



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE _____

July 3, 2013

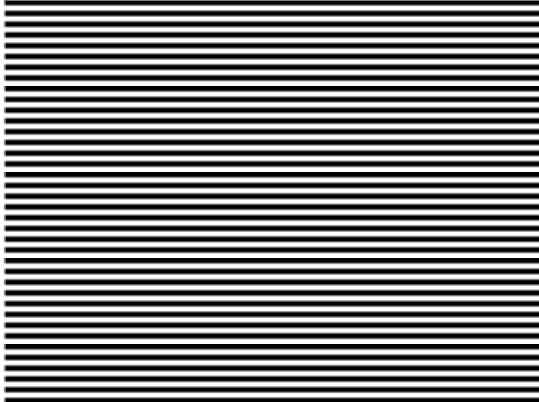
Contact: Andy Nielsen
515/281-5834

The Office of Auditor of State today released a report on the Board of Regents for the year ended June 30, 2012.

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, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1360-6150-BR00.pdf>.

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

JUNE 30, 2012

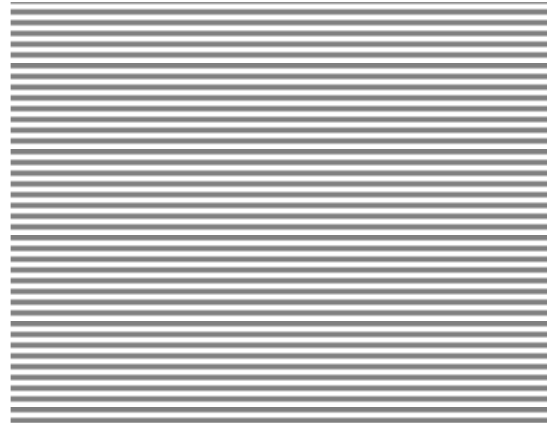
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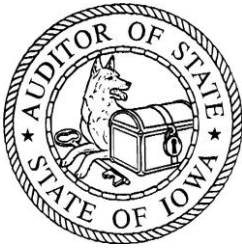
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June 28, 2013

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, 2012.

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 compliance with statutory requirements and other matters 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 them with you at your convenience. Individuals who participated in our audits of the Board of Regents are listed on page 5 and they are available to discuss this matter with you.


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, 2012

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 Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Personal Service Contracts – The Board of Regents policy manual provides general guidelines to be used when entering into personal service contracts.

Of six personal service contracts tested, the following were noted:

- (1) One contract did not have a specific end date.
- (2) One contract did not include a maximum cost for all services provided.
- (3) One contract was not signed by the Board of Regents.

Recommendation – The Board Office should ensure the policy manual is followed. All personal service contracts should contain the terms and conditions required and all contracts should be signed by the Board of Regents and the vendor prior to execution.

Response – The Board Office will examine contracts carefully and set maximum costs. If the intent is for a contract to be open-ended, management will include the rationale for that determination within the contract or set an end date which may be negotiated, if necessary, to allow the purpose of the contract to be fulfilled. The Board Office will also improve oversight of contracts and enforce more strictly the use of a central location for completed contracts.

Conclusion – Response accepted.

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

June 30, 2012

Staff:

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager
Brooke A. Robb, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Joshua W. Ostrander, Assistant Auditor
Jesse J. Probasco, Assistant Auditor