Committee members present: Chair Alexander Walker, Vice Chair Wallace R. Stevens, Frank Edelblut, Cathy Green, Shawn Jasper

Other Trustees present: Scott Mason, Chris Pope, Melinda Treadwell, James Burnett

Other participants: (USNH) Carol Mitchell, Ashish Jain, Kara Bean, Karyl Martin; (GSC) Tiffany Doherty; (UNH) Donna Marie Sorrentino, Jeanine Girgenti; (PSU) Janette Wiggett; (KPMG) David Gagnon, Jen Renaud, Scott Warnetski

I. Call to Order

Committee Chair Walker called the meeting to order at 11:38 a.m. Committee members discussed the consent agenda item regarding follow-up from October meeting on financial aid. President Treadwell will discuss alignment of resident/non-resident numbers with the Administrative Board. At 11:52 a.m., Chair Walker noted the presence of a quorum sufficient for the transaction of business.

II. Approval of Consent Agenda Items

Chair Walker asked the committee members if they had any comments or questions about the consent agenda items; there were none. On motion offered by Trustee Green and duly seconded, the committee voted to approve the consent agenda.

Items on the consent agenda appear below:

A. Minutes of October 24, 2019 Meeting
B. Internal Audit Reports Issued:
   1. KSC Sponsored Projects Review Report
   2. PSU Oracle Database Audit Report
3. USNH Cybersecurity Assessment Follow-up

C. Follow-up from October meeting on Financial Aid (see above)

III. Items for Committee Consideration and Action

A. Accept External Auditors' FY19 Uniform Guidance Audit Reports on USNH Federal Expenditures

Chair Walker introduced David Gagnon, Jen Renaud and Scott Warnetski from KPMG.

Mr. Gagnon gave an overview of the Uniform Guidance process and procedures.

Research & Development Cluster and TRIO were the major programs audited. There were unmodified opinions on both items, and there were no material weaknesses or non-compliance.

Mr. Warnetski explained the definition of a major program and the basis for such (i.e., federal regulations utilizing certain risk factors). Based on the System’s level of expenditures of federal awards the dollar threshold for Type A programs is $3 million. In FY2019, USNH had three Type A programs, two of which were determined to be major programs and subjected to audit: Research & Development Cluster and TRIO. TRIO met the Type A threshold for the first time in FY2019 and was required to be audited as a major program. Student Financial Assistance Cluster (SFA) was audited as a major program in FY2017 and was not required to be audited in FY2019.

Ms. Renaud discussed the compliance requirement deficiencies for each cluster. The allowability deficiency in the Research & Development cluster was similar to a finding from last year. Ms. Renaud noted that procedural changes were enacted and the matter has improved since last year. There were also findings regarding cash management control process and insufficient documentation. Regarding the TRIO cluster, there were findings regarding allowability, eligibility and cash management.

During their work, KPMG made two other observations that are opportunities for enhancement.

Mr. Gagnon briefly discussed required communications.

The following motion was made by Trustee Edelblut, duly seconded, discussed, and approved with no votes abstained or dissenting.

VOTED, on recommendation of the Chancellor, that the University System of New Hampshire Auditors’ Reports from KPMG for the year ended June 30, 2019, as required by Title 2 of the U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Government Auditing Standards and Related Information, be accepted.
B. Approve CY20 Internal Audit Plan/Review Internal Audit's 2019 Annual Report

Ashish Jain, USNH Director of Internal Audit, reviewed the 2019 Internal Audit report and CY2020 Internal Audit Plan. Information was provided regarding department resources, CY2019 audits, activities, advisory reports and services, current year initiatives, organization of the department, budget, staff profiles, and 2019 planned versus actual activities.

Department activities included data security assessments, construction cost reviews, procurement card reports, ERM reporting and coordination, a roadshow for UNH Research Administration and Support staff (with attendance of 50+ employees) and a joint presentation with UNH Senior Director of Research and Sponsored Programs Administration at the NCURA Regional meeting.

Internal Audit staff is involved in many professional organizations, conferences, round tables, councils and programs to keep current in their work and profession.

Due to time constraints, Mr. Jain provided an update on the external audit RFP at this point in the meeting. A meeting to discuss proposals is scheduled for next week. Selected firms (2-3 firms) will be asked to present to the selection committee in early February. The finalist will be submitted to the Audit Committee for approval at the April 2020 meeting.

The following motion was made by Trustee Edelblut, duly seconded, discussed, and approved with no votes abstained or dissenting.

**VOTED,** on recommendation of the Chancellor, that the proposed Internal Audit Plan for CY20 be approved.

IV. Items for Committee Consideration and Discussion

A. Semi-Annual Update on Title IX Compliance

Janette Wiggett presented the report. Discussion items included review of the current reporting period and year-to-year comparisons for fall semesters.

There were 168 disclosures (including pre-affiliation) during this reporting period (July 1-December 13, 2019). Sexual harassment was the highest reported type of misconduct, followed by sexual assault with penetration and dating violence. Ms. Wiggett noted that the disclosure number cited in the report (160) excludes pre-affiliation disclosures.

In response to a question from Trustee Green, Ms. Wiggett will discuss procurement of statistics of peer institutions with her consortium colleagues.

Comparing year-to-year for the fall semester, the overall number of disclosures appears to be increasing for fall semesters, reflecting strong reporting cultures on campuses. Sexual harassment disclosures increased by 32% from Fall 2018. Dating violence and domestic violence disclosures increased 138% from Fall 2018, but totals align with previous periods. Although incidents involving sexual assault with penetration increased from Fall 2018, the total number of incidents aligns with Fall 2016. Overall, total disclosures involving physical sexual misconduct have not
increased over the four reporting years for fall semester. Ms. Wiggett explained that the “Other/Unknown” type of conduct on the comparison chart includes sexual exploitation (images, online sharing without permission). Sexual exploitation will be an established category in the annual report to be presented to the committee in June 2020. Additionally, the coordinators will seek to include demographic information.

The U.S. Department of Education is expected to issue final regulations for Title IX in upcoming months. New regulations will impact campus policies and processes and will require thoughtful time and attention to implement and to communicate with campuses.

The Title IX Annual Report will include data for the full academic year, year-to-year comparisons for additional data sets, and employee misconduct and student conduct adjudication outcomes. It will also include a status update on the implementation of new regulations.

Trustee Stevens noted that this is an important issue for students and emphasized engagement of the USSB to help draw attention to it.

Trustee Pope reiterated his five questions presented to the Title IX Coordinators at the June 2019 Audit Committee meeting. The topics include the percentage of time spent responding to incidents versus prevention, formal risk assessment, comparison to other institutions for reporting and staffing, and how Trustees can ensure that Title IX Coordinators are properly supported and receiving cooperation from the top leadership and within the campus to conduct effective investigations. Trustee Pope asked that the necessary information be included in the next Title IX Report in June 2020.

B. External Audit RFP Update

Discussed previously (see item III. B.).

C. Other Items

1. Status of Outstanding Audit Issues

Mr. Jain informed that the semi-annual update on outstanding audit issues is included in the materials. There were no questions.

2. Internal Audit Charter Review

Not discussed due to time constraints.

V. Other Business

There being no further business, the meeting adjourned at 1:01 p.m.

-- End of Audit Committee Meeting Minutes --