

**BOARD OF REGENTS and its
AUDIT, COMPLIANCE AND TITLE IX COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**
College of Southern Nevada
Tyrone Thompson Student Union, Rooms U126-U130
3200 E. Cheyenne Avenue, North Las Vegas

Thursday, March 9, 2023

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:

Ms. Laura E. Perkins, Chair
Mr. Joseph C. Arrascada, Vice Chair
Mr. Patrick J. Boylan
Dr. Michelee Cruz-Crawford
Mrs. Carol Del Carlo

Other Regents Present:

Mrs. Susan Brager
Ms. Heather Brown
Mrs. Amy J. Carvalho
Mr. Jeffrey S. Downs
Ms. Stephanie Goodman
Mr. Donald Sylvantee McMichael Sr.
Dr. Lois Tarkanian

Others Present:

Mr. Dale A.R. Erquiaga, Acting Chancellor
Ms. Crystal Abba, Executive Vice Chancellor and Chief of Staff
Mr. Andrew Clinger, Chief Financial Officer
Ms. Renee Davis, Interim Vice Chancellor, Academic and Student
Affairs and Community Colleges
Ms. Lynda P. King, Associate General Counsel
Mr. James J. Martines, Vice Chancellor and Chief General Counsel
Ms. Keri Nikolajewski, Interim Chief of Staff to the Board
Mr. Joe Sunbury, Chief Internal Auditor
Mr. Rhett Vertrees, Assistant Chief Financial Officer
Dr. Federico Zaragoza, President, CSN
Dr. Kumud Acharya, President, DRI
Ms. Joyce M. Helens, President, GBC
Dr. DeRionne Pollard, President, NSC
Dr. Keith E. Whitfield, President, UNLV
Mr. Brian Sandoval, President, UNR
Dr. J. Kyle Dalpe, Interim President, WNC

Faculty senate chairs in attendance were Ms. Tracy Sherman, CSN (*Chair, Council of Faculty Senate Chairs*); Dr. Brittany Kruger, DRI; Dr. Christine Beaudry, NSC; Mr. Ed Boog, SA; Dr. Rhonda Montgomery, UNLV; and Dr. Eric Marchand, UNR. Student body presidents in attendance were Ms. Chanikan Buntha, SGA President, TMCC; Ms. Nicole Thomas, GPSA President, UNLV; and Ms. Suzanna Stankute, ASWN President, WNC.

Deputy Attorney General Joel Bekker was also in attendance.

Chair Perkins called the meeting to order at 2:15 p.m. with all members present except Regent Cruz-Crawford.

1. Information Only – Public Comment – None.

Regent Cruz-Crawford entered the meeting.

2. Information Only – Audit, Compliance and Title IX Committee Orientation – Chief Internal Auditor Joe Sunbury provided a committee orientation to provide a framework for new members for future work within the Committee. The orientation also served as a refresher for returning Committee members. The orientation included general remarks on the Committee’s purview based on the bylaws and a summary of the cadence and coverage within each meeting. (*Ref. A-2 on file in the Board Office.*)

Chair Perkins asked how Internal Audit knows what to audit. Chief Internal Auditor Sunbury responded that the risk assessment process forms the majority of the audit plan.

3. Approved – Consent Items – The Committee recommended approval of the consent items.
 - 3a. Approved – Minutes – The Committee recommended approval of the December 1, 2022, meeting minutes. (*Ref. A-3a on file in the Board Office.*)
 - 3b. Approved – Follow-Up: Revenue Controls, TMCC – The Committee recommended approval of the follow-up response to the audit report of TMCC Revenue Controls for the period July 1, 2019, through November 30, 2021. (*Ref. A-3b on file in the Board Office.*)
 - 3c. Approved – Follow-Up: Retirement Plan Administration, NSHE – The Committee recommended approval of the follow-up response to the audit report of NSHE Retirement Plan Administration for the period April 1, 2021, through June 30, 2022. (*Ref. A-3c on file in the Board Office.*)

Vice Chair Arrascada moved approval of the consent items. Regent Del Carlo seconded. Motion carried.

4. Information Only – Chair’s Report – Chair Laura E. Perkins did not have a report.

(Audit Summary on file in the Board Office.)

5. Approved – Student Housing, GBC – The Committee recommended approval of the report and institutional response to the GBC Student Housing audit for the period July 1, 2021, through June 30, 2022. *(Ref. A-5 on file in the Board Office.)*

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-5* and recommended control improvements in the following areas:

- Student accounts
- Student safety
- Staff, policies, and procedures considerations

In response to a question from Chair Perkins about the installation of cameras, GBC Business Officer Sonja Sibert responded GBC is in the process of obtaining quotes with installation beginning as soon as the weather allows. Chair Perkins was impressed with GBC's changes to make the students safer.

Regent Del Carlo moved approval of the report and institutional response to the GBC Student Housing audit for the period July 1, 2021, through June 30, 2022. Vice Chair Arrascada seconded. Motion carried.

6. Approved – Change in Leadership, NSHE – The Committee recommended approval of the report and institutional response to the NSHE Change in Leadership audit for the period July 1, 2020, through March 31, 2022. *(Ref. A-6 on file in the Board Office.)*

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-6* and recommended improvements in the following areas:

- Equipment tracking
- Equipment inventory policies
- *Procedures and Guidelines Manual* clarification of contracts language
- Contract extension/renewal documentation

Vice Chair Arrascada moved approval of the report and institutional response to the NSHE Change in Leadership audit for the period July 1, 2020, through March 31, 2022. Regent Boylan seconded. Motion carried.

7. Information Only – Internal Audit Updates: IT Audit Edition, NSHE – Chief Internal Auditor Sunbury provided general remarks regarding Information Technology audit initiatives and ongoing assessments, including updates on assurance and advisory projects included in recent audit plans. *(Ref. A-7 on file in the Board Office.)*

8. 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, 2023, and the Internal Audit Department Status Report for the six-month period ended December 31, 2022. *(Ref. A-8 on file in the Board Office.)*

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

Chief Internal Auditor Sunbury noted themes and highlights for the audit work plan, current project status updates, and the status of past audit recommendations and action plans.

Regent Boylan asked if an audit could be done on Time in Motion. Chief Internal Auditor Sunbury stated one of his responsibilities is to understand where the team's core competencies are. If there is something of audit interest to a stakeholder, Internal Audit will do its best to determine if it is auditable, if staff have the skillset, and if not, look to a subject matter expert for help.

Regent Carvalho asked if Internal Audit reviews Workday for best practices, uses, and workflows. Chief Internal Auditor Sunbury stated Internal Audit has started reviewing processes but feels it is essential to add additional auditors so they can expand in the area.

Vice Chair Arrascada moved approval of the Internal Audit Work Plan for the six-month period ending June 30, 2023, and the Internal Audit Department Status Report for the six-month period ended December 31, 2022. Regent Del Carlo seconded. Motion carried.

9. Information Only – Internal Audit, Compliance and Title IX Updates, NSHE – Chief Internal Auditor Joe Sunbury provided general remarks regarding NSHE Internal Audit, Compliance, and Title IX updates, including new proposed standards related to Internal Auditing on the horizon that may require future Internal Audit charter updates, and timing for upcoming benchmarking information related to hotline activities.

10. 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, 2022. 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. *(Supplemental Material on file in the Board Office.)*

Ms. McCormick reviewed the *Supplemental Material* highlighting audit timeline and scope; responsibilities; governance and management responsibilities; financial reporting for NSHE; significant risks; significant risks and other areas of focus; major programs for Uniform Guidance Audit; areas of focus for Uniform Guidance Audit; technology support; summary of misstatements; other required communications; quality of accounting practices; internal control matters; use of the work of other auditors; use of the work of others; commitment to promote ethical and professional excellence; and technical updates-GASB.

11. 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, 2022. *(Supplemental Material on file in the Board Office.)*

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

Ms. McCormick reported she previously reported on this in December 2022. Two internal control comments related to lease and net position classifications were added since the December report. Management's planned corrective actions are included.

Vice Chair Arrascada asked for clarification on the decrease in net pension liability of \$107 million. Assistant Chief Financial Officer Rhett Vertrees stated the change was due to improved investments.

Vice Chair Arrascada moved approval of the NSHE Uniform Guidance Audit Report and Financial Statements for the year ended June 30, 2022. Regent Boylan seconded. Motion carried.

12. 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 UNLV Medicine, Inc. for the year ended June 30, 2022, in line with requirements for compliance with the professional standards for CPA firms. *(Supplemental Material on file in the Board Office.)*

Ms. McCormick reviewed the *Supplemental Material* highlighting audit timeline and scope; responsibilities; governance and management responsibilities; financial reporting for NSHE; significant risks; significant risks and other areas of focus; major programs for Uniform Guidance Audit; areas of focus for Uniform Guidance Audit; technology support; summary of misstatements; other required communications; quality of accounting practices; internal control matters; use of the work of other auditors; use of the work of others; commitment to promote ethical and professional excellence; and technical updates-GASB.

13. Approved – Uniform Guidance Single Audit, University of Nevada Las Vegas Medicine, Inc. – The Committee recommended approval of the UNLV Medicine, Inc. Uniform Guidance Single Audit Report for the year ended June 30, 2022. The Uniform Guidance Single Audit is an audit of federal grants received. *(Supplemental Material on file in the Board Office.)*

Ms. McCormick stated when there is a material non-compliance during the audit, it is presented in a formal finding presentation. The formal finding for the Department of Health and Human Services Pandemic Relief Program, the Provider Relief Program, is included in the Supplemental Material.

Regent Carvalho asked if this adverse finding financially affected UNLV Medicine, with UNLV Medicine Dean Dr. Marc Khan stating this was a recording error in the use of funds.

Vice Chair Arrascada moved approval of the UNLV Medicine, Inc. Uniform Guidance Single Audit Report for the year ended June 30, 2022. Regent Boylan seconded. Motion carried.

14. Information Only – New Business

Regent Boylan requested an audit of Time in Motion.

15. Information Only – Public Comment

Regent Del Carlo congratulated Chief Internal Auditor Sunbury on his new position with UNLV. She thanked him for his depth of knowledge, patience, and contributions to NSHE.

Chief Internal Auditor Sunbury stated it had been a pleasure to partner with NSHE.

The meeting adjourned at 3:10 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 June 9, 2023, meeting.