

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

University of Nevada, Las Vegas
Student Union, Ballroom
4505 S. Maryland Parkway, Las Vegas

Thursday, December 2, 2021

Members Present: Dr. Patrick R. Carter, Chair
Mrs. Carol Del Carlo, Vice Chair
Mr. Joseph C. Arrascada
Dr. Mark W. Doubrava
Dr. Jason Geddes
Mr. Donald Sylvantee McMichael Sr.

Other Regents Present: Ms. Amy J. Carvalho
Mr. Patrick J. Boylan
Mrs. Cathy McAdoo
Mr. John T. Moran
Ms. Laura E. Perkins
Dr. Lois Tarkanian

Others Present: Dr. Melody Rose, Chancellor
Dr. Constance Brooks, Vice Chancellor, Public Affairs and Advancement
Mr. Caleb Cage, Vice Chancellor, Workforce Development
Mr. Andrew Clinger, Chief Financial Officer
Ms. Keri Nikolajewski, Interim Chief of Staff to the Board
Mr. Joe Reynolds, Chief General Counsel
Ms. Tina Russom, Deputy General Counsel
Mr. Joe Sunbury, Chief Internal Auditor
Dr. Federico Zaragoza, President, CSN
Dr. Kumud Acharya, President, DRI
Ms. Joyce M. Helens, President, GBC
Dr. DeRionne P. Pollard, President, NSC
Dr. Keith E. Whitfield, President, UNLV
Mr. Brian Sandoval, President, UNR
Dr. Vincent R. Solis, President, WNC

Faculty senate chairs in attendance were: Dr. Julian Smit, CSN; Dr. Dave Rhode, DRI; Mr. Kevin Seipp, GBC; Mr. Glenn Heath, SA; Dr. Virginia Irintcheva, TMCC; Ms. Shannon Sumpter, UNLV; Dr. Amy Pason, UNR; and Mr. Jim Strange, WNC. Student body presidents in attendance were: Mr. Zachary Johnigan, ASCSN President, CSN; Ms. Lauren Porter, NSSA President, NSC; Ms. Darian Richards, SGA President, TMCC; Ms. Caren Yap, CSUN President, UNLV; Ms. Nicole Thomas, GPSA President, UNLV; Mr. Austin Brown, ASUN President, UNR; Mr. Matthew Hawn, GSA President, UNR; and Ms. Andrea Sanchez De Loza, ASWN President, WNC.

Chair Carter called the meeting to order at 11:15 a.m. with all members present except Regent Doubrava.

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 September 9, 2021, meeting minutes. *(Ref. A-2a on file in the Board Office.)*
 - 2b. Approved – Follow-Up: Foundation, GBC – The Committee recommended approval of the follow-up response to the audit report of GBC Foundation for the period July 1, 2019, through March 31, 2020. *(Ref. A-2b on file in the Board Office.)*
 - 2c. Approved – Follow-Up: Facilities Management, WNC – The Committee recommended approval of the follow-up response to the audit report of WNC Facilities Management for the period July 1, 2018, through February 29, 2020. *(Ref. A-2c on file in the Board Office.)*
 - 2d. Approved – Follow-Up: Hosting, UNR – The Committee recommended approval of the follow-up response to the audit report of UNR Hosting for the period July 1, 2019, through June 30, 2020. *(Ref. A-2d on file in the Board Office.)*

Regent Geddes moved approval of the Consent Items. Regent McMichael seconded. Motion carried. Regent Doubrava was absent.

3. Information Only – Chair’s Report – Chair Carter stated the quality assurance review would be heard today. The external reviewer was interested in the reporting lines of the Chief Internal Auditor to the Board of Regents.

Regent Doubrava entered the meeting.

(Audit Summary on file in the Board Office.)

4. Approved – Internal Audit Department Quality Assurance Review, NSHE – The Committee recommended approval of the independent validator statement and self-assessment for the Nevada System of Higher Education Internal Audit Department for the period January 1, 2015, through December 31, 2020. *(Ref. A-4 on file in the Board Office.)*

Chief Internal Auditor Joe Sunbury reviewed the *Audit Summary* and *Ref. A-4* and noted Independent Validators agreed that the assessment “generally conforms” with professional standards and gave the following continuous improvement opportunities:

- Implementing suggested risk and control matrices during individual engagement planning
- Formal Code of Ethics annual acknowledgment

4. Approved – Internal Audit Department Quality Assurance Review, NSHE – (Continued)

Regent McMichael moved approval of the independent validator statement and self-assessment for the Nevada System of Higher Education Internal Audit Department for the period January 1, 2015, through December 31, 2020. Regent Geddes seconded. Motion carried.

5. Approved – Change in Leadership, UNR – The Committee recommended approval of the report and institutional response to the UNR Change in Leadership audit for the period July 1, 2019, through September 30, 2020. (*Ref. A-5 on file in the Board Office.*)

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-5* and recommended one control improvement suggestion related to an after-the-fact purchase order.

Regent Geddes moved approval of the report and institutional response to the UNR Change in Leadership audit for the period July 1, 2019, through September 30, 2020. Regent McMichael seconded. Motion carried.

6. Approved – Hosting, WNC – The Committee recommended approval of the report and institutional response to the WNC Hosting audit for the period July 1, 2020, through June 30, 2021. (*Ref. A-6 on file in the Board Office.*)

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-6* and recommended management discussions related to insufficient hosting approval documentation.

Chief Internal Auditor Sunbury believed that with information available in Workday, there would be changes to how these audits are completed, such as a broader view of the System, a compare and contrast, and better data visualization.

Vice Chair Del Carlo moved approval of the report and institutional response to the WNC Hosting audit for the period July 1, 2020, through June 30, 2021. Regent Geddes seconded.

Regent Geddes asked for clarification as to the information that will be used from Workday. Chief Internal Auditor Sunbury stated historically blind samples were used, but with Workday, auditors may be able to do a compare and contrast, such as where is the hosting spending coming from and the given institutions.

Motion carried.

7. Information Only – Communications with those Charged with Governance, NSHE – Ms. Kim McCormick, Partner, Grant Thornton, LLP presented a report on Communications with Those Charged with Governance for the Nevada System of Higher Education for the year ended June 30, 2021. This is a report on communications related to the consolidated audit of the System and is required for compliance with the professional standards for CPA firms. *(Ref. A-7 on file in the Board Office.)*

Ms. McCormick reviewed *Ref. A-7* highlighting: audit timeline and scope; responsibilities; governance and management responsibilities; significant risks; significant risks and other areas of focus; major programs for Uniform Guidance Audit; areas of focus for Uniform Guidance Audit; technology support; COVID-19 pandemic; summary of uncorrected misstatements; summary of corrected misstatements on the Schedule of Expenditures of Federal Awards; other required communications; quality of accounting practices; internal control matters; use of the work of other auditors; uses of the work of others; commitment to promote ethical and professional excellence; and technical updates-GASB.

Ms. McCormick noted that Agenda Items 7 and 8 are marked draft because PEBP's audit was delayed. Once the information is received, the information will be validated, and the audit will be finished.

8. Approved – Uniform Guidance Audit Report and Financial Statements, NSHE – The Committee recommended approval of the NSHE Uniform Guidance Audit Report and Financial Statements for the year ended June 30, 2021. *(Ref. A-8 on file in the Board Office.)*

Ms. McCormick reported the Financial Statements are presented fairly in all material respects.

Ms. McCormick highlighted the Financial Statement findings:

- Internal control over the estimates of the fair value of alternative investments
- Internal control over the completeness and accuracy of the Schedule of Expenditures of Federal Awards

Ms. McCormick highlighted Federal Award findings:

- All repeat findings are listed in the reference material.
- The number of findings has decreased.

Regent McMichael moved approval of the NSHE Uniform Guidance Audit Report and Financial Statements for the year ended June 30, 2021.
Vice Chair Del Carlo seconded.

Chief Internal Auditor Sunbury noted for historical purposes that Fiscal Year 2011 NSHE had 27 controlled deficiencies. Many improvements have been made, but NSHE is trending in the right way.

In response to a question from Chair Carter related to the fair evaluation of alternative investments, Ms. McCormick stated limited partners submit valuation data to NSHE with what NSHE's piece is valued. NSHE tries to anchor a part that has been validated which

8. Approved – Uniform Guidance Audit Report and Financial Statements, NSHE –
(Continued)

is usually the annual Financial Statement audit of the partnership and then figure NSHE's percentage to get close to the valuation.

Motion carried.

9. Information Only – Communications with those Charged with Governance, University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. – Ms. Kim McCormick, Partner, Grant Thornton, LLP presented a report on Communications with Those Charged with Governance for the University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. for the year ended June 30, 2021, in line with requirements for compliance with the professional standards for CPA firms. *(Ref. A-9 on file in the Board Office.)*

Ms. McCormick reviewed *Ref. A-9* highlighting: values; responsibilities; governance and management responsibilities; audit timeline and scope; materiality; significant risks and other areas of focus; other required communications; quality of accounting practices; internal control matters; use of the work of other auditors; uses of the work of others; and commitment to promote ethical and professional excellence.

10. Approved – Financial Statements, University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. – The Committee recommended approval of the University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. Financial Statements for the year ended June 30, 2021. *(Ref. A-10 on file in the Board Office.)*

Ms. McCormick highlighted no findings for Fiscal Year 2021, and the current status of past findings is included in the reference material.

Vice Chair Del Carlo moved approval of the University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. Financial Statements for the year ended June 30, 2021.
Regent McMichael seconded.

In response to a question from Regent Arrascada related to accrued liability, Vice President of Administration and Finance Vic Redding stated the accrued liability would eventually be zero or an immaterial writeoff.

Motion carried.

11. Information Only – Communications with those Charged with Governance, University of Nevada, Las Vegas Medicine, Inc. – Ms. Kim McCormick, Partner, Grant Thornton, LLP presented a report on Communications with Those Charged with Governance for the UNLV Medicine, Inc. for the year ended June 30, 2021, in line with requirements for compliance with the professional standards for CPA firms. *(Ref. A-11 on file in the Board Office.)*

11. Information Only – Communications with those Charged with Governance, University of Nevada, Las Vegas Medicine, Inc. – (Continued)

Ms. McCormick reviewed *Ref. A-11* highlighting: values; responsibilities; governance and management responsibilities; audit timeline and scope; materiality; significant risks and other areas of focus; summary of misstatements; other required communications; quality of accounting practices; internal control matters; related parties and related party transactions; and commitment to promote ethical and professional excellence.

12. Approved – Financial Statements, University of Nevada, Las Vegas Medicine, Inc. – The Committee recommended approval of the UNLV Medicine, Inc. Financial Statements for the year ended June 30, 2021. (Ref. A-12 on file in the Board Office.)

Ms. McCormick reported the Financial Statements are presented fairly in all material respects.

Ms. McCormick highlighted the Financial Statement finding:

- Calculation of allowance for bad debts on patient receivables

Vice Chair Del Carlo moved approval of the UNLV Medicine, Inc. Financial Statements for the year ended June 30, 2021. Regent McMichael seconded. Motion carried.

13. Information Only – Audit, Compliance and Title IX Committee Development – Mr. Matt Unterman, Principal – Advisory Services, Grant Thornton, LLP, and Mr. Matt Lerner, Managing Director, Grant Thornton, LLP presented a PowerPoint and led a committee development workshop and provided general remarks related to Enterprise Risk Management in Higher Education. (Ref. A-13 on file in the Board Office.)

Regent Boylan thanked Grant Thornton for the presentation.

In response to a question from Regent Boylan related to changing the culture, Mr. Lerner responded he was talking about culture changes within an institution but can be addressed across higher education. Everyone must have the philosophy that everyone is a risk manager, which may require a different way of thinking.

Vice Chair Del Carlo appreciated the presentation.

14. Information Only – New Business – None.

15. Information Only – Public Comment –

Addison Sorca, CSUN Senator for the Howard R. Hughes College of Engineering and resident of District 7, provided personal experience regarding how UNLV handles sexual harassment and assault cases and requested the Board of Regents take action, so students trust that the Offices of Student Conduct and Title IX will take appropriate action in the future.

The meeting adjourned at 12:23 p.m.

Prepared by:

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

Submitted for approval by:

Keri D. Nikolajewski
Interim Chief of Staff
to the Board of Regents

Approved by the Board of Regents at its March 03-04, 2022, meeting.