

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 June 2017 meeting.

**BOARD OF REGENTS and its  
AUDIT COMMITTEE  
NEVADA SYSTEM OF HIGHER EDUCATION**  
June Whitley Student Lounge, E-130  
College of Southern Nevada  
3200 E. Cheyenne Avenue, North Las Vegas  
Thursday, March 2, 2017

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:           Dr. Andrea Anderson, Vice Chair  
                                  Dr. Patrick R. Carter  
                                  Dr. Mark W. Doubrava  
                                  Mr. Kevin J. Page

Members Absent:           Ms. Allison Stephens, Chair  
                                  Mr. Sam Lieberman

Others Present:            Mr. John V. White, Chancellor  
                                  Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs  
                                  Mr. Bob Moulton, Vice Chancellor, Information Technology  
                                  Mr. Vic Redding, Vice Chancellor, Finance  
                                  Mr. Fred Egenberger, Budget Director  
                                  Mr. James Martines, System Counsel  
                                  Mr. Joe Sunbury, Chief Internal Auditor  
                                  Mr. Frank R. Woodbeck, Executive Director, Nevada College Collaborative  
                                  Mr. Bart J. Patterson, President, NSC  
                                  Dr. Marc A. Johnson, President, UNR

Faculty senate chairs in attendance were Dr. John Patrick Rice, GBC; Mr. Eric March, SA; Ms. Cheryl Cardoza, TMCC; Dr. Fred Harris, UNR; and Mr. Jeffrey Downs, WNC.

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

Vice Chair Andrea Anderson called the meeting to order at 3:51 p.m. with all members present except Chair Stephens and Regent Lieberman.

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 December 1, 2016, meeting minutes. (*Ref. A-2a on file in the Board Office.*)
  - 2b. Follow-Up: Reprographics/Design Services, UNLV – The Committee recommended approval of the follow-up response to the audit report of UNLV Reprographics/Design Services for the period of July 1, 2014, through June 30, 2015. (*Ref. A-2b on file in the Board Office.*)
  - 2c. Follow-Up: Student Financial Aid, GBC – The Committee recommended approval of the follow-up response to the audit report of GBC Student Financial Aid for the period July 1, 2014, through June 30, 2015. (*Ref. A-2c on file in the Board Office.*)
  - 2d. Follow-Up: Travel Office, UNR – The Committee recommended approval of the follow-up response to the audit report of UNR Travel Office for the period July 1, 2014, through October 31, 2015. (*Ref. A-2d on file in the Board Office.*)
  - 2e. Follow-Up: Purchasing Card Program, UNR – The Committee recommended approval of the follow-up response to the audit report of UNR Purchasing Card Program for the period of July 1, 2014, through October 31, 2015. (*Ref. A-2e on file in the Board Office.*)

Regent Doubrava moved approval of the consent items. Regent Carter seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

*(Audit Summary on file in the Board Office.)*

3. Approved – Change in Leadership, NSHE System Office – The Committee recommended approval of the report and institutional response to the NSHE Change in Leadership audit for the period July 1, 2015, through June 30, 2016. (*Ref. A-3 on file in the Board Office.*)

Chief Internal Auditor Joe Sunbury noted for the record he has a dual reporting relationship that allows the department to execute this type of audit. He reports functionally to the Audit Committee and administratively to the Vice Chancellor for Finance.

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

- Review professional services/consulting agreements for sufficient detail regarding scope of work and travel reimbursement.
- Additional education related to the purchasing policy.

3. Approved – Change in Leadership, NSHE System Office – (Continued)

- Legal Affairs to maintain copies of fully executed contracts requiring Chancellor approval.

Regent Page moved approval of the report and institutional response to the NSHE Change in Leadership audit for the period July 1, 2015, through June 30, 2016. Regent Carter seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

4. Approved – Travel, DRI – The Committee recommended approval of the report and institutional response to the DRI Travel audit for the period July 1, 2015, through June 30, 2016. (*Ref. A-4 on file in the Board Office.*)

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

- Adjustments/education for travelers and reviewers when completing documentation.
- Updates to the DRI Administrative Manual.

Regent Doubrava moved approval of the report and institutional response to the DRI Travel audit for the period July 1, 2015, through June 30, 2016. Regent Page seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

5. Approved – Host, NSHE System Office – The Committee recommended approval of the report and institutional response to the NSHE System Office Host audit for the period July 1, 2015, through June 30, 2016. (*Ref. A-5 on file in the Board Office.*)

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

- Identification of host expenditures.
- Proper categorization for expense tracking purposes.

Regent Page moved approval of the report and institutional response to the NSHE System Office Host audit for the period July 1, 2015, through June 30, 2016. Regent Doubrava seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

6. Approved – Human Resources, NSC – The Committee recommended approval of the report and institutional response to the NSC Human Resources audit for the period July 1, 2014, through September 30, 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:

- New employee file review maintenance, related to degree verifications, workplace safety and online training.
- Timely and complete employee performance evaluations.

Regent Page moved approval of the report and institutional response to the NSC Human Resources audit for the period July 1, 2014, through September 30, 2015. Regent Doubrava seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

7. Approved – Audit Exception Report – The Committee recommended approval of the Audit Exception Report for the six months ended December 31, 2016. (*Ref. A-7 on file in the Board Office.*)

Chief Internal Auditor Sunbury reported the Audit Exception Report is a compilation and status of the audit findings and activities of the Audit Committee for the six-month period, noting the following:

- Eight audit reports were presented to the Committee.
- 25 unresolved items at the institutions.

Chief Internal Auditor Sunbury reported page three of the report is an attempt at providing metrics that may make this report more useful to the Committee.

Regent Carter requested benchmarks, historical and trend data be included as new metrics for the report.

Regent Doubrava moved approval of the Audit Exception Report for the six months ended December 31, 2016. Regent Carter seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

8. No Action Taken – Contract Extension, External Audit – The Committee discussed the fee proposal from Grant Thornton, LLP to extend the external audit contract for the three years ending June 30, 2018, 2019, and 2020. (*Ref. A-8 on file in the Board Office.*)

Regent Page stated he requested this item be brought back to the Committee in June. He noted Grant Thornton did a NCAA report review for the UNR and UNLV Athletic

8. No Action Taken – Contract Extension, External Audit – (Continued)

Departments with the reports being done differently between the two. He also stated now there are two medical schools and the second school should be included in the fee estimates.

Regent Carter suggested if Grant Thornton does not have expertise in doing NCAA audit reports maybe that area should be pulled from the contract. Regent Page stated there are specific forms that must be filled out and the forms were filled out differently between the two institutions. Chief Internal Auditor Sunbury stated he has a pending meeting with Grant Thornton to obtain clarification regarding the engagement letter for the procedures to be performed. If there are specific scopes that fall outside agreed upon procedures then who that falls to be must be determined.

9. Approved – Bylaw Revision, Audit Committee Charge – The Committee recommended approval of the amendment to Handbook Title 1, Article VI, Section 3, revising the charge for the Audit Committee by incorporating a compliance component to provide centralized oversight to the renamed Audit and Compliance Committee. This is the second reading of the proposed Bylaw revision; the first reading occurred at the December 1, 2016, meeting of the Audit Committee. (Ref. A-9 on file in the Board Office.)

Vice Chair Anderson requested the UNLV School of Medicine coordinate with Chief Internal Auditor Sunbury when hiring its compliance officer. Chief Internal Auditor Sunbury stated this Bylaw revision provides collaboration between risk and compliance management and Internal Audit to provide a more consistent approach across the organization to reduce redundancies.

Regent Page moved approval of the amendment to Handbook Title 1, Article VI, Section 3, revising the charge for the Audit Committee by incorporating a compliance component to provide centralized oversight to the renamed Audit and Compliance Committee. Regent Carter seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

10. Approved – Internal Audit Departmental Updates – External Hotline, NSHE – The Committee recommend approval of the incorporation of a System-wide ethics and compliance hotline in line with the department’s charge to maintain the capacity for investigations when necessary. (Ref A-10 on file in the Board Office.)

Chief Internal Auditor Sunbury reported a hotline would provide a mechanism to handle specific issues that would merit ad hoc investigations over a given period of time. The Audit Committee had this discussion in 2006 but at the time decided it would not pursue this type of hotline. Internal Audit can partner with the institutions, either by offering assistance to lead investigations or to review results from investigations led by others.

10. Approved – Internal Audit Departmental Updates – External Hotline, NSHE – (Continued)

Vice Chair Anderson asked what the volume of calls was into the hotline from other institutions. Chief Internal Auditor Sunbury stated he talked with one institution and at the time it received two calls a week, but since then has slowed.

Regent Carter asked if this would be just for auditing or for other general purposes as well. Chief Internal Auditor Sunbury stated the company he spoke to has the ability to tailor the program to the individual institution's needs.

Regent Carter asked where the funds would come from to pay for the program. Vice Chancellor Vic Redding stated it is not currently budgeted, but he thought it could be allocated based on employee FTE or some other similar mechanism.

Regent Page moved approval of the incorporation of a System-wide ethics and compliance hotline in line with the department's charge to maintain the capacity for investigations when necessary. Regent Doubrava seconded. Motion carried. Chair Stephens and Regent Lieberman were absent.

11. Information Only – New Business – The Grant Thornton contract extension will come back after clarification is obtained regarding the engagement letter for the NCAA procedures to be performed, as well as inclusion of the proposal for the UNLV School of Medicine Practice Plan audit that will commence in Fiscal Year 2018. Audit Exception new metrics will be presented with historical and trend data, where applicable, when brought forward at future meetings.

12. Information Only – Public Comment – None.

The meeting adjourned at 4:27 p.m.

Prepared by:

Angela R. Palmer  
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to the Board of Regents

Submitted for approval by:

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