

# Nevada System of Higher Education

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October 31, 2016

## MEMORANDUM

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

FROM: Joe Sunbury, Chief Internal Auditor *JRS*

SUBJECT: Internal Audit Reports  
Audit Committee – December 1, 2016

The Internal Audit Department has completed the enclosed four audits and discussed the findings with the responsible administrators at the institutions involved. The institution's response to the audit findings is also enclosed. The Internal Audit reports must be read in their entirety so as not to arrive at any conclusions out of context; however, I have summarized the reports in the following table:

Institution	Audit	Agenda Ref.	Audit period	Key Findings	Additional Comments
NSHE System Computing Services	Cloud Computing Management	A-7	1/1/16 – 6/30/16	<ul style="list-style-type: none"> <li>-Selection and implementation of a comprehensive governance model for IT projects that includes representation across the System.</li> <li>-Development of Cloud Computing policies that address guidelines and best practice when establishing Cloud Computing contracts.</li> </ul>	
UNR	Rental Properties	A-8	7/1/14 – 10/31/15	<ul style="list-style-type: none"> <li>-UNR General Counsel review of lease application and agreement forms to determine necessity of sensitive information being collected.</li> <li>-Strengthening of cash controls via segregation of duties, improved security measures.</li> <li>-Improvements to maintenance and safety inspection process.</li> </ul>	
DRI	Purchasing Card Program	A-9	7/1/15 – 6/30/16	<ul style="list-style-type: none"> <li>-Employee education related to compliance with established procedures (e.g. transaction limits, splits).</li> <li>-Need for review of Merchant Category Codes (MCC) and MCC groups to determine appropriateness of vendors.</li> </ul>	
NSHE System Office	Travel	A-10	1/1/15 – 3/31/16	<ul style="list-style-type: none"> <li>-Review of (and adjustments to) travel claims and supporting documentation to ensure accurate, consistent reporting.</li> <li>-Updates to NSHE Procedures &amp; Guidelines Manual to promote compliance system-wide with State travel policies.</li> </ul>	

Follow-up responses have been submitted for the internal audit report presented to the Audit Committee at your meeting on June 9, 2016. The current state of the recommendations follows.

Institution	Audit	Agenda Ref.	Audit period	# of Recommendations open when audit was presented	Status Update	Additional Comments
NSHE System Office	Social Media	A-2b	Fall 2015	2	One recommendation open. Anticipated timeframe of completion is early 2017.	

Please contact me if you have any questions or need additional information.