

North Dakota State Board of Higher Education Audit Committee Meeting Minutes

The State Board of Higher Education Audit Committee met on May 23rd at 10:30 a.m. CT., via Teams.

Committee Chair Volk called the meeting to order at 10:30 a.m. CT.

SBHE Audit Committee Members

- Mr. Jeffry Volk, Chair
- Mr. Tim Mihalick
- Dr. Casey Ryan

Institution Presidents/Representatives

BSC Ms. Sonya Koble, **DCB** Dean Simone, **DSU** Mr. Les Wietstock, **LRSC** Ms. Brandi Nelson, **MaSU** Ms. Amber Hill, **MiSU** President Shirley, Ms. Krista Lambrecht, **NDSCS** President Flanigan, Mr. Keith Nelson, **NDSU** Mr. Bruce Bollinger, Mr. Chris Wilson, Ms. Charlene Glur, Ms. Lisa Ripplinger, **UND** President Armacost, Ms. Karla Stewart, Ms. Sharon Loiland, **VCSU** President LaFave, Ms. Erica Buchholz, **WSC** President Hirling, Ms. Krista Lambrecht.

System Office/CTS/Guests

Chancellor Hagerott, Ms. Dina Cashman, VC David Krebsbach, Ms. Robin Putnam, Ms. Claire Gunwall, Mr. Mark Gorenflo, Ms. Dina Cashman, Mr. Chris Pieske, Mr. Dustin Walcker, Ms. Jacqueline Miller, **Attorney General** Ms. Meredith Larson, **State Auditor's Office** Ms. Mikka Maher, Mr. Cory Wigdahl.

1. **Agenda**

And,

2. **Meeting Minutes**

Ryan moved, Mihalick seconded, to approve the agenda and [April 10, 2024](#), meeting minutes, as presented.

Mihalick, Ryan, and Volk voted yes. Motion carried 3-0.

- #### 3. **Executive Session** – State Auditor's Office, Ms. Mikka Maher and Mr. Cory Wigdahl
- Ryan moved, Mihalick seconded, to enter Executive Session to consider (1) the State Auditor's draft report (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, representatives of the State Auditor's Office, and invited campus officials. The legal authority for closing this portion of the meeting is the North Dakota Century Code, section 44-04-19.2 and 54-10-26.

Executive session began at 10:35 a.m. CT.

Present:

SBHE Audit Committee members – Committee Chair Volk, Committee members Mr. Mihalick and Dr. Ryan.

System Office/CTS/Guests – Chancellor Hagerott, Ms. Dina Cashman, VC David Krebsbach, Ms. Bethany Kadrmaz, Ms. Robin Putnam, Mr. Mark Gorenflo, Mr. Chris Pieske, **Assistant Attorney General** Ms. Meredith Larson, **State Auditor's Office** Ms. Mikka Maher, Mr. Cory Wigdahl.

VCSU Representatives (10:35 – 10:40) – President LaFave, Ms. Erica Buchholz

NDSCS Representatives (10:43 – 10:46) – President Flanigan, Mr. Keith Johnson

The committee reconvened in open session at 10:52 a.m. CT.

Committee Chair Volk and member Ryan present, member Mihalick absent remainder of meeting.

4. **FY25 internal audit draft**

Ms. Dina Cashman reviewed the FY25 [internal audit draft](#). This audit plan was based on a risk assessment for the NDUS. This assessment was completed via interviews with senior leadership; a risk assessment survey sent to senior leadership and operational management; an executive survey; fraud risk assessment reports conducted by Brady Martz in 2024; SAO audit reports; review of emerging industry-specific risks in Higher Education, as identified by external organizations and NDUS internal audit staff. NDUS Internal audit visited NDSCS on May 14 and is scheduled to visit VCSU on May 28. Ms. Cashman noted that approximately 3200 hours (64%) of internal audit time were budgeted for assurance and consulting services (or advisory services as suggested under the new Global standards), the combination of follow-ups, system-wide, IT and institution specific audit engagements and approximately 1800 hrs. (36%) for a combination of data driven reporting, annual audit, and administrative responsibilities. She also noted that they are increasing engagements in the IT area as well as data driven reports and preparing for the Quality assessment review. Ms. Cashman also noted the topics that were considered but not selected due to limited resources. The audit plan is subject to change if there are significant changes in currently known circumstances. NDUS Internal Audit will update the Committee quarterly on the progress of the approved audit plan.

Committee Chair Volk requested Ms. Cashman send the draft report to all Board members for additional input prior to the Audit Committee considering a recommendation to approve at their next meeting. Committee Chair Volk also asked if the other institutions that are not on the plan requested consulting services to be included in the plan. Ms. Cashman stated that they did not but if they would like, NDUS Internal Audit will include the engagement in the plan.

5. **2024 Executive summary report for discussion**

Ms. Dina Cashman presented the [2024 Executive Summary Report](#); the survey was distributed to the SBHE Audit Committee members, Chancellor, and NDUS staff, along with campus Presidents and applicable campus senior leaders. NDUS Internal Audit received 18 responses out of 32 recipients (56% response rate). NDUS Internal Audit's satisfaction rate has slightly decreased from 79.8 % in 2023 to 78.4% in 2024. Suggestions received from the survey were considered in the audit plan for FY 25.

6. **Annual Compliance Office report**

Mr. Chris Pieske reviewed his [annual compliance office report](#).

7. **Compliance Plan/Priorities**

Mr. Chris Pieske provided the committee with the [compliance plan and identified priorities](#). He briefed the committee on the policy and procedure review. Mr. Pieske also provided an overview of the compliance executive survey and employee annual training. He provided an overview of compliance reporting and the revisions to the compliance website that have been made to simplify reporting; the link to the reporting site will be sent out to all employees.

8. **UND internal audit update**

The Internal Audit position is currently vacant and UND may consider contracting with a third-party service until a well-qualified candidate is hired. They will update the committee at future meetings.

The meeting was adjourned at 11:40 a.m. CT.

Approved June, 12, 2024.