mosiman and Deputy Auditor of State Andrew Nielsen discussed the June 30, 2014, audit plan.

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

- The Committee received the plan by GENERAL CONSENT.

State Audit Reports

Auditor of State Mosiman discussed the following audit reports: (1) FY 2013 state audit reports for the University of Iowa, Iowa State University, and Iowa Braille and Sight Saving School; no comments were reported in the University of Northern Iowa, Iowa School for the Deaf, and Board Office reports; and (2) the Special Investigation of the University of Iowa Athletic Ticket Office and Hawkeye Express.

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

- The Committee received the reports by GENERAL CONSENT.

State Auditor Review of University Financial Statements

Deputy Auditor of State Nielsen reported on the State Auditor's Office review of the reporting of cash and cash equivalents at the universities.

- The Committee received the review by GENERAL CONSENT.

FY 2014 Audit Progress and FY 2015 Internal Audit Plans

Chief Audit Executive Todd Stewart summarized the progress reports for FY 2014 and the internal audit plans for FY 2015.

In response to Regent Sahai, Chief Audit Executive Stewart discussed internal audit staffing levels at each university.

- By GENERAL CONSENT, the Committee received the FY 2014 Audit Progress report and recommended that the Board approve the FY 2015 Internal Audit Plans.

Internal Audit Reports Issued

- The Committee received the reports by GENERAL CONSENT.

Internal Audit Charter

Chief Audit Executive Todd Stewart reviewed the internal audit charter.

- The Committee recommended that the Board approve the charter by GENERAL CONSENT.

Investment and Cash Management Report for the Quarter Ended June 30, 2014

Mike Dudkowski from Wilshire Consulting provided highlights on 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, 2014.

Annual Review of Peer Group Comparisons

Mike Dudkowski provided highlights on the third annual review of peer group comparisons.

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

Revision to the Board of Regents Policy Manual – Chapter 7

Mike Dudkowski explained the proposed revision.

- By GENERAL CONSENT, the Committee recommended that the Board approve, as a first and final reading, the revision to the Board of Regents Policy Manual – Chapter 7.

Fund Manager Issues

Mike Dudkowski explained the proposed fund manager strategies.

- By GENERAL CONSENT, the Committee recommended that the Board approve the following fund manager strategies:
 - ▶ AllianceBernstein Global-Plus Fixed Income
 - ▶ Brandywine Global Opportunistic Fixed Income
 - ▶ Dodge & Cox Global Bond Fund

Chair Downer adjourned the meeting at 9:50 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.