

**BOARD OF REGENTS and its
AUDIT, COMPLIANCE AND TITLE IX COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**

Cedar Building, Marlette Hall
Western Nevada College
2201 West College Parkway, Carson City
Thursday, September 5, 2019

Members Present: Dr. Patrick R. Carter, Chair
 Mr. Trevor Hayes, Vice Chair
 Mrs. Carol Del Carlo
 Mr. Donald Sylvantee McMichael Sr.
 Ms. Laura E. Perkins

Others Present: Mr. Joe Sunbury, Chief Internal Auditor
 Dr. Karin M. Hilgersom, President, TMCC

Ms. Brigette Glynn, System Administration Faculty Senate Chair, was in attendance.

For others present please see the attendance roster on file in the Board Office.

Regent Del Carlo called the meeting to order at 11:00 a.m. with all members present. Regent Del Carlo was asked to chair the meeting due to Chair Carter and Vice Chair Hayes both attending by phone.

1. Information Only – Public Comment – None.
2. Approved – Consent Items – The Committee recommended approval of the consent items.
 - 2a. Approved – Minutes – The Committee recommended approval of the June 6, 2019, meeting minutes. *(Ref. A-2a on file in the Board Office.)*
 - 2b. Approved – Follow-Up: Change in Leadership, CSN – The Committee recommended approval and acceptance of the follow-up response to the audit report of CSN Change in Leadership for the period July 1, 2016, through January 31, 2018. *(Ref. A-2b on file in the Board Office.)*
 - 2c. Approved – Follow-Up: Purchasing Card Program, WNC – The Committee recommended approval and acceptance of the follow-up response to the audit report of WNC Purchasing Card Program for the period July 1, 2017, through June 30, 2018. *(Ref. A-2c on file in the Board Office.)*
 - 2d. Approved – Follow-Up: Hosting, NSHE – The Committee recommended approval and acceptance of the follow-up response to the audit report of NSHE Hosting for the period July 1, 2017, through June 30, 2018. *(Ref. A-2d on file in the Board Office.)*

2. Approved – Consent Items – (Continued)

Chair Carter moved approval of the consent items.
Regent McMichael seconded. Motion carried.

(Audit Summary on file in the Board Office.)

3. Approved – Foundation, TMCC – The Committee recommended approval of the report and institutional response to the TMCC Foundation audit for the period July 1, 2017, through November 30, 2018. *(Ref. A-3 on file in the Board Office.)*

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-3* and noted recommendations in the following areas:

- Asset management, cash controls, investments, and sensitive equipment.
- Review of scholarships offered to ensure they are in-line with donor intent.

Chair Carter believed these were good recommendations and hoped the TMCC Foundation found the recommendations useful.

Chair Carter moved approval of the report and institutional response to the TMCC Foundation audit for the period July 1, 2017, through November 30, 2018. Regent McMichael seconded. Motion carried.

4. Approved – Grants Management, GBC – The Committee recommended approval of the report and institutional response to the GBC Grants Management audit for the period January 1, 2018, through December 31, 2018. *(Ref. A-4 on file in the Board Office.)*

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-4* and noted recommendations in the following areas:

- Cash management, effort reporting, and documentation related to expenditures.
- Enhancements to controls over award documentation and close-out procedures.

Chair Carter moved approval of the report and institutional response to the GBC Grants Management audit for the period January 1, 2018, through December 31, 2018. Regent Perkins seconded. Motion carried.

5. Approved – Audit Exception Report – The Committee recommended approval of the Audit Exception Report for the six months ended June 30, 2019. The Audit Exception Report is a compilation and status of the audit findings and activities of the Audit, Compliance and Title IX Committee for the six-month period. *(Ref. A-5 on file in the Board Office.)*

Chief Internal Auditor Sunbury reviewed *Ref. A-5* and noted four unresolved items, which is due to the combined efforts of enhancement tracking by the Committee and hard work of the institutions.

5. Approved – Audit Exception Report – (Continued)

Chair Carter stated the reduction in unresolved items is fantastic. Regent Del Carlo agreed and was thankful for the much smaller report.

Chair Carter moved approval of the Audit Exception Report for the six months ended June 30, 2019.
Regent McMichael seconded. Motion carried.

6. Approved – Internal Audit Department Work Plan, NSHE – The Committee recommended approval of the Internal Audit Department Work Schedule for the year ending June 30, 2020. (Ref. A-6 on file in the Board Office.)

Chief Internal Auditor Sunbury reviewed *Ref. A-6* and noted:

- The Internal Audit team's commitment to continuing education.
- Internal and external training is expected of the Internal Audit team.
- Internal Audit adds the most value when process improvements are recommended.
- Traditional audits have been redesigned to capture more process analysis.
- An outcome of the Incident Management System is that the audit plan can consider the data gathered, which will result in well-placed audits.
- External audit assistance by the Internal Audit Manager resulted in a savings of approximately \$25,000.

Regent McMichael commended the team on a job well done.

Chair Carter stated the Incident Management System is working well.

Chair Carter moved approval of the Internal Audit Department Work Schedule for the year ending June 30, 2020. Regent McMichael seconded. Motion carried.

7. Information Only – Internal Audit Departmental Updates and Emerging Risks, NSHE –

Chief Internal Auditor Sunbury updated the Committee on efforts regarding Internal Audit's pursuit of professional development, specifically, certifications. Department personnel has the following certifications:

- 1 Certified Public Accountant (CPA) (more in pursuit).
- 1 Certified Internal Auditor (more in pursuit).
- 1 Certified Information Systems Auditor.
- 1 Certified Fraud Examiner.
- 1 in pursuit of Payment Card Industry Compliance Certification.
- 1 in pursuit of Certification in Risk Management Assurance.

Chief Internal Auditor Sunbury stated he encourages the team to find something in a related field they are passionate about in order to provide value to the NSHE.

8. Information Only – Compliance Department Updates, NSHE – Chief Internal Auditor Sunbury provided general remarks on the NSHE Compliance Department activities during the past year. He highlighted a memorandum from Ms. Mistee Galicia, Director of Compliance. The scope of compliance obligations in higher education can be staggering. Regulations come from many different sources and cover a wide range of subject matter. Regulators and stakeholders expect effective monitoring and auditing functions at the campus level to prevent, identify, and remedy breaches of compliance obligations. The Compliance Department Work Plan was approved last year and includes the submission of a compliance inventory by each campus. Individual campuses are uniquely positioned to assess which individuals based on training, experience, and job function hold compliance responsibilities. The task was to prepare a comprehensive document that identifies the compliance obligations of the campus and the corresponding person responsible for compliance. The purpose of the inventory was to provide the System Office a central repository of compliance contacts for each campus and to assess gaps and risks. The campuses will use the inventory as a tool to conduct meaningful risk assessments. Ms. Galicia met with the campuses throughout the year, provided direction, and acted as a resource for the project. Each campus has now submitted their respective inventories.

Chief Internal Auditor Sunbury also provided an update on the Healthcare Activity Compliance Plan submitted by Ms. Galicia. Institutions that engage in the delivery of healthcare aim to do so with excellence and integrity. NSHE institutions that fulfill this role are to be commended. The Board of Regents, through the Compliance Charter, requires NSHE institutions that engage in the clinical practice of medicine or allied health care to develop and maintain a written compliance plan. The seven elements of an effective compliance plan include:

1. Implementation of written standards, policies and procedures;
2. Compliance program oversight and administration;
3. Screening and evaluation of employees, positions, vendors, and other agents;
4. Communication, education, and training on compliance issues;
5. Monitoring, auditing, and internal reporting systems;
6. Enforcing standards through well-publicized disciplinary guidelines; and
7. Responding properly to detected offenses and undertaking corrective actions.

Chief Internal Auditor Sunbury read comments from campuses related to the compliance inventory and how effective and useful it is.

9. Information Only – Title IX Updates, NSHE – Chief Internal Auditor Sunbury updated the Committee on the status of the NSHE Title IX policy review. Chief General Counsel Reynolds is facilitating the process of drafting proposed changes to the current policy based on input from the campuses. It was determined that policy revisions would move forward without waiting for a decision by the U.S. Department of Education on the proposed changes to federal law.

Vice Chair Hayes and Chair Carter believed this should remain as a standing item until changes to federal law are made to ensure NSHE is following best practices and making necessary changes.

10. Information Only – New Business – None.

11. Information Only – Public Comment – None.

The meeting adjourned at 11:27 a.m.

Prepared by:

Angela R. Palmer
Special Assistant and Coordinator
to the Board of Regents

Submitted for approval by:

Dean J. Gould
Chief of Staff and Special Counsel
to the Board of Regents

Approved by the Board of Regents at its December 5 & 6, 2019, meeting.