

North Dakota State Board of Higher Education
October 25, 2021, Audit Committee Meeting Minutes

The State Board of Higher Education Audit Committee met October 25th at 8:15 a.m. CT, via Teams/conf. call originating from the State Capitol, 10th Floor Conference room, 600 East Boulevard Avenue, Bismarck, ND, 58505.

Committee Chair Hacker called the meeting at 8:15 a.m. CT.

SBHE Audit Committee members participating:

Mr. Nick Hacker
Mr. Tim Mihalick
Mr. Jeffry Volk

NDUS staff participating:

Ms. Dina Cashman, NDUS
Mr. David Krebsbach, NDUS
Ms. Kristie Hetzler, NDUS
Ms. Karol Riedman, NDUS
Mr. Jerry Rostad, NDUS

Others participating:

President Jensen, BSC
Ms. Sonya Koble, BSC
Ms. Mikka Maher, DSU
Mr. Jed Shivers, UND
Ms. Robyn Hoffman, SAO
President Shirley, MiSU
Dean Migler, DCB
Mr. Steve Benson, MaSU
President Darling, LRSC
Mr. Corry Kenner, LRSC
Mr. Eric Olson, AG Office

1. **Agenda**

And;

2. **Meeting Minutes**

Mihalick moved, Volk seconded, to approve the agenda and the September 13, 2021, meeting minutes.

Mihalick, Volk, and Hacker voted yes.

3. **Executive Session** (8:25 a.m. CT.)

Volk moved, Mihalick seconded, to enter Executive Session to consider (1) the State Auditor's draft operational audit report at Dakota College at Bottineau for FY20-19, and (2) any response from the institution/entity to the draft report and associated recommendations. The executive session shall be limited to members of the Committee, the Chancellor and staff, Board counsel, representatives of the State Auditor's office, and invited campus officials.

The legal authority for closing this portion of the meeting is North Dakota Century Code sections 44-04-19.2 and 54-10-26.

Volk, Mihalick, and Hacker voted yes.

Present during entire executive session:
SBHE Audit Committee members participating:

Mr. Nick Hacker
Mr. Tim Mihalick
Mr. Jeffrey Volk

Others participating:

Ms. Dina Cashman, NDUS
Mr. David Krebsbach, NDUS
Ms. Kristie Hetzler, NDUS
Ms. Karol Riedman, NDUS
Dean Migler, DCB
Ms. Lisa Mock, DCB
President Shirley, MiSU
Mr. Brent Winniger, MiSU
Ms. Jonelle Watson, MiSU
Mr. Eric Olson, AG Office
Ms. Robyn Hoffman, SAO

Volk moved, Mihalick seconded, to adjourn executive session at 10:30 a.m. CT.

Volk, Mihalick, and Hacker voted yes.

Open Session roll call 10:31 a.m. CT:

Committee Chair Hacker
Mr. Mihalick
Mr. Volk

Volk moved, Mihalick seconded, to accept the State Auditor's draft operational audit report of Dakota College at Bottineau for FY20-19, and (2) any response from the institutions/entities to the draft report and associated recommendations.

Volk, Mihalick, and Hacker voted yes.

4. **Management Report**

Mr. David Krebsbach and Ms. Mindy Sturn provided a [management report](#). The eleven campuses, the system office, and core technology services (CTS), are subject to audit by the North Dakota State Auditor's Office as well as NDUS, UND and NDSU Internal Audit. Audits can be financial, operational or performance based. The System Office works with the campuses on the tracking, update, and follow-up of the audit recommendations.

5. **Open Audit Issues Report**

Mr. David Krebsbach and Ms. Mindy Sturn reviewed the [open audit issues report](#).

Ms. Dina Cashman provided the following reports (items 6-9):

6. **NDUS IA Self-Assessment report**

Ms. Cashman explained the internal audit standards require that [quality assessment](#) of internal audit activity be conducted at least once every five years by a qualified independent assessment team or SSL from outside organization. NDUS internal audit was re-established in 2016, 2021 is the first quality assessment review since.

7. **Assessment team information**

The committee requested the self-assessment return to the committee to discuss once the outside assessment is completed.

8. [Quarterly Audit Plan Progress](#) Update.

9. [Quarterly Continuous Review](#) Update.

10. **Compliance Update**

Ms. Karol Riedman provided an update on NDUS compliance.

11. **Hotline Process Discussion**

Ms. Karol Riedman provided an overview of the [hotline process](#). The committee agreed that there is a need to identify streamlining the process for efficiencies, such as, but not limited to:

- Specific campus related complaints/reports go through the review process, limiting system office involvement and re-directing to campus leadership
- Determinations on an internal appeal and/or internal investigations
- Anonymous complaints
- Thresholds in duplication of the same subject matter, including requiring material information for verbal complaints/reporting
- Protected/not protected records for confidentiality for the audit function

The committee will follow-up at a future meeting.

The meeting adjourned at 9:40 a.m. CT.

Approved January 19, 2022.