

North Dakota State Board of Higher Education
April 19, 2023, Audit Committee Meeting Minutes

The State Board of Higher Education Audit Committee met April 19th at 11:00 a.m. CT., 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. Terry Meyer
Ms. Dina Cashman
Mr. David Krebsbach
Ms. Robin Putnam
Mr. Darin King
Mr. Dustin Walcker
Ms. Mindy Sturn
Ms. Sharon Schwartzbauer
Ms. Maryann Olson
Ms. Robyn Hoffman, State Auditor's Office
Ms. Meredith Larson, Legal Counsel

Others participating:

Dean Simone, DCB
President Easton, Les Wietstock, DSU
President Van Horn, Ms. Amber Hill, and Ms. Kate Ehnert MaSU
President Shirley, Mr. Brent Winiger, MiSU
President Flanigan, NDSCS
Bruce Bollinger, Karin Hegstad, Lisa Ripplinger, NDSU
President Armacost, Sharon Loiland, Tim Rerrick, UND
President LaFave, VCSU
President Hirning, Ms. Krista Lambrecht, WSC

1. **Agenda**

And

2. **Meeting Minutes**

Mihalick moved, Volk seconded, to approve the agenda and March 22, 2023, meeting minutes, as presented.

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

3. **Executive session – IT Risk Assessment 11:05 a.m. CT.**

Volk moved, Mihalick seconded, to enter Executive Session to consider (1) the IT Risk Assessment with FY 24 IT audits, (2) any response from the institutions/entities to the draft report and associated recommendations. The executive session shall be limited to members of the Committee, the Chancellor and staff, Board counsel, and invited campus officials. The legal authority for closing this portion of the meeting is North Dakota Century Code sections 44-04-18(9), 44-04-18.4(7), and 44-04-19.2.

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

The Executive Session began at 11:06 a.m.

SBHE

Mr. Nick Hacker, SBHE

Mr. Tim Mihalick, SBHE

Mr. Jeffry Volk, SBHE

NDUSO - Chancellor Hagerott, Ms. Dina Cashman, Mr. Dustin Walcker, Mr. Jerry Rostad, Ms. Terry Meyer, Mr. David Krebsbach, Ms. Kristie Hetzler, **CTS** - Mr. Darin King and Mr. Brad Miller.

Institutions Representatives:

BSC – Ms. Sonja Koble, **DCB** -Dean Simone, Ms. Lisa Mock, **DSU** - President Easton, Les Wietstock, **LRSC** – President Darling, **MISU** - President Shirley, Mr. Brent Winiger, VCSU - President LaFave, **NDSU** – Mr. Bruce Bollinger, Lisa Ripplinger, Karin Hegstad, and Ms. Charlene Glur, UND – Ms. Karla Stewart, **WSC** - President Hirning, Ms. Krista Lambrecht.

Others:

Ms. Meredith Larson, AG Office/Legal Counsel

President Shirley, Mr. Brent Winiger, MiSU

President Flanigan, Keith Johnson NDSCS

The Executive Session meeting adjourned at 11:19 a.m.

Open meeting reconvened at 11:20 a.m. CT.

4. **Updated FY23 Internal Audit plan**

Ms. Dina Cashman provided an [updated FY23 Internal Audit Plan](#)

5. **2023 Compliance Plan and Priorities**

Mr. Chris Pieske reviewed the proposed [2023 Compliance Plan and Priorities](#); he explained it is in place of the more formalized compliance office plan that has been presented in years past. The plan and priorities presented are more flexible and lists priorities rather than hours that are devoted to specific tasks. The following are tasks listed out:

- Training.
- Monitoring theft, fraud, and reporting through the lighthouse program and coordinating with campus investigators.
- Communicating/assisting on compliance issues and or concerns.
- Monitoring policies and procedures as they move through the system and maintain the process of advancing and approval.

Mr. Pieske informed the committee he is currently working on getting certified as a compliance and ethics professional that will allow him to stay up to date on current developments in the compliance operations.

Mihalick moved, Volk seconded, to recommend approval of the compliance and ethics proposed 2023 plan and priorities.

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

6. Compliance Update

Mr. Chris Pieske provided an overview of the number of compliance reports for the years 2021 and 2022, and through the current 2023. He noted that only two are currently active and in the progress of being investigated and the campus investigators have had good turnaround with their reports. The monitoring of the theft, fraud, waste, and abuse code of conduct training required to take by all system-wide employees was completed at the end of March. There will be a new training module that can be adjusted as needed, and it is more interactive; it will be rolled out for new employees starting next month. There are two other tasks that he has been assigned to and those are the Cabinet survey for the Chancellor's evaluation and working with the Governance Committee on the Board's self-assessment.

7. Internal Audit Management Report

Ms. Mindy Sturn provided the [Internal Audit Management Report](#), she noted that the two prior not implemented from last quarter have been closed and that closure occurred within the same quarter.

8. Quarterly Continuous Report Update

Mr. Dustin Walcker provided an update on the [Quarterly Continuous Report](#); it is for the third quarter results of the 2023 fiscal year continuous review project. There are a couple of tables included that show negative comp time reviews, those changed from quarterly to annually due to the low numbers.

9. Internal Audit Plan Progress Update (Q3 FY23)

Ms. Dina Cashman provided an update on the Internal Audit Plan [Progress Update \(Q3 FY23\)](#), as of March 31st. She explained that data is gathered on a regular basis from the NDUS audit functions to provide an update on planned or added audits, and status reports. This report does not include all the responsibilities of the internal audit function, such as continuous review analysis and reporting, ERM, special projects, training updates, board meeting prep and attendance. She noted an additional project under the other category; the project developed a monitoring tool that ensures that financial aid is distributed to the qualifying students enrolled in the North Dakota institutions. The project was a collaborative effort by the NDUSO financial aid office staff and Ryan Jockers, NDUS Strategic Analytics Coordinator.

Ms. Cashman stated that they will be traveling to several institutions to engage, coordinate, and discuss any needs of the institutions.

Internal Audit Update

Ms. Dina Cashman stated that next month there will be draft internal audit charters presented to the committee; one will cover the system office internal function and the other one will be specific to an institution(s) that has an internal audit function, such as UND and NDSU.

The meeting was adjourned at 11:30 a.m. CT.

Approved May 17, 2023.