

Contact: Andrea Anania

MINUTES OF AUGUST 4, 2011, COMMITTEE MEETING

**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**

Committee Members

Jack Evans (Chair)
Nicole Carroll
Robert Downer

Ruth Harkin
Greta Johnson (via phone)
Craig Lang

David Miles
Katie Mulholland
Bruce Rastetter

Others

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

Chair Evans called the meeting to order at 8:38 a.m.

Minutes of June 8, 2011, Committee Meeting

- MOVED by HARKIN, SECONDED by CARROLL, to approve the minutes of the June 8, 2011, Committee Meeting. MOTION APPROVED UNANIMOUSLY.

State Audit Reports

Chair Evans welcomed Auditor of State David Vaudt and Deputy Auditor of State Andy Nielsen.

Auditor Vaudt addressed the state audit reports issued. He said follow up will be performed to assure corrective actions have been implemented. He reported very few comments and recommendations were made, which shows that the institutions and the Board Office are doing an excellent job of handling financial information.

- MOVED by HARKIN, SECONDED by RASTETTER, to receive the following state audit reports:
 - ◆ University of Iowa
 - ◆ Iowa State University
 - ◆ University of Northern Iowa
 - ◆ Iowa School for the Deaf
 - ◆ Board Office

MOTION APPROVED UNANIMOUSLY.

FY 2011 State Audit Plan

Auditor Vaudt highlighted recent professional standards; GASB statements; anticipated audit scopes; approaches and deliverables; audit areas; timeline of audit work; as well as financial and compliance audit hours, fees and expenses.

- The Committee received the plan by GENERAL CONSENT.

Internal Audit Director Report

Internal Audit Director Todd Stewart summarized the progress reports for FY 2011, the internal audit plans for FY 2012, and the audit reports presented this month.

- MOVED by MULLHOLLAND, SECONDED by HARKIN, to recommend that the Board:
 - ◆ Receive the progress reports for the universities' FY 2011 audit plans and approve the FY 2012 internal audit plans; and
 - ◆ Receive the internal audit reports issued.

MOTION APPROVED UNANIMOUSLY.

Fund Manager Recommendation

Chief Business Officer Patrice Sayre provided an overview on the recommendation.

- MOVED by DOWNER, SECONDED by CARROLL, to recommend that the Board approve:
 - ◆ Neuberger Berman's Full Market High Yield strategy in the long-term endowment portfolios; this selection replaces Post Advisory Group following organizational developments which included material personnel changes; and
 - ◆ Transition and implementation as described in the memorandum.

MOTION APPROVED UNANIMOUSLY.

Chair Evans adjourned the meeting at 9:10 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.