

Minutes approved by the Board of Regents at the June 6 & 7, 2024, meeting.

**BOARD OF REGENTS and its
AUDIT, COMPLIANCE AND TITLE IX COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**
Desert Research Institute
Frank H. Rogers Science & Technology Building, Rotunda
755 East Flamingo Road, Las Vegas

Thursday, February 29, 2024

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: Mr. Joseph C. Arrascada, Chair
Dr. Michelee Cruz-Crawford, Vice Chair
Mrs. Susan Brager
Mrs. Carol Del Carlo

Members Absent: Mr. Patrick J. Boylan

Other Regents Present: Mrs. Amy J. Carvalho, Board Chair
Dr. Jeffrey S. Downs, Board Vice Chair
Ms. Laura E. Perkins

Others Present: Ms. Patricia Charlton, Interim Chancellor
Dr. Daniel Archer, Vice Chancellor for Academic and Student
Affairs
Ms. Lynda P. King, Associate General Counsel
Mr. James J. Martines, Vice Chancellor and Chief General
Counsel
Ms. Keri D. Nikolajewski, Chief of Staff to the Board of Regents
Mr. Alejandro Rodriguez, Director of Government Relations
Ms. Lauren Tripp, Interim Chief Internal Auditor
Mr. Chris Viton, Vice Chancellor, Budget and Finance and Chief
Financial Officer
Mr. Michael B. Wixom, Special Counsel to the Board of Regents
Dr. Federico Zaragoza, President, CSN
Dr. Kumud Acharya, President, DRI
Ms. Joyce M. Helens, President, GBC
Dr. DeRionne Pollard, President, NSU
Dr. Karin M. Hilgersom, President, TMCC
Dr. Keith E. Whitfield, President, UNLV

Others Present: (Continued)

Mr. Brian Sandoval, President, UNR
Dr. J. Kyle Dalpe, President, WNC

Faculty senate chairs in attendance included the following individuals: Mr. Patrick Villa, CSN; Mr. JD Lancaster, DRI; Mr. David Sexton, GBC; Dr. Molly Appel, NSU; Mr. Ed Boog, SA; Dr. Eric “Rick” Bullis, TMCC; Dr. Bill Robinson, UNLV; Dr. Peter S. Reed, UNR (*Chair, Council of Faculty Senate Chairs*); and Ms. Rachelle Bassen, WNC. Classified council chair in attendance included the following individual: Ms. Louellen Monte, GBC.

Land Acknowledgment

Before beginning, we take a moment to recognize that here in Nevada we stand on the land of the Wa She Shu – Washoe; Numu – Northern Paiute; Nuwe – Western Shoshone; and Nuwu – Southern Paiute. We take a moment to recognize and honor their stewardship that continues into today. With this recognition, we state an intention to rightfully include their voice and respect them as the 27 sovereign tribal nations of Nevada.

Chair Arrascada called the meeting to order at 8:00 a.m. with all members present. Regent Del Carlo led the Pledge of Allegiance and Chair Arrascada offered the Land Acknowledgment.

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 November 30, 2023, meeting minutes. (Ref. A-2a on file in the Board Office.)
 - 2b. Approved – Follow-Up: Fitness and Recreational Sports, UNR – The Committee recommended approval of the follow-up response to the audit report of UNR Fitness and Recreational Sports for the period July 1, 2021, through December 31, 2022. (Ref. A-2b on file in the Board Office.)
 - 2c. Approved – Follow-up: IT Terminated Employees, NSHE – The Committee recommended approval of the follow-up response to the audit report of NSHE IT Terminated Employees for the period January 1, 2022, through December 31, 2022. (Ref. A-2c on file in the Board Office.)

Regent Brager moved approval of the Consent Items.
Regent Del Carlo seconded. Motion carried by
unanimous vote. Regent Boylan was absent.

3. Information Only – Chair’s Report – Chair Joseph C. Arrascada applauded past Chairs and committee members for their diligence, thoroughness, honesty, and transparency.

(Audit Summary on file in the Board Office.)

4. Approved – Cooperative Extension, UNR – The Committee recommended approval of the report and institutional responses to the UNR Cooperative Extension audit for the period of July 1, 2021, through December 31, 2022. *(Ref. A-4 on file in the Board Office.)*

Interim Chief Internal Auditor Lauren Tripp reviewed the *Audit Summary* and *Ref. A-4* and recommended control improvements in the following areas:

- Strategize a spend-down plan and determine an optimal reserve range.
- Strengthen travel expenditures controls.
- Update cash controls, recharges, and report standardization procedures.

Vice Chair Cruz-Crawford disclosed her school receives Cooperative Extension nutrition lessons. She disclosed the relationship under NRS Chapter 281A.

Regent Perkins and Chair Arrascada requested additional information on the spend-down plan. Director of Cooperative Extension Jacob DeDecker reported that in 2017, additional funds were available above the annual operating account. A plan was put in place and executed, but with the pandemic, additional revenues came in above the annual operating account and were not expended at the expected rate. A strategic plan for Fiscal Year 2024-25 is in place to increase the county's faculty and staff and the research and education program portfolio.

In response to a question from Regent Perkins regarding a Memorandum of Understanding (MOU) between Clark County and the other Nevada counties, Director DeDecker stated that, per state statute, an MOU is in place with each county, and those agreements are based on the programming and staffing that take place based on the county needs. Director DeDecker added that partnerships are a huge part of Cooperative Extension. They collaborate across the state with a number of entities, including NSHE institutions.

Regent Perkins asked Director DeDecker to elaborate on the new 4-H Camp. Director DeDecker stated Cooperative Extension is honored to partner with Clark and Lincoln Counties to bring a brand new 4-H Camp to Alamo, Nevada. Twelve different schools will experience the Camp firsthand within the first few months of 2024.

In response to a question from Chair Arrascada related to the spend-down account, Director DeDecker responded that most of the dollars will be used to fill positions in research and education and critical areas to have the most significant impact in Clark County.

Regent Brager moved approval of the report and institutional responses to the UNR Cooperative Extension audit for the period of July 1, 2021, through December 31, 2022. Regent Del Carlo seconded. Motion carried by unanimous vote. Regent Boylan was absent.

5. Approved – Hosting, DRI – The Committee recommended approval of the report and institutional responses to the DRI Hosting audit for the period of July 1, 2022, through June 30, 2023. (Ref. A-5 on file in the Board Office.)

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

- Improve host expenditures and purchasing compliance documentation.

Regent Brager moved approval of the report and institutional responses to the DRI Hosting audit for the period of July 1, 2022, through June 30, 2023. Regent Del Carlo seconded. Motion carried by unanimous vote. Regent Boylan was absent.

6. Approved – Internal Audit Department Work Plan and Status Report, NSHE – The Committee recommended approval of the Internal Audit Work Plan for the six months ending June 30, 2024, and the Internal Audit Department Status Report for the six month period ended December 31, 2023. (Ref. A-6 on file in the Board Office.)

Interim Chief Internal Auditor Tripp directed the Committee to *Ref. A-6*, pages 3-4, which describes how the plan was put together and the measures taken to ensure agility and flexibility built into the plan. Often, unforeseen projects come up throughout the year, and Internal Audit needs the ability to provide resources in a timely fashion. Internal Audit strives to add value and provide services beyond traditional assurance services.

Interim Chief Internal Auditor Tripp provided the following highlights:

- The work plan has training time built into the budget. For Internal Audit to stay relevant, internal and external training must be included. As a department and individuals, they should continue to educate themselves and learn the necessary skills to assist the institutions better.
- In the past, this Committee has emphasized the importance of certifications, and to show the department's commitment, the audit team stays current with certifications and continuing education. As part of that commitment to the Board, Interim Chief Internal Auditor Tripp reported she had passed the Certified Internal Auditor exam.

Interim Chief Internal Auditor Tripp highlighted the following themes:

- Responsiveness: As things arise, Internal Audit must consider whether it can increase its analysis in certain areas. As the department becomes aware of items and policies, this helps inform the audit plan.
- Internal Audit continues to run lean but must continue its due diligence to add the right people to accomplish its goals better and add value.

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

- Collaboration with other groups remains crucial to have the best results. The Internal Audit team is not an expert in all areas, but with collaborative efforts, they can continue to create great working relationships with people who are indeed experts in the subject matter.

Interim Chief Internal Auditor Tripp stated that *Ref. A-6*, page 7 tracks open findings at the institutions. The graph shows a slight increase in the five-year trends, primarily due to open NSHE System Administration findings due to employee vacancies in key positions. Those key positions have now been filled.

Chair Arrascada congratulated Interim Chief Internal Auditor Tripp on her new certification.

Regent Del Carlo moved approval of the Internal Audit Work Plan for the six months ending June 30, 2024, and the Internal Audit Department Status Report for the six month period ended December 31, 2023. Regent Brager seconded. Motion carried by unanimous vote. Regent Boylan was absent.

7. Information Only – Internal Audit, Compliance and Title IX Updates, NSHE – Interim Chief Internal Auditor Lauren Tripp reported the new Global Internal Audit Standards were released on January 9, 2024. They will become effective January 9, 2025. Early adoption is encouraged. This is important because any changes to the standards will result in changes to the Internal Audit Charter. It also provides an opportunity to ensure the Internal Audit Department is ready for its next Quality Assurance Review.

Interim Chief Internal Auditor Tripp stated they are still reviewing potential hotline vendors. In the meantime, an email is available on the website for submissions, and individuals are utilizing it. They continue to evaluate and consider the necessary structuring to provide the most efficient and effective way to manage the hotline.

Interim Chief Internal Auditor Tripp noted there are a lot of projects in the queue, but she is working to prioritize and determine what needs to be accomplished first.

8. Information Only – Communications with Those Charged with Governance, NSHE – Ms. Kim McCormick, Partner, Grant Thornton, LLP, presented a draft report on Communications with Those Charged with Governance for the Nevada System of Higher Education for the year ended June 30, 2023. 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-8 on file in the Board Office.)

Ms. McCormick highlighted that the report was still in draft due to the incomplete Public

8. Information Only – Communications with Those Charged with Governance, NSHE – (Continued)

Employment Benefits Plan (PEBP) audit. Once the work is done, the reports will be finalized.

Chair Arrascada expressed his appreciation. The reports that Grant Thornton, LLP has provided are extremely thorough.

9. Approved – Uniform Guidance Audit Report and Financial Statements, NSHE – The Committee recommended approval of the draft of the NSHE Uniform Guidance Audit Report and Financial Statements for the year ended June 30, 2023. (Ref. A-9 on file in the Board Office.)

Ms. McCormick reiterated that the report was still in draft due to the PEBP audit and that there weren't any significant changes from the last meeting. Ms. McCormick anticipates a clean, unmodified report, adding that the financial statements are fairly stated.

Ms. McCormick anticipates a clean, unmodified report for the federal awards, adding that the financial statements are fairly stated. A handful of findings related to student financial assistance were shared in November. The number of student financial assistance findings has consistently decreased over the years.

Regent Del Carlo requested clarification that the student financial assistance findings are trending down. Ms. McCormick confirmed, and stressed NSHE's diligence to understand the findings and ensure they do not repeat them. Regent Del Carlo emphasized the importance of this because it is public money, and there is a fiduciary duty to use it wisely.

Regent Del Carlo and Chair Arrascada thanked Grant Thornton for their exemplary work as NSHE's external auditors.

In response to Regent Brager's question about high points the Committee should know, Ms. McCormick pointed the members to the summary document.

10. Information Only – New Business

Regent Del Carlo requested that the reports have a summary document noting the highlights.

Chair Arrascada reopened Item 9, Uniform Guidance Audit Report and Financial Statements, NSHE.

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

Regent Brager moved approval of the draft of the NSHE Uniform Guidance Audit Report and Financial Statements for the year ended June 30, 2023. Regent Del Carlo seconded. Motion carried by unanimous vote. Regent Boylan was absent.

Chair Arrascada reopened Item 10, New Business.

10. Information Only – New Business – (Continued)

Chair Arrascada recognized Regent Del Carlo's new business item and believed it was a fantastic idea for all committees.

11. Information Only – Public Comment

Kent Ervin provided in-person public comment agreeing that executive summaries in reports are a good idea.

The meeting adjourned at 8:39 a.m.

Prepared by:

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

Submitted for approval by:

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