



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE \_\_\_\_\_

July 9, 2012

Contact: Andy Nielsen  
515/281-5834

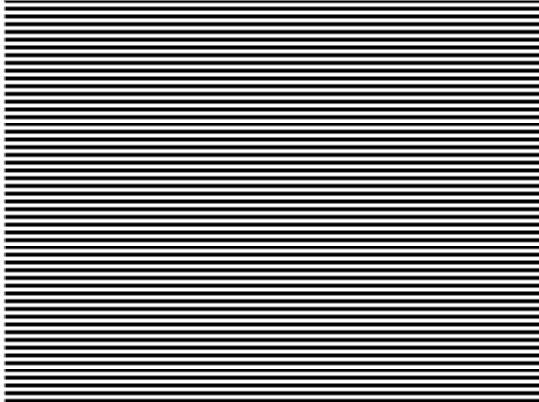
Auditor of State David A. Vaudt today released a report on the Board of Regents for the year ended June 30, 2011.

The Board of Regents governs the State University of Iowa, Iowa State University of Science and Technology, the University of Northern Iowa, the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

A copy of the report is available for review in the office of the Board of Regents, State of Iowa, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1260-6150-BR00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE  
BOARD OF REGENTS, STATE OF IOWA**

**JUNE 30, 2011**

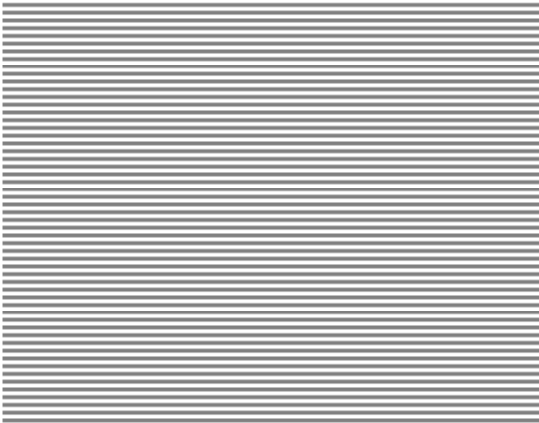
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June 29, 2012

To the Members of the Board of Regents,  
State of Iowa:

The Board of Regents is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2011.

In addition to these reports, we also prepare a separate report of recommendations pertaining to each Board's internal control, compliance with statutory requirements and other matters when our audits disclose findings we believe should be brought to your attention.

In conducting our audit, we became aware of an aspect concerning the Board of Regent's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation pertaining to the Iowa Board of Regent's internal control which is reported on the following page. We believe you should be aware of this recommendation. This recommendation has been discussed with Board personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the Iowa Board of Regent's response, we did not audit the Iowa Board of Regent's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Board of Regents, citizens of the State of Iowa and other parties to whom the Iowa Board of Regents may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Board during the course of our audits. Should you have questions concerning the above information, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audit of the Board of Regents are listed on page 5 and they are available to discuss this matter with you.

DAVID A. VAUDT, CPA  
Auditor of State

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2011

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

**Findings Reported in the State's Report on Internal Control:**

No matters were noted.

**Other Finding Related to Internal Control:**

Financial Reporting – The Board Office is required to submit a GAAP package each year with financial information which is not available on the Integrated Information for Iowa (I/3) system. Included in the GAAP package is financial information for the Motor Vehicle Insurance Fund for the Board of Regents. For fiscal year 2011, an actuary developed the estimate for the liability resulting from the incurred but not reported (IBNR). However, the actuarial report was not made available to the Board Office in time for the actuarial IBNR amount to be included in the fiscal year 2011 GAAP package.

An IBNR estimate of \$1,777,677 was reported in the 2011 GAAP package for the Motor Vehicle Insurance Fund liabilities. However, the estimate subsequently provided by the actuary was \$1,282,510, a difference of \$495,167.

Recommendation – The Board Office should work with the actuary to obtain a timely IBNR estimate for the Motor Vehicle Insurance Fund for use in the GAAP package.

Response – The Board Office will work with the University of Northern Iowa, who manages the Motor Vehicle Insurance Fund for the Board of Regents, and University Risk Managers to finalize actuarial calculations in order to meet GAAP submission deadlines. The Board Office acknowledges that, due to the timing of these estimates, this report comment may also occur in the next fiscal year before being in the correct cycle.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Report of Recommendations to the Board of Regents, State of Iowa

June 30, 2011

**Staff:**

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager  
Jennifer M. Kopp, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audit include:

Samantha J. Brincks, CPA, Staff Auditor  
Karie A. Meisgeier, Assistant Auditor  
Daniel J. Mikels, Assistant Auditor