

Contact: Andrea Anania

MINUTES OF FEBRUARY 3, 2011

AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE
BOARD OF REGENTS, STATE OF IOWA

IOWA CITY SHERATON HOTEL
AMOS DEAN BALLROOM – LOWER LEVEL
210 SOUTH DUBUQUE STREET
IOWA CITY, IOWA

Committee Members

Jack Evans (Chair)
Bonnie Campbell
Robert Downer

Michael Gartner
Ruth Harkin
Greta Johnson

Craig Lang (absent)
David Miles
Rose Vasquez (absent)

Chair Evans called the meeting to order at 9:40 a.m.

Minutes of December 9, 2010, Telephonic Committee Meeting

- MOVED by DOWNER, SECONDED by HARKIN, to approve the minutes of the December 9, 2010, Telephonic Committee Meeting.

Internal Audit Reports Issued

Internal Audit Director Stewart introduced Chad Sharp, IT Audit Specialist. Mr. Sharp provided an overview on the EPIC – Ophthalmology internal audit report. Mr. Sharp responded to questions from Chair Evans on the timeline to meet requirements and confirmed that Internal Audit will follow up during the first quarter of FY 2012.

At President Miles' request, UIHC Chief Executive Officer Ken Kates provided comments on EPIC's implementation.

Director Stewart highlighted the remaining audit reports presented this month.

Chair Evans reported that Director Stewart reviews all audits with him prior to every meeting.

In response to Regent Downer's question on the University Bank Accounts Audit, Director Stewart discussed the policies put in place to deter unauthorized bank accounts from being created in the universities names.

President Miles said that the internal audit function is valuable and creates confidence in the institutions. He was also pleased that the Office of the President at each of the universities is audited regularly.

- The Committee received the original and follow-up internal audit reports by GENERAL CONSENT.

New Investment Asset Allocation and Fund Manager Selection

Vice President Doug True provided an overview on the requests. In response to President Miles, he explained the similarities and differences between the intermediate-investment pool and the short-term investment pool.

- MOVED by MILES, SECONDED by HARKIN, to recommend that the Board approve the following:
 - ◆ A diversified intermediate investment pool as an alternative to the 100% fixed income quasi endowment pool at the University of Iowa; and
 - ◆ Use of State Street Index Funds as well as Vanguard Funds for diversified investment options.

MOTION APPROVED UNANIMOUSLY.

Chair Evans adjourned the meeting at 9:55 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.