



AUDIT COMMITTEE

JUNE 23, 2022

UNIVERSITY OF NEW HAMPSHIRE

DURHAM, NEW HAMPSHIRE

and

BY ZOOM MEETING:

[HTTPS://UNH.ZOOM.US/J/97109086215](https://unh.zoom.us/j/97109086215)

MEETING MINUTES

Draft for Approval

Committee members physically present: Chair Alexander Walker, Gregg Tewksbury, M. Jacqueline Eastwood, Shawn Jasper, Mackenzie Murphy, Jonathan Melanson (Governor Sununu's designee)

Other Trustees physically present: James Dean Jr.; Melinda Treadwell

Other participants participating by videoconference: (USNH) Tia Miller, (UNH) Andy Glode; (KSC) Ralph Stuart; (PSU) Katie Caron; (CLA) Brenda Scherer

Other participants participating in person: (USNH) Heidi Hedegard, Ashish Jain, Francine Ndayisaba; (PSU) Marlin Collingwood, Ann McClellan

I. Call to Order

At 12:19 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. 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 Walker and duly seconded, the committee voted to approve the consent agenda.

Items on the consent agenda appear below:

A. Minutes of March 3, 2022, Meeting

B. Internal Audit Reports Issued

1. UNH Financial Aid Data Verification Process Audit Report
2. UNH Athletics Cash Carrying and Depositing Audit Report

III. Items for Committee Consideration and Action

A. Accept External Auditors' FY21 Uniform Guidance Single Audit Report on USNH Federal Expenditures

Brenda Scherer, CLA signing director, explained the single audit process and results. Major programs audited include Student Financial Aid, CARES Act – Higher Education Emergency Relief Fund, Title V – Coronavirus Relief Fund, and HHS Every Student Succeeds Act/Preschool Development. There were no material weaknesses found. There was one finding of significant deficiency regarding CARES HEERF reporting requirement, whereas supporting documentation did not agree to the numbers included in the required report and posted via the institutions' websites. Management has reviewed the findings and is working to put new procedures in place to ensure USNH is fully compliant in these areas for future years. According to the compliance supplement, HEERF funds will be designated as high-risk again in FY22.

The USNH controller will file the audit report and associated federal form with applicable federal agencies within 30 days of the auditors' report date.

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

***VOTED**, on recommendation of the Chief Administrative Officer, that the University System of New Hampshire Auditors' Reports from CLA for the year ended June 30, 2021, 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 Enterprise Risk Management (ERM) Annual Report and Assignment of Risks

Mr. Jain explained that this motion is part of the formal process for Board committees to monitor the top 10 risks identified in annual ERM report. He explained the role of ERM champions and their liaison with the Presidents Council, which had discussed the annual ERM report and proposed committee assignment list at its April and May 2022 meetings. The council plans to review these risks periodically and report back to the assigned committees. President Dean informed the committee about Presidents' Council's deep involvement in the review and revision of ERM report and risks.

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

***VOTED**, on recommendation of the Chief Administrative Officer, that the Audit Committee recommends to the Executive Committee the adoption of the following motion:
MOVED, on recommendation of the Audit Committee, the Executive Committee hereby formally assigns the top 10 system wide risks identified in the GY 2023 annual ERM report to the appropriate Board committees, as specified in the attachment, for purposes of oversight.*

C. Approve FY23 Meeting Schedule and Work Plan

Mr. Jain discussed the work plan for next year which will include the Title IX report in January, ERM annual report in April, and GLBA compliance update in June. Items expected for the October meeting include FY22 financial statements and auditor's reports for USNH and UNH Foundation.

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

***VOTED**, on recommendation of the Chief Administrative Officer, that the Audit Committee FY23 Meeting Schedule and Work Plan be approved.*

V. Items for Committee Consideration and Discussion

A. Receive USNH Environmental Health and Safety Council's 2021 Annual Report

Andy Glode, director for UNH Environmental Health and Safety (EHS) and chair of the USNH EHS Council, provided a brief overview of the council mission and makeup, programs in place, and compliance status at each campus.

Mr. Glode discussed updates at UNH. New Hampshire Department of Environmental Services performed a comprehensive hazardous waste compliance inspection at UNH Durham in June 2021. The final report of the inspection identified no pending action items and no penalties. Inspectors noted at the time of the inspection that UNH has the most complex hazardous waste management program in the state. UNH fulfilled the rigorous state requirements and was granted a broad scope license for radioactive material. The UNH EHS worked with researchers to schedule decommissioning of three liquid scintillation counters. By safely decommissioning the obsolete equipment, UNH reduced risks associated with managing the radioactive material in the equipment. The council convened a group of technical experts to provide support designing a research environmental growth chamber for use with isotopically labeled carbon. The initial design draft exhibited issues related to chemical safety and electrical safety. Through a collaborative evaluation process, safety issues were mitigated, greatly improving researcher safety.

Katie Caron, PSU EHS director, updated the committee regarding environmental health and safety at PSU. The OEHS co-led PSU's COVID-19 Rapid Response Team (RRT). The interdisciplinary team of professional staff and faculty managed complex day to day operations regarding COVID-19 and continued to develop university-specific policy and protocols as new variants emerged. The RRT acted as the university's liaison with State of NH Public Health reporting positive cases, discussion of close contacts, and documentation of identified clusters. The RRT also participated in weekly meetings as part of the USNH (PSU) team with State of NH Public Health officials. Ms. Caron was directly responsible for the campuswide testing initiative and contact tracing functions as well as PPE supply, distribution, and tracking. This year, PSU will focus on third party compliance review and any subsequent follow up actions. There has been an EHS vacancy since May 2020 and a proposal has been submitted to fill the vacancy in calendar year 2022.

Ralph Stuart, KSC EHS manager, discussed the college's EHS goals for 2022, include responding to the external review of compliance concerns, which has led to the increase in "yellow traffic

lights” in the report; developing resilience plans for emerging concerns; providing value to the institutional mission of teaching, research, and service (internship program and guest lectures in classes); and identifying trends in higher education that are likely to impact KSC (3D printing, nanotech) and to establish KSC as a national leader in safety education.

Andy Glode provided updates for GSC and the System Office, whose staff remain largely remote. GSC focused on the continuing response to the COVID-19 pandemic, with weekly PCR testing arranged for on-site staff through the lab at UNH Manchester. COVID-19 status updates were provided with important information on health and safety guidance from public health professionals. Routine safety work like ergonomic evaluations were adapted to remote/distance modalities. GSC has a very small EHS footprint, with no laboratories, no storage tanks, no dangerous occupational duties, no residential programs, etc. Given its merger with UNH, the status of future independent EHS reports by GSC is a subject of continuing discussion. Regarding the System Office, safety concerns are primarily associated with life/safety planning, office ergonomics, and ongoing mitigation protocols for COVID-19. As a leased facility, building safety issues are directed to building management for resolution. In general, response to these concerns has been prompt and effective.

Mr. Glode discussed updates regarding USNH EHS Council joint activities, which included sharing mitigation strategies to address the COVID-19 pandemic. Council members met with increased frequency to facilitate information exchange and planning efforts related to the pandemic. Information about increased indoor mold complaints in 2021 was also shared and strategies were discussed to address air quality complaints. This information exchange helped to ensure that consistent and best management practices are utilized across USNH. The council provided systemwide review and comment at various stages of the rulemaking process for new or revised health and safety rules and for proposed bills being considered by the NH General Court, providing input regarding the potential impact to campus operations.

Committee members discussed opportunities for further cross-campus collaboration and consolidation of resources and opportunities to monetize unique institutional EHS strategies. Committee members expressed appreciation for the council’s work and for keeping the campuses safe during the pandemic.

B. Review Audit Committee Effectiveness Self-Assessment

Whereas only two members participated in the committee self-assessment, it was agreed that the survey will be re-distributed to committee members for improved participation and reported back at the next meeting.

C. Review Audit Committee Charter

The Audit Committee has the responsibility to review and assess the adequacy of the Audit Committee Charter on an annual basis and recommend any changes to the Board.

No changes to the Audit Committee charter were recommended at this time. It was noted that USNH conflict of interest monitoring protocols are being reviewed internally and recommendations for change may be forthcoming. Additionally, a pending review of duplication in Audit and

Governance Committee charters by Mr. Jain and the incoming USNH general counsel may result in recommendations for change. Trustee Tewksbury suggested exploring the inclusion of member qualifications and independence in the language of the Audit Committee charter.

D. Review Status of Outstanding Audit Issues

Mr. Jain noted that the list of outstanding audit issues included all significant open issues from past audit reports and those that were closed since the report was last distributed to the Audit Committee. It is updated semi-annually for follow-up and control monitoring purposes. Of 92 action plans currently being tracked, 10 are from internal audit reports issued since the last semi-annual update, 17 issues are resolved as reported by management, and the remaining 65 are in process, much improved, on hold, and/or management has accepted the residual risk. The number of issues currently unresolved involve a diverse range of areas, many of which require a longer-term, resources-intensive technology solution.

VI. Adjournment

There being no further business, the meeting adjourned at 1:30 p.m.

-- End of Audit Committee Meeting Minutes --