

Minutes are intended to note: (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the December 2016 meeting.

**BOARD OF REGENTS and its
AUDIT COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**
Joe Crowley Student Union, Milt Glick Ballrooms B & C
University of Nevada, Reno
87 West Stadium Way, Reno
Thursday, September 8, 2016

Video Conference Connection from the Meeting Site to:
System Administration, Las Vegas
4300 S. Maryland Parkway, Board Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Ms. Allison Stephens, Chair
Dr. Andrea Anderson, Vice Chair
Dr. Mark W. Doubrava
Mr. James Dean Leavitt
Mr. Sam Lieberman
Mr. Kevin J. Page

Others Present: Mr. Bob Moulton, Vice Chancellor, Information Technology
Ms. Brooke A. Nielsen, Vice Chancellor, Legal Affairs
Mr. Joe Sunbury, Chief Internal Auditor
Dr. Michael D. Richards, President, CSN
Dr. Mark A. Curtis, President, GBC
Mr. Bart J. Patterson, President, NSC
Dr. Marc A. Johnson, President, UNR

Faculty senate chairs in attendance were Dr. Mark Green, DRI; Dr. John Patrick Rice, GBC; Dr. Bryan Sigel, NSC; Ms. Cheryl Cardoza, TMCC; Dr. Bill Robinson, UNLV; and Mr. Jeffrey Downs, UNR. Student body presidents in attendance were Ms. Jill Robinson, ASCSN President, CSN; Ms. Chelsey Fox, SGA President, GBC; and Ms. Diana Gurrola, ASWN President, WNC.

For others present please see the attendance roster on file in the Board Office.

Chair Allison Stephens called the meeting to order at 3:49 p.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 June 9, 2016, meeting minutes. (*Ref. A-2a on file in the Board Office.*)

2. Approved – Consent Items – (Continued)

- 2b. Approved – Follow-Up: CSUN Preschool, UNLV – The Committee recommended approval and acceptance of the follow-up response to the audit report of the UNLV CSUN Preschool for the period July 1, 2013, through December 31, 2014. (Ref. A-2b on file in the Board Office.)
- 2c. Approved – Follow-Up: Child & Family Research Center, UNR – The Committee recommended approval and acceptance of the follow-up response to the audit report of the UNR Child & Family Research Center for the period July 1, 2013, through May 31, 2015. (Ref. A-2c on file in the Board Office.)
- 2d. Approved – Follow-Up: Facilities Maintenance Services, UNR – The Committee recommended approval and acceptance of the follow-up response to the audit report of the UNR Facilities Maintenance Services for the period July 1, 2013, through February 28, 2015. (Ref. A-2d on file in the Board Office.)
- 2e. Approved – Follow-Up: Fleischmann Planetarium, UNR – The Committee recommended approval and acceptance of the follow-up response to the audit report of the UNR Fleischmann Planetarium for the period July 1, 2014, through June 30, 2015. (Ref. A-2e on file in the Board Office.)

Regent Leavitt moved approval of the consent items. Vice Chair Anderson seconded. Motion carried.

(Audit Summary on file in the Board Office.)

3. Approved – Reprographics/Design Services, UNLV – The Committee recommended approval of the report and institutional response to the UNLV Reprographics/Design Services audit for the period July 1, 2014, through June 30, 2015. (Ref. A-3 on file in the Board Office.)

Chief Internal Auditor Joe Sunbury reviewed the *Audit Summary* and *Ref. A-3* noting the following:

- Improvement of the reconciliation process to ensure consistent customer billing.
- Strengthen cash controls via segregation of duties and back-up training.
- Create and maintain a new database and pricing table.

Associate Vice President Vince Alberta, Marketing and Communications, responded to a question from Regent Page that the department does both printing and copying. Vice President Alberta stated they are conscious of outsourcing and continue to evaluate the department's services and whether there are more efficient procedures.

Vice President Gerry Bomotti, Finance and Administration, reported he met with Mr. Bruce James who advised UNLV to bring in vendors that might respond to a request for proposal (RFP) to show them the processes and gather their ideas to use in the creation of a better RFP. Mr. James' suggestions were very good and UNLV needs to find the timeframe and schedule to follow-up.

Chair Stephens asked if the recommendation related to contracts being in compliance with NSHE policy is on track for completion. Vice President Bomotti answered the recommendation has been completed.

3. Approved – Reprographics/Design Services, UNLV – (Continued)

Regent Page moved approval of the report and institutional response to the UNLV Reprographics/Design Services audit for the period July 1, 2014, through June 30, 2015. Vice Chair Anderson seconded. Motion carried.

4. Approved – Student Financial Aid, GBC – The Committee recommended approval of the report and institutional response to the GBC Student Financial Aid audit for the period July 1, 2014, through June 30, 2015. (*Ref. A-4 on file in the Board Office.*)

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-4* noting the following:

- Return of Title IV funds related to a query amendment to ensure compliance with a 45-day requirement.
- Revise notification letter to ensure inclusion of all requirements.

Regent Doubrava moved approval of the report and institutional response to the GBC Student Financial Aid audit for the period July 1, 2014, through June 30, 2015. Vice Chair Anderson seconded.

In response to a question from Chair Stephens, Vice President Sonja Sibert, Business Affairs, stated GBC is on track to have all recommendations completed by the end of the quarter.

Motion carried.

5. Approved – Travel Office, UNR – The Committee recommended approval of the report and institutional response to the UNR Travel Office audit for the period July 1, 2014, through October 31, 2015. (*Ref. A-5 on file in the Board Office.*)

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-5* noting the following:

- Update university travel policies.
- Education for travelers when insufficient documentation is provided.
- Adjustment to grant accounts to ensure expenditures charged to sponsored projects are directly related to awards.

Vice Chair Anderson moved approval of the report and institutional response to the UNR Travel Office audit for the period July 1, 2014, through October 31, 2015. Regent Doubrava seconded. Motion carried.

6. Approved – Purchasing Card Program, UNR – The Committee recommended approval of the report and institutional response to the UNR Purchasing Card Program audit for the period July 1, 2014, through October 31, 2015. (*Ref. A-6 on file in the Board Office.*)

Chief Internal Auditor Sunbury reviewed the *Audit Summary* and *Ref. A-6* noting the following:

- Improvements to the physical security of purchasing cards.
- Utilization of activity reports identifying inactive cards for deactivation.
- Timely notification of employee terminations leading to timely deactivation of purchasing cards.

Chair Stephens asked if this audit had resulted in best practices to be shared with the other institutions. Chief Internal Auditor Sunbury added his department would look at the processes and determine if the practices are to be shared with other institutions.

Vice Chair Anderson moved approval of the report and institutional response to the UNR Purchasing Card Program audit for the period July 1, 2014, through October 31, 2015. Regent Doubrava seconded. Motion carried.

7. Approved – Audit Exception Report – The Committee recommended approval of the Audit Exception Report for the six months ended June 30, 2016. The Audit Exception Report is a compilation and status of the audit findings of the Audit Committee for the six-month period. (*Ref. A-7 on file in the Board Office.*)

Chief Internal Auditor Sunbury summarized *Ref. A-7*, highlighting a total of five reports were brought to the Committee with a total of 22 unresolved items, which is a better trend than in the past.

Chair Stephens and Regent Page stated there has been a great improvement and thanked the institutions and Chief Internal Auditor Sunbury for their hard work.

Regent Doubrava moved approval of the Audit Exception Report for the six months ended June 30, 2016. Regent Page seconded. Motion carried.

8. Approved – Internal Audit Department Work Plan, NSHE – The Committee recommended approval of the Internal Audit Department Work Schedule for the year ending June 30, 2017. (*Ref. A-8 on file in the Board Office.*)

Chief Internal Auditor Sunbury reported this is the annual audit schedule, which represents the work of the Internal Audit Department. This new plan builds in much-needed agility and flexibility to anticipate emerging risks and unforeseen projects, allowing the Internal Audit Department to respond in a timely manner. The plan includes inside and outside training for the auditors.

Chief Internal Auditor Sunbury stated he would like to add a work plan status update to the Audit Exception Report, which is reported on twice a year.

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

Vice Chair Anderson moved approval of the Internal Audit Department Work Plan for the year ending June 30, 2017. Regent Page seconded. Motion carried.

9. Information Only – Internal Audit Departmental Updates and Emerging Risks, NSHE - Chief Internal Auditor Sunbury provided general remarks regarding departmental initiatives and alignment related to on-going risk assessments.

Chief Internal Auditor Sunbury reported an employment offer has been extended and accepted by a candidate for the new Financial Aid Audit Specialist position. He added one-third of the Audit Department now has expertise in a particular area, which he believes will better serve the System.

10. Information Only – New Business – None.

11. Information Only – Public Comment – None.

The meeting adjourned at 4:16 p.m.

Prepared by:

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

Submitted for approval by:

Dean J. Gould
Chief of Staff and Special Counsel
to the Board of Regents