

**North Dakota State Board of Higher Education
Audit Committee**

April 16, 2019, Meeting Minutes

The State Board of Higher Education Audit Committee met Tuesday, April 16th at 10:00 a.m. CT, via conference call originating from the State Capitol, 10th Floor Conference room, 600 East Boulevard Avenue, Bismarck, ND, 58505.

Committee Chair Neset called the meeting to order at 10:00 a.m. CT.

SBHE Audit Committee members participating:

Ms. Kathleen Neset, Committee Chair
Mr. Nick Hacker
Ms. Jill Louters

NDUS staff participating:

Chancellor Hagerott
Ms. Tammy Dolan Vice Chancellor of Admin Affairs
Ms. Laura Schratt, Chief Audit Executive
Ms. Karol Riedman, Compliance Officer
Ms. Lisa Johnson, Interim Vice Chancellor of Academic and Student Affairs
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education
Ms. Terry Meyer, Deputy Chief of Staff

Others participating:

Mr. Dave Clark, BSC
Ms. Becky Collins, BSC
President Darling, LRSC
Mr. Corry Kenner, LRSC
Ms. Sharon Loiland, UND
Mr. Dennis Gladen, NDSCS
President Richman, NDSCS
Mr. Craig Hashbarger, SAO
Mr. Matt Hammer, AG Office
Mr. Chris Pieske, AG Office
Mr. Eric Olson, AG Office

Committee Business

1. **Agenda**

Louters moved, Hacker seconded, to approve the agenda.

Hacker, Louters, and Neset voted yes.

2. **Meeting Minutes**

Louters moved, Hacker seconded, to approve the following meeting minutes:

- March 21, 2019
- March 27, 2019
- March 28, 2019

Hacker, Louters, and Neseet voted yes.

3. **Policy 306.1 Compliance Charter**

Ms. Riedman and Mr. Pieske reviewed proposed amendments to [policy 306.1](#).

Hacker moved, Louters seconded, to recommend approval of policy 306.1.

Hacker, Louters, and Neseet voted yes.

4. **Policy 306.2 Internal Audit Charter**

Ms. Schratf reviewed proposed amendments to policy [306.2](#).

Louters moved, Hacker seconded, to recommend approval of policy 306.2.

Hacker, Louters, and Neseet voted yes.

5. **Audit Recommendations Status Report**

Ms. Dolan updated the committee on the status of [prior not implemented](#) campus audits.

6. **Quarterly (Q3FY19) Internal Audit Progress Update**

Ms. Schratf presented a quarterly [\(Q3FY19\) progress report](#) on internal audit.

7. **State Auditor's Report**

Committee Chair Neseet gave an overview of the State Auditor's performance report dated March 26, 2019, regarding [NDSCS's division of workforce affairs](#). The audit was initiated by the State Auditor's Office and a draft was presented to the Audit Committee in March during two executive sessions. As requested by the State Auditor's Office, the North Dakota University System Office, provided responses to the report in mid-April and the final report, including the NDUSO responses, was posted publicly.

Additionally, NDSCS compiled institutional responses to the audit, and in the interest of full transparency and to allow NDSCS due process, those [responses](#) to the report were distributed. Ms. Neseet explained that the Audit Committee will take an appropriate amount of time to consider the report and noted they would accept additional responses from NDSCS for the items that they were unable to respond to prior to the public posting of the State Auditor's Office report. NDSCS was asked to submit the additional responses by May 1, 2019. Ms. Neseet noted the State Auditor's Office will work independently and continue with their normal process and the importance for the SBHE Audit Committee to be allowed time and due process to continue their work. The SBHE Audit Committee will meet in May to re-visit the report and additional responses at their May meeting and report to the full Board on May 30, 2019.

The meeting adjourned at 10:25 a.m. CT.

Approved May 29, 2019.