



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE _____

July 11, 2006

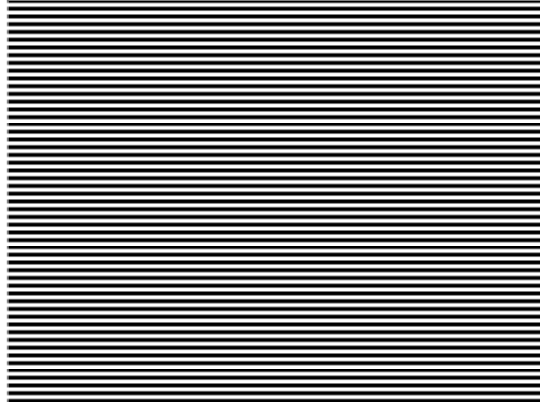
Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released a report on the Board of Regents, State of Iowa for the year ended June 30, 2005.

The Board of Regents governs the State University of Iowa, Iowa State University of Science and Technology, University of Northern Iowa, Iowa School for the Deaf and 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/reports.htm>.

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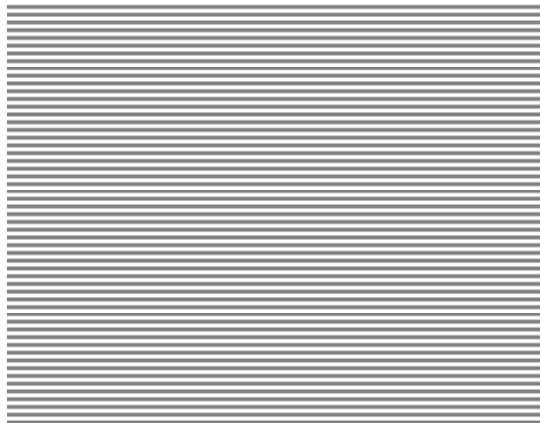
**REPORT OF RECOMMENDATIONS TO THE
BOARD OF REGENTS, STATE OF IOWA**

JUNE 30, 2005

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
Auditor of State





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July 5, 2006

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

The Board of Regents, State of Iowa 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, 2005.

In conducting our audits, we became aware of certain aspects concerning the Board's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation which pertains to the Board's internal control. This recommendation has been discussed with Board personnel and their response to this recommendation is included in this report.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Board of Regents, citizens of the State of Iowa and other parties to whom the 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 matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Board of Regents, State of Iowa are listed on page 5 and they are available to discuss these matters with you.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Thomas J. Vilsack, Governor
Michael L. Tramontina, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

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

June 30, 2005

Findings Reported in the State's Single Audit Report:

No matters were noted.

Finding Related to Internal Control:

Board Minutes – Beginning in August 2005, minutes from the Board of Regents meetings have not been signed.

Recommendation – To strengthen internal controls and authenticate the record, Board minutes should be signed.

Response – The Board Office has implemented significant changes to processing Board docket materials, including Board minutes, through the incorporation of electronic media. Multiple office professionals review the draft minutes, which are initialed by the Executive Director. The minutes are then extensively distributed prior to Board action. After discussions with the State Auditor's Office, the Board Office will retain the initialed copy of the minutes with the official docket materials.

Previously, all memos to the Board, including minutes, contained staff signatures. The previous signatures on the minutes did not actually authenticate the official record since they were always signed prior to any Board action.

Conclusion – Response accepted.

Finding Related to Statutory Requirements and Other Matters:

No matters were noted.

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

June 30, 2005

Staff:

Questions or requests for further assistance should be directed to:

Cynthia L. Weber, CPA, Manager
Stephanie A. Bernard, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Tracy L. Haronick, Assistant Auditor
Andrew J. Muff, Assistant Auditor