

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

September 24, 2019, Meeting Minutes

The State Board of Higher Education Audit Committee met Tuesday, September 24th at 1:30 p.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 1:33 p.m. CT.

SBHE Audit Committee members participating:

Ms. Kathleen Neset
Mr. Tim Mihalick
Mr. Morton (arrived 1:37)

NDUS staff participating:

Chancellor Hagerott (arrived 1:37)
Ms. Tammy Dolan, VC for Administrative Affairs/CFO
Ms. Robin Putnam, Director of Financial Reporting
Ms. Laura Schratt, Chief Audit Executive
Ms. Karol Riedman, Compliance Officer
Mr. Darin King, VC for IT/CIO
Ms. Patty Schock, Accounting Specialist
Ms. Terry Meyer, Chief of Staff
Mr. Darin King, CTS
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education
Ms. Dina Cashman, Senior Internal Auditor
Ms. Krista Lambrecht, Senior Internal Auditor

Others participating:

Ms. Sharon Loiland, UND
Ms. Heather Wages, UND
Dean Migler, DCB
Ms. Lisa Mock, DCB
Ms. Becky Collins, BSC
President Darling, LRSC
Mr. Dennis Gladden, NDSCS
Mr. Rylie Yadon, WSC
Ms. Robyn Hoffman, State Auditor Office
Mr. Chris Pieske, AG Office
Mr. Eric Olson, AG Office
Ms. Renea Blum, OMB

1. **Agenda**

Mihalick moved to approve the agenda.

Mihalick and Neset voted yes.

2. **Meeting Minutes:**

Morton moved, Mihalick seconded, to approve the June 25 and August 5, 2019, meeting minutes.

Morton, Mihalick, and Neset voted yes.

3. **Compliance Plan**

Ms. Riedman presented a [proposed Compliance Plan](#). The committee agreed with the plan and indicated the importance of many of the plan's components. The committee and system office discussed how the plan would be implemented across the system and how some of the components will be funded. Ms. Riedman will propose some options to the campuses and report back to the committee at its next meeting.

Mihalick moved, Morton seconded, to approve the Compliance Plan.

Mihalick, Morton, and Neset voted yes.

4. **Executive Session**

Mihalick moved (1:46), Morton seconded, to enter Executive Session to consider (1) the State Auditor's draft operational audit report of UND, for the period ending June 30, 2018, and (2) any response from the institution or system 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.

Session began at 1:51 p.m. CT.

SBHE Audit Committee members participating:

- Ms. Kathleen Neset
- Mr. Tim Mihalick
- Mr. Morton

NDUS staff participating:

- Chancellor Hagerott
- Ms. Tammy Dolan, VC for Administrative Affairs/CFO
- Ms. Robin Putnam, Director of Financial Reporting
- Ms. Laura Schratt, Chief Audit Executive
- Ms. Karol Riedman, Compliance Officer
- Mr. Darin King, VC for IT/CIO
- Ms. Patty Schock, Accounting Specialist
- Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others participating:

- Ms. Sharon Loiland, UND
- Ms. Heather Wages, UND
- Ms. Peggy Varberg, UND
- Ms. Robyn Hoffman, State Auditor Office
- Mr. Chris Pieske, AG Office
- Mr. Eric Olson, AG Office

Morton moved, Mihalick seconded, to adjourn executive session at 1:59 p.m. CT.

Morton, Mihalick, and Neset voted yes.

5. **Reconvene in open meeting** (2:04)

Morton moved, Mihalick seconded, to accept the UND draft operational audit report and responses for the period ending June 30, 2018.

Morton, Mihalick, and Neset voted yes.

6. **Prior Not Implemented Audit Recommendation**

Ms. Dolan reviewed the [prior not implemented audit recommendations](#). The committee had no concerns with the report. No action necessary.

7. **Liability Claims Report**

Ms. Riedman reviewed a [liability claim report](#). The committee had no concerns with the report. No action necessary.

8. **Internal Audit Update**

Ms. Schratt gave the committee members an internal audit update. The committee had no concerns. No action necessary.

The meeting adjourned at 2:20 p.m. CT.

Approved November 20, 2019.