

Contact: Andrea Anania

MINUTES OF APRIL 11, 2018
AUDIT AND COMPLIANCE COMMITTEE MEETING

LIED MULTIPURPOSE COMPLEX – COMMUNITY ROOM
IOWA SCHOOL FOR THE DEAF
COUNCIL BLUFFS, IOWA

Committee Members

Sherry Bates
Nancy Boettger
Patty Cownie

Nancy Dunkel (Chair)
Milt Dakovich
Rachael Johnson

Larry McKibben (Vice Chair)
Michael Richards
Subhash Sahai (absent)

Chair Dunkel called the meeting to order at 3:50 p.m.

Minutes of February 21, 2018, Committee Meeting

- MOVED by BATES, SECONDED by DAKOVICH, to approve the minutes from the February 21, 2018, Committee meeting. MOTION APPROVED UNANIMOUSLY.

State Audit Reports

Chair McKibben welcomed Auditor of State Mary Mosiman and Deputy Auditor of State Andy Nielsen.

Auditor of State Mosiman:

- ▶ Reported an unmodified opinion for the state of Iowa Comprehensive Annual Financial Report, which means that the financial statements present fairly the financial position of the activities and major funds for FY 2017;
- ▶ Said the state of Iowa Single Audit Report contained no instances of noncompliance with the Regents' portion of federal financial assistance monies;
- ▶ Reported each university received an unmodified opinion on their respective stand-alone financial statements and said nothing in the internal control reports rose to the level of material weakness; and
- ▶ Reminded the Committee that:
 - ◆ GASB 75 will be implemented by the Regents institutions for FY 2018. Once implemented, the universities' statements of net position will report the entire other post-employment benefits (OPEB) liability rather than the net OPEB liability currently reported; and
 - ◆ GASB 87 will be implemented by the Regents institutions for FY 2021. Each university will report capital assets and related liabilities for leases that are not currently reported and notes to the financial statements will also include notes on the timing, significance, and purpose of university leasing arrangements; and
- ▶ Thanked Regents employees for their cooperation.
- By GENERAL CONSENT, the Committee recommended that the Board receive the State Audit Reports.

Internal Audit Reports Issued

Chief Audit Executive Patrice Sayre summarized the original and follow-up reports presented this month.

In response to a question from Regent Dunkel, CAE Sayre elaborated on the completion of follow-up audits.

- By GENERAL CONSENT, the Committee recommended that the Board receive the Internal Audit Reports Issued.

External Audit Reports

IOWA PUBLIC RADIO

CPA Roger Nearmyer of Nearmyer and Associates reported the FY 2017 Iowa Public Radio audit received an unmodified opinion and financial statements were presented fairly. With respect to internal control over financial reporting on compliance and other matters, no deficiencies considered to be material weaknesses were identified nor were there any instances of noncompliance.

In response to a question from Regent Dunkel, CPA Nearmyer said Iowa Public Radio has approximately 50 employees.

QUAD-CITIES GRADUATE STUDY CENTER

Regent Dunkel reported on the Quad-Cities Graduate Study Center audit report for FY 2017. She said: (1) the audit concluded that the financial statements presented fairly; (2) auditors identified a deficiency in internal control with respect to proper segregation of duties in areas of cash receipts and cash disbursements, which increases the possibility that errors or irregularities may occur and not be detected on a timely basis. The Center may not be able to fully achieve an ideal segregation of duties due to the small number of people employed in administrative functions; and (3) no instances of noncompliance or other matters were identified.

- By GENERAL CONSENT, the Committee received the External Audit Reports.

Chair Dunkel adjourned the meeting at 4:15 p.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.iowaregents.edu>. 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 website.
