

Contact: Andrea Anania

MINUTES OF APRIL 19, 2017
AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE MEETING

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

Committee Members

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

Others

Mary Mosiman, Auditor of State
Andy Nielsen, Deputy Auditor of State
Roger Nearmyer, Nearmyer & Associates, P.C. (via phone)
Doug Oest, Marquette Associates, Inc.

Chair McKibben called the meeting to order at 3:45 p.m.

Minutes of February 22, 2017, Committee Meeting

- MOVED by MCKIBBEN, SECONDED by DAKOVICH, to approve the minutes from the February 22, 2017, 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/clean opinion was issued on 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 2016;
 - ▶ Said the state of Iowa Single Audit Report contained no instances of noncompliance with the Regents' portion of federal financial assistance monies;
 - ▶ Reported that each university received an unmodified/clean opinion on their respective stand-alone financial statements and said nothing in the internal control reports rose to the level of a material weakness;
 - ▶ Reminded the Committee the Office of Auditor of State will issue reports of recommendation in late spring or early summer should auditors identify issues which corrective action is necessary;
 - ▶ Reported GASB 72 was successfully implemented for FY 2016, thanked financial staff at the universities, and said notes in the individual financial statements will now include comprehensive information about the universities' investments;
 - ▶ Reminded the Committee GASB 75 will be implemented by the Regents institutions for FY 2018. Once implemented, the statements of net position will report the entire Other Post-Employment Benefits (OPEB) liability, rather than the net OPEB liability currently reported. This statement will have a significant effect on liabilities because it will cover all employees; and
 - ▶ Thanked Regents employees for their professionalism and President Rastetter and President Pro Tem Mulholland for their service.
- By GENERAL CONSENT, the Committee recommended that the Board receive the State Audit Reports.

Internal Audit Reports

Chief Audit Executive Todd Stewart summarized the original and follow-up reports presented this month, gave a brief update on internal audit staffing, and said a Request for Proposals was issued to conduct a quality assessment review as is required every five years; eight bids were received and are being reviewed.

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

External Audit Reports

IOWA PUBLIC RADIO

CPA Roger Nearmyer, Nearmyer and Associates, P.C. reported the FY 2016 Iowa Public Radio (IPR) audit received an unmodified/clean opinion. The financial statements present fairly in all material respects the net position of IPR and its changes in net position and cash flows for the year ended. With respect to internal control over financial reporting laws and regulations, no deficiencies considered to be material weaknesses were identified nor were there any instances of noncompliance.

QUAD-CITIES GRADUATE STUDY CENTER

Chair McKibben said the Quad-Cities Graduate Study Center did not have an audit performed for FY 2016. The Center received a \$5,000 grant from the State of Iowa and did not receive any money from the State of Illinois due to its budget crisis and an audit would have cost \$4,500, which would have been cost prohibitive.

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

Investment and Cash Management Report for the Quarter Ended December 31, 2016

Chair McKibben welcomed Marquette Managing Partner Doug Oest. He gave an overview of the market and provided highlights on the investment performance for the institutions' operating, intermediate, and long-term endowment portfolios for the quarter ended December 31, 2016.

- By GENERAL CONSENT, the Committee recommended that the Board receive the Investment and Cash Management Report for the Quarter Ended December 31, 2016.

Chair McKibben adjourned the meeting at 4:33 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.
