Audit Committee
June 25, 2020

By Zoom Meeting:
https://unh.zoom.us/j/95355835378

Meeting Minutes
Draft for Approval

Committee members present: Chair Alex Walker, Vice Chair Wallace R. Stevens, Cathy Green, M. Jacqueline Eastwood, Amy Begg

Other Trustees present: Mark Rubinstein

Other participants: (CLA) Andy Lee, Michael Johns, Luke Winter, Daniel Persaud; (USNH) Carol Mitchell, Ashish Jain, Kara Bean, Tia Miller, Karyl Martin; (UNH) Donna Marie Sorrentino; (PSU) Janette Wiggett; (GSC) Tiffany Doherty

I. Call to Order

At 12:30 p.m., Committee Chair Walker called the meeting to order. Chair Walker called the roll and noted the presence of a quorum sufficient for the conduct of business.

II: Determination of Conditions Necessary for the Conduct of a Telephonic Meeting

Chair Walker made the following declaration sufficient for conducting a telephonic meeting and counting all members toward the quorum requirement whether or not physically present in the meeting location:

This meeting is being held by electronic means in conformance with the Governor’s emergency declaration of March 13, 2020, and subsequent emergency orders, as well as the applicable provisions of the New Hampshire Right-to-Know Law, RSA 91-A. If during the conduct of this meeting, anyone has difficulty connecting or staying connected to the video or audio feed please contact Tia Miller at 603-862-0918 or email tia.miller@usnh.edu.
III. 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 Stevens and duly seconded, the committee voted to approve the consent agenda.

Items on the consent agenda appear below:

A. Minutes of April 23, 2020 Meeting
B. Internal Audit Reports Issued:
   1. UNH Identity Access Management Audit Report - Redacted
   2. UNH Wire Transfer Controls Audit Report
   3. UNH IT Change Management Audit Report

IV. Items for Committee Consideration and Action

A. Approve Audit Committee FY21 Meeting Schedule and Work Plan

Mr. Jain briefly reviewed items on the work plan and noted that the Title IX will report twice a year. The ERM annual report will be submitted in April, and there will be ERM items on the October and June agendas. Items expected for October meeting include ERM topic, FY20 financial statements and auditor’s reports for USNH and UNH Foundation.

Trustee Eastwood noted that the USSB would like to be more involved in the Audit Committee, specifically matters related to Title IX.

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

VOTED, on recommendation of the Chancellor, that the Audit Committee FY21 Meeting Schedule and Work Plan be approved.

V. Items for Committee Consideration and Discussion

A. CLA’s Fiscal Year 2020 Audit Plan

Mr. Jain introduced the CLA team: Andy Lee, Engagement Principal; Michael Johns, Engagement Principal; Luke Winter, Engagement Manager; and Daniel Persaud, Engagement Manager.

Mr. Lee reviewed the impact of COVID-19 on higher education. He discussed the CARES Act and related matters such as internal control documentation; compliance; pending guidance for inclusion in SEFA; the impacts on operations, audit and accounting; and CLA’s COVID-19 resources.

In response to a question from Trustee Green, Mr. Lee stated that CLA has provided compliance guidance to USNH regarding CARES Act distributions, which Mr. Jain has forwarded to USNH
Financial Aid Directors. CLA has a task force team monitoring compliance, disbursement, and reporting requirements.

Mr. Johns discussed the scope of services and deliverables.

Mr. Winter reviewed the timelines for Financial Statement audit and Single Audit, responsibilities of parties involved in regard to governance, management and independent auditors, and risk assessment (significant or fraud, inherent, control and detection). Mr. Winter noted that CLA conducts unpredictability procedures every year, and briefly discussed materiality's utilized in the Risk Based Approach.

Mr. Persaud discussed governance input and GASB 95, which postponed effective dates of several standards by one year. He noted that Statement No. 87 Leases has been postponed 18 months with a new effective date of year-end June 30, 2022. Mr. Persaud pointed out that a one-year delay is not required by GASB 95 for any standard in development at the start of the COVID-19 pandemic. Lastly, he encouraged members to contact their team if they had any questions, comments or suggestions at any point during the audit.

In response to a question from Trustee Eastwood, Mr. Lee and Mr. Johns will distribute information and reports on the financial health and stability of higher educational institutions and systems, if available, to the committee.

In response to a question from Trustee Green, Mr. Lee will schedule meetings to discuss the process for distributing FEMA funds. However, he noted that there has not been any official guidance issued.

B. Title IX Annual Report

Janette Wiggett introduced her Title IX colleagues present at the meeting and discussed the report.

Discussion items included types of reported conduct, COVID-19 pandemic interruption, year-to-year comparisons of total affiliated disclosures and reported conduct, and the trends in total disclosures for fall and spring semesters.

For this reporting period, the total number of disclosures including pre-affiliation was 247. Sexual harassment was the highest reported type of misconduct, followed by sexual assault with penetration and dating violence. Campuses continued to work with students and employees through the Title IX process during the campus shutdowns, conducting remote investigations and participating in hearings. The total number of disclosures reported during Spring 2020 semester is lower than in past spring semesters; however, trends showed that the total number of incidents likely would have surpassed the previous year if residential living had not been shut down in middle of the semester.

A four-year comparison of reported conduct shows that sexual harassment was the most frequently reported conduct for AY19-20. Sexual harassment and sexual assault disclosures decreased compared to the prior academic year, likely due to the impact of COVID-19. Dating and domestic
violence reports increased over the prior year. These cases have become a significant portion of Title IX response work due to the need to continuously monitor the situation and parties involved.

The majority of Title IX disclosures alleging misconduct by a USNH student resulted in an administrative resolution, such as no-contact order, educational remedy, or other supportive measures. Most of these matters involved allegations of sexual harassment or dating/domestic violence. In most cases, the impacted party provided limited facts, accepted offered resources, and/or chose not to participate further in the adjudication process. Of 11 allegations of sexual assault and 4 allegations of unwanted sexual contact by a student, 2 matters resulted in “not responsible” findings, 6 resulted in separation from campus (either suspension or removal/expulsion), and 1 resulted in other sanctions. The remaining resulted in other administrative resolutions.

Allegations of Title IX misconduct by an employee often result in an immediate administrative separation pending investigation. Approximately 50% of the reports involved allegations of sexual harassment, with most being allegations that a student was the subject of harassment. Of 17 total reported allegations against employees, 2 resulted in employee resignation pending investigation; 5 were determined to be unfounded or not violations of policy; 3 resulted in discipline and the rest were addressed through other administrative resolutions. None involved allegations of sexual assault or unwanted sexual contact.

In response to a question from Trustee Green, Ms. Wiggett stated that there is an ongoing effort to conduct comparison reporting with other institutions. A survey has been developed for NH institutions; unfortunately, the COVID-19 pandemic slowed the progress. In addition, there is not a national benchmark and it is difficult to report the numbers while maintaining confidentiality.

In response to a question from Trustee Begg, Ms. Wiggett noted that there was still work to be done to develop a code of conduct for volunteers.

New Title IX regulations were released in May, with an effective date of August 14, 2020. New requirements include:

- Align policies and processes with the new definition of sexual harassment and new jurisdiction requirements
- Clarify existing campus policies regarding “mandatory reporter” expectations
- Evaluate emergency removal procedures for respondents to ensure adequate due process
- Establish procedures for addressing formal, written complaints under the new Title IX rules and educating and training the campus community about the new rules and processes
- Identify and train community members to serve as advisors for both complainants and respondents in a Title IX proceeding, including engaging in cross-examination of parties during hearings
- Provide advanced training to hearing panel members regarding relevancy of questions and evidence, burden of proof and evidentiary standards, and other issues.

Ms. Wiggett encouraged committee members to contact Karyl Martin, USNH Associate General Counsel, with any questions or concerns.
Committee members expressed appreciation for the report and for the work of the Title IX Coordinators.

C. Review Audit Committee Charter

Mr. Jain noted that the charter requires an annual review. No change is recommended by staff at this time.

D. Results of Audit Committee’s Self-assessment

Mr. Jain discussed the self-assessment. Suggestions included spending less committee time on audit reporting and more on risk management, and more reporting on risks besides Title IX. Mr. Jain pointed out that in FY21 ERM topics will be discussed twice, in October and June. In addition, a practice to include various other risks has already begun. Information Technology and Security was discussed at the last meeting.

Trustee Eastwood mentioned that COVID-19 risk is already discussed at the full Board level; therefore, it should not be taken by the Audit Committee. Chair Walker expressed agreement to this suggestion.

Chair Walker and Trustee Green briefly discussed whether the Audit Committee should have a role in legal risks, reputational risks, and risks related to race and diversity. Mr. Jain will distribute the Audit Committee Charter to the committee members, and this matter will be an item on the October agenda.

E. Internal Audit Items

1. Internal Audit Update

Mr. Jain noted that the Internal Audit Department continues to work on data analysis projects regarding duplicate payments, employee-vendor conflicts and continuous monitoring of sponsored research. Updates include staff changes, enhancement of outstanding audit issues follow-up and inclusion of stimulus funds compliance audit in the audit plan.

Due to the departure of the IT Auditor, IT audits, if needed to be performed, will be outsourced until end of the year. The audit plan will also be revised. In response to a question from Trustee Eastwood, Mr. Jain informed that the current plan is to post this position by the end of the year.

2. Status of Outstanding Audit Issues

Mr. Jain summarized the report.

Of 56 action plans currently being tracked, including 18 from internal audit reports issued since the last semi-annual, four of the underlying risk/control issues have been reported by management as resolved and the other 52 are in process, much improved, on hold, and/or management has accepted the residual risk.
VI.  **Other Business**

The committee recognized Carol Mitchell, USNH Controller, who is retiring after 22 years of exceptional service.

Carol began at USNH in June 1998 as Assistant Controller & Director of Accounting and was promoted to USNH Controller in September 2009.

Vice Chair Stevens noted the many changes that Carol has experienced throughout her tenure regarding accounting systems, supervisors, trustees, and office locations. She has worked with at least three external audit firms, and each one has given high praise to Carol and her work. She has also been the recipient of several awards.

Committee members expressed their appreciation for her dedicated service to USNH and Trustees; she will be missed.

There being no further business, the meeting adjourned at 1:49 p.m.

-- *End of Audit Committee Meeting Minutes* --