

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: Handbook Revision, Title 2, Chapter 9, New Section 9.2

Meeting Date: September 4, 2014

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The Internal Audit Department prepares working papers of audit tests and procedures performed that support audit reports. The working papers may contain sensitive information such as student and patient records, social security numbers and other confidential personnel information. Although the working papers have always been considered confidential documents, the proposed revision is necessary to conform NSHE code to existing practice and state law. The final audit report is public and shared with interested parties.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Add a section to Title 2, Chapter 9 of the Board of Regents Handbook that addresses the confidentiality of NSHE Internal Audit Department audit working papers.

4. IMPETUS (WHY NOW?):

NRS 353A.100.2 stipulates that the State's Internal Audit Department working papers are confidential documents. This provision is being added to provide the same protection to NSHE Internal Audit working papers. NRS 353A.100.2 does not apply to NSHE as the System is constitutionally separate from the State.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- New section of Handbook to address the confidentiality of NSHE Internal Audit Department working papers.
- The working papers may contain sensitive information such as student and patient records, social security numbers and other confidential personnel information.
- NRS 353A.100.2 provides for the State's Internal Audit Department working papers to be confidential documents. This provision is being added to provide the same protection for NSHE Internal Audit working papers.
- The working papers would be available when subpoenaed by a court, to members of the Audit Committee for inspection, and inspection by an authorized representative of a governmental entity for an official matter.
- The final audit report is public and shared with interested parties.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Working papers should not be confidential documents and should be available to all interested parties.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Do not include the confidentiality section to the Handbook.

8. COMPLIANCE WITH BOARD POLICY:

<input type="checkbox"/>	Consistent With Current Board Policy: Title #_____ Chapter #_____ Section #_____
<input type="checkbox"/>	Amends Current Board Policy: Title #_2_ Chapter #_9_ Section #_____
<input type="checkbox"/>	Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____
<input type="checkbox"/>	Other: _____
<input type="checkbox"/>	Fiscal Impact: Yes _____ No <u>X</u> _____ Explain: _____

POLICY PROPOSAL - HANDBOOK
TITLE 2, CHAPTER 9, *new* SECTION 9.2
Internal Audit Department Working Papers

Additions appear in *boldface italics*

Title 2, Chapter 9, New Section 9.2

Section 9.2

1. All working papers from an NSHE internal audit are confidential and may be destroyed by the NSHE Chief Internal Auditor five years after the report is issued, except that the Chief Internal Auditor:

- (a) Shall release such working papers when subpoenaed by a court of competent jurisdiction;***
- (b) Shall make such working papers available for inspection by the members of the Audit Committee upon his or her request; and***
- (c) May make such working papers available for inspection by an authorized representative of a governmental entity for an official matter.***