

**North Dakota State Board of Higher Education**  
March 22, 2023, Audit Committee Meeting Minutes

The State Board of Higher Education Audit Committee met March 22<sup>nd</sup> at 11:00 a.m. CT. a.m. via Teams.

Chair Hacker called the meeting to order at 11:00 a.m. CT.

**Audit Committee Members Participating:**

Mr. Nick Hacker (Chair)  
Mr. Tim Mihalick  
Mr. Jeffry Volk

**NDUS/Other Staff Participating:**

Chancellor Hagerott  
Ms. Dina Cashman  
Mr. David Krebsbach  
Ms. Robin Putnam  
Mr. Darin King  
Ms. Maryann Olson  
Ms. Brenda Zastoupil  
Ms. Meredith Larson, AG Office

**Others participating:**

Dean Simone, DCB  
President Easton, DSU  
President Van Horn, Ms. Amber Hill, MaSU  
President Flanigan, NDSCS  
Mr. Bruce Bollinger, Ms. Lisa Ripplinger, NDSU  
President Armacost, UND  
President LaFave, VCSU  
President Darling, LRSC  
President Hirning, Ms. Krista Lambrecht, WSC

1. **Agenda**

2. **February 15, 2023, Meeting Minutes**

Volk moved, Mihalick seconded, to approve the agenda and February 15, 2023, meeting minutes.

Mihalick, Volk, and Hacker voted yes. Motion passed.

3. **NDUS Internal Audit Executive Survey**

Ms. Dina Cashman provided an overview of the Internal Audit Executive Survey. She explained the purpose is to provide information on how internal audit is performing and at what level it is effective

and efficient. It also identifies opportunities for improvement and potentially high-risk areas to focus on for the upcoming year's plan. This survey is anonymous and last year's survey received approximately fourteen individual responses (approx. 41% of receivers). Each of the questions has a separate response/score. The committee inquired if the questions are appropriately worded and if there are alternative options such as clarity and accuracy versus value and timeliness. They also discussed parsing out two-part questions, adding a question regarding the timeliness of internal audits, and allowing an area for additional comments. After discussion, Ms. Cashman stated she would make the minor edits as discussed. The committee members requested Ms. Cashman to update and email the committee member the final draft, prior to the full Board. They thanked her for her collaborative/consultative approach with all the campuses.

Mihalick moved, Volk seconded, to recommend approval of the Internal Audit Executive Survey, with the inclusion of recommended updates.

Volk, Mihalick, and Hacker voted yes. Motion passed.

#### 4. **Internal Audit Plan Discussion**

Ms. Dina Cashman provided a summary of the history regarding the system office's vacant internal audit position. The fiscal year 2023 internal audit plan has been previously amended due to the current staffing shortage. Currently there are two projects that require further guidance from the committee: safety and security with a focus on active shooter protocols/action plans and a system-wide procurement of large capital projects. Ms. Cashman stated she followed up with the State Auditor's office (SAO) at the request of the committee regarding the SAO's last emergency preparedness audits; the active shooter component was not the focus of those audits. The SAO does not plan on following up with the recommendations made to the institutions on their emergency plan(s).

The committee recommended making the system-wide safety and security audit a priority and discussed funds available for an outside firm to complete the system-wide procurement of large capital projects. Ms. Cashman explained she did explore that option and the lowest informal bid came back at \$35,000.00, which is over the remaining budget that NDUSO internal audit has, and the higher bids came back around \$90,000.00. Mr. Krebsbach informed the committee that if there was any left-over money in the internal audit function, the system office applies it to the compliance department to lower the campus assessment for compliance. The committee also discussed the following:

Chancellor Hagerott stated that the Cabinet did discuss campus safety, including active shooter plans/protocols about a year and a half ago when there were several campus shootings in a short time span. The discussion was based on the need for all campuses to have them in place, however, standardizing them wouldn't be conducive due to the wide range of size and complexity of campuses. Ms. Cashman added that there is a policy and procedures for emergency preparedness, SBHE Policy 906, and active shooters would fall into that category.

Ms. Cashman clarified that the internal audit would be based on assessments, such as, reviewing what campuses currently have in place for plans and/or protocols, how a campus is prepared, testing of their plan/protocols (what worked well-what needed improvement), do they have training and if it is sufficient. She explained that assessing those types of things would help determine best practices and be shared to assist other campuses as they determine their processes, including training. The results would be a good sharing tool between each of the NDUS campuses. Committee members discussed the

importance of keeping the information confidential, to ensure that the institution's information isn't advertising potential material weaknesses and/or misused.

The committee recommended moving forward with a system-wide internal audit on safety and security within this year's plan and moving the system-wide procurement to be included in next year's internal audit plan.

Ms. Cashman will update the audit plan for the committee's approval at their next meeting.

5. **Compliance Update**

Mr. Chris Pieske provided the committee with an update on compliance items. He stated that any open complaints that have been received are being investigated by the associated campus. He explained the functions that Lighthouse Management service can provide, and he receives monthly updates from the campus investigators regarding ongoing investigations. Mr. Pieske stated he is currently working on options for required training, possibly alternating them on a yearly basis to avoid training overload on employees/staff. He noted that procurement would be a good training topic that would need customization to align with NDUS specific statutory requirements. He stated that he has a couple projects outside of compliance that he is currently working to deploy/implement, a Cabinet survey for the Chancellor's evaluation and the Board Self-assessment survey. He completed his work on a proposed compliance office plan and priorities that has been sent to committee members and will be on the April agenda for consideration.

The meeting adjourned at 12:05 p.m. CT.

Approved April 19, 2023.