

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

Nevada State College
Rogers Student Center, Ballroom
1300 Nevada State Drive #300, Henderson

Thursday, March 3, 2022

Video Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

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

Other Regents Present: Mr. Patrick J. Boylan
Mr. Byron Brooks
Ms. Amy J. Carvalho
Mrs. Carol Del Carlo
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. Karin M. Hilgersom, President, TMCC
Dr. Keith E. Whitfield, President, UNLV
Mr. Brian Sandoval, President, UNR
Dr. J. Kyle Dalpe, President, WNC

Faculty senate chairs in attendance were: Dr. Julian Smit, CSN; Dr. Dave Rhode, DRI; Mr. Kevin Seipp, GBC; Dr. Samantha Jewell, NSC; 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; Mr. Zachary Stamp, SGA President, GBC; 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 11:05 a.m. with all members present.

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 December 2, 2021, meeting minutes. *(Ref. A-2a on file in the Board Office.)*
 - 2b. Approved – Follow-Up: E.L. Cord Foundation Child Care Center, TMCC – The Committee recommended approval of the follow-up response to the audit report of TMCC E.L. Cord Foundation Child Care Center for the period July 1, 2018, through May 31, 2020. *(Ref. A-2b on file in the Board Office.)*
 - 2c. Approved – Follow-Up: Change in Leadership, NSHE – The Committee recommended approval of the follow-up response to the audit report of NSHE Change in Leadership for the period July 1, 2019, through August 31, 2020. *(Ref. A-2c on file in the Board Office.)*
 - 2d. Approved – Follow-Up: Change in Leadership, UNLV – The Committee recommended approval of the follow-up response to the audit report of UNLV Change in Leadership for the period July 1, 2019, through August 31, 2020. *(Ref. A-2d on file in the Board Office.)*
 - 2e. Approved – Follow-Up: Hosting, UNLV – The Committee recommended approval of the follow-up response to the audit report of UNLV Hosting for the period July 1, 2019, through August 31, 2020. *(Ref. A-2e on file in the Board Office.)*
- Regent Doubrava moved approval of the consent items. Regent Geddes seconded. Motion carried.
3. Information Only – Chair’s Report – Chair Patrick R. Carter stated in his recollection this was the latest the external audit has come forward but was due to a delay in receiving NSHE’s liability numbers from the PEBP Board.

(Audit Summary on file in the Board Office.)

4. Approved – Change in Leadership, NSC – The Committee recommended approval of the report and institutional response to the NSC Change in Leadership audit for the period July 1, 2020, through August 31, 2021. *(Ref. A-4 on file in the Board Office.)*

Chief Internal Auditor Joe Sunbury reviewed the *Audit Summary* and *Ref. A-4* and noted enhancements to controls surrounding expenditure approvals.

Regent Geddes moved approval of the report and institutional response to the NSC Change in Leadership audit for the period July 1, 2020, through August 31, 2021. Regent McMichael seconded. Motion carried.

5. Approved – Internal Audit Department Work Plan and Status Report, NSHE – The Committee recommended approval of the Internal Audit Work Plan for the six-month period ending June 30, 2022, and the Internal Audit Department Status Report (previously called the “Audit Exception Report”) for the six-month period ended December 31, 2021. *(Ref. A-5 on file in the Board Office.)*

Chief Internal Auditor Sunbury presented the Internal Audit Work Plan for the six-month period ending June 30, 2022, and the Internal Audit Department Status Report (previously called the “Audit Exception Report”) for the six-month period ended December 31, 2021.

Chief Internal Auditor Sunbury noted an increase in non-traditional audit work hours, which can add value and save costs.

Chief Internal Auditor Sunbury stated the Department is working to change the lens of auditors by utilizing technology to do an organization-wide review to leverage best practices around the system or point out anomalies. In addition, the Department is working on more projects that have direct cost savings and taking on more things in-house that otherwise an institution would have been required to outsource. This has allowed the Department to place the Internal Audit Manager at NSC for the last couple of months to work as a critical resource for the institution.

Chief Internal Auditor Sunbury noted that the cumulative unresolved items are decreasing, but the report includes a slight increase due to the COVID environment.

Regent McMichael moved approval of the Internal Audit Work Plan for the six-month period ending June 30, 2022, and the Internal Audit Department Status Report (previously called the “Audit Exception Report”) for the six-month period ended December 31, 2021. Regent Doubrava seconded.

5. Approved – Internal Audit Department Work Plan and Status Report, NSHE –
(Continued)

Chair Carter was pleased with the report's results.

Motion carried.

6. Information Only – Internal Audit, Compliance and Title IX Updates, NSHE – Chief Internal Auditor Sunbury stated that he would have further information on the incident management benchmarking information and internal metrics at the next quarterly meeting.
7. Information Only – NCAA Agreed-Upon Procedures, UNLV and UNR – Kim McCormick, Partner, Grant Thornton, LLP, provided an overview of the NCAA agreed-upon procedures performed by Grant Thornton for the year ended June 30, 2021. (Refs. A-7a and A-7b on file in the Board Office.)
8. 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. (Supplemental Material on file in the Board Office.)

Ms. McCormick stated each school provided a schedule of revenues and expenses, then a set of procedures was performed as outlined by the NCAA. Both reports are provided as reference material.

Ms. McCormick noted she previously reported on Agenda Items 8 and 9 in draft form at the last meeting because Grant Thornton was waiting for information from NSHE's participation in the OPEB, health insurance for retirees that state agencies subsidize. NSHE represents approximately 40 percent of \$1.5 billion. The figure must be audited by the state, given to the entities to be used in their financial statements, and then audited by the entities. There was a delay in the audit, but nothing of substance has changed since first reported in December.

Chair Carter clarified that NSHE is the user of the information from PEBP. The subsidy amount is rolled into NSHE's audit and then reviewed but must be reported by March 30 to the Department of Education. Ms. McCormick acknowledged there is a ripple effect for all users if the information is delayed from the state.

9. 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. (Supplemental Material on file in the Board Office.)

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

Regent Arrascada applauded Grant Thornton for its impressive job.

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

Regent McMichael moved approval of the NSHE Uniform Guidance Audit Report and Financial Statements for the year ended June 30, 2021. Regent Arrascada seconded. Motion carried.

10. Information Only – New Business – None.

11. Information Only – Public Comment – Dr. Kent Ervin clarified the state provides a subsidy for retiree health benefits for state employees hired before 2011 with 15 years of service. It is a pay-as-you-go plan, so the state does not put any money into the system until it is due to the retirees. Employees hired after 2011 and retiring after 2026 with 15 years of service will have no retiree health benefits beyond Medicare.

The meeting adjourned at 11:30 a.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 June 9 & 10, 2022, meeting.