

North Dakota State Board of Higher Education
Audit Committee Meeting Notice and Agenda
Wednesday, February 20, 2019

The State Board of Higher Education Audit Committee met February 20, at 11:00 a.m. CT, via conference call originating from the State Capitol, 600 E. Boulevard Ave, 10th floor conference room, Bismarck, ND 58505.

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

SBHE Audit Committee members participating:

Ms. Kathleen Neset, Committee Chair
Ms. Jill Louters

NDUS staff participating:

Chancellor Hagerott
Ms. Tammy Dolan, Vice Chancellor for Admin/CFO
Ms. Laura Schratt, Chief Audit Executive
Ms. Karol Riedman, Compliance Officer
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education
Ms. Robin Putnam, Director of Financial Reporting
Ms. Terry Meyer, Deputy Chief of Staff
Ms. Dina Cashman, Senior Internal Auditor

Others participating:

Ms. Joanne Kitchens, LRSC
President Mitzel, DSU
Mr. Dennis Gladen, NDSCS
President Richman, NDSCS
Mr. Riley Yadon, WSC
Mr. Bruce Bollinger, NDSU
Ms. Charlene Glur, NDSU
President Bresciani, NDSU
Mr. Chris Pieske, AG Office
Mr. Eric Olson, AG Office

1. **Agenda**

Louters moved to approve the agenda.

Louters and Neset voted yes.

2. **Meeting Minutes**

Louters moved to approve the January 24, 2019, meeting minutes.

Louters and Neset voted yes.

3. **Options for NDUSO Internal Audit**

Ms. Laura Schratt [proposed four options](#) for frequency or focus change of the internal audit function based on the last committee meeting. The committee agreed it will be more productive to focus on follow up from previous audits and to have fewer new audits. She indicated any change in frequency of audits will require a change to SBHE 802.8. To be effective for the 19-21 biennium.

Ms. Schratt will suggest amendments to policy 802.8 for the committee to review at their March meeting. She will also begin the process of creating an audit plan for the next biennium (19-21) over the next few months.

No action necessary until policy amendments are proposed.

4. **Departmental Process**

Ms. Laura Schratt and Ms. Karol Riedman provided an overview of the internal audit and compliance [department processes](#). The discussion included but was not limited to the following areas:

- Staff and Reporting
- Regular Communication
- Standard Work Process
- Standard Report Notification
- High Priority/Sensitive Information Notification
- External Audit or Investigation Process
- Follow-up of Identified Concerns

Committee Chair Neset requested language be added that the full Audit Committee be included in the communication and notification process. Ms. Riedman agreed and will update the document that lays out the process and include language for the institutions to be notified during the early stages of communications.

5. **Policy 306.1 Compliance Officer Charter**

Ms. Karol Riedman reviewed proposed new SBHE Policy [306.1](#), compliance officer charter. The NDUS compliance department/office is an independent and objective unit responsible for assessing, monitoring, and reviewing compliance with SBHE policies and NDUS procedures, institutions' policies and procedures, the North Dakota Century Code and North Dakota Administrative Code, federal laws, and any other applicable rules, regulations, and policies. The Office is responsible for establishing and improving NDUS's compliance governance, structure and systems, and for designing and conducting ethics and compliance programs and activities for NDUS and its individual institutions. The policy outlines responsibilities that are included, but not limited within the charter.

The meeting adjourned at 11:35 a.m. CT.

Approved March 21, 2019.