



AUDIT COMMITTEE

JANUARY 19, 2023

UNIVERSITY OF NEW HAMPSHIRE

DURHAM, NEW HAMPSHIRE

and

BY ZOOM MEETING:

[HTTPS://UNH.ZOOM.US/J/93047620646](https://unh.zoom.us/j/93047620646)

MEETING MINUTES

Draft for Approval

Committee members physically present: Chair Gregg Tewksbury, Vice Chair Jacqueline Eastwood, Shawn Jasper, Mackenzie Murphy, Joel Nkounkou, Peter T. Paul

Other Trustees physically present: Melinda Treadwell

Other participants participating by videoconference: (CLA) Andy Lee, Luke Winter

Other participants participating in person: (USNH) Kara Bean, Tia Miller, Ashish Jain, Karyl Martin, Christine Heise; (CLA) Brenda Scherer; (UNH) Nadine Petty, Wayne Jones; (PSU) Janette Wiggett; (KSC) Jeffrey Maher

I. Call to Order

At 12:39 p.m., Committee Chair Tewksbury called the meeting to order. Chair Tewksbury called the roll and noted the presence of a quorum sufficient for the conduct of business.

II. Approval of Consent Agenda Items

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

Items on the consent agenda appear below:

- A. Minutes of October 20, 2022, Meeting
- B. Enterprise Risk Management (ERM) Update on new Enterprise Resource Planning (ERP) and Major Systems
- C. Internal Audit Reports Issued
 1. UNH Student Accounts Cash Handling Audit Report

2. UNH Human Resources Data Security Review Report
3. KSC Registrar's Office Data Security Review Report

III. Items for Committee Consideration and Action

A. Accept External Auditors' FY22 Uniform Guidance Audit Reports on USNH Federal Expenditures

Brenda Scherer, CLA signing director, introduced herself and her CLA colleagues on videoconference, Andy Lee and Luke Winter.

Ms. Scherer explained the single audit process and results. Major programs audited include Education Stabilization Fund – HEERF, Research & Development Cluster, and TRIO Cluster. There were no material weaknesses found. There was one significant deficiency regarding HEERF reporting, whereas supporting documentation did not agree to the numbers included in the required report and posted via the institutions' websites. In addition, there was a lack of formal review documentation for all institutions. All institutions have developed management action plans to ensure USNH is fully compliant in these areas for future years. Ms. Scherer noted that this is a common finding this year and that approximately 75% of higher education institutions have this finding. HEERF reporting is regarding COVID-19 funds, and she pointed out that at the beginning of the pandemic the reporting requirements were unclear, and the reporting rules fluctuated. Unfortunately, the HEERF finding was discovered too late last year to correct for this year (FY22).

Chair Tewksbury asked if there were any implications for the repeat finding. Ms. Scherer noted that there must be a corrective action plan. Conversely, she noted that one benefit to a finding is that it shows that auditors are doing their job correctly.

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

Ms. Scherer turned the committee's attention to key changes to the GLBA safeguard rule. The compliance deadline has been extended to June 9, 2023. There are numerous changes to the rule and the requirements will become more complicated due to the sensitive information that higher education institutions receive and process. An important change is the requirement that a written report regarding information security must be submitted to the Board of Trustees at least annually.

In response to a question from Chair Tewksbury, Ashish Jain, USNH Director of Internal Audit, noted that the USNH Chief Information Security Officer will update the committee on any USNH security breaches at the April or June meeting.

In response to a question from Trustee Nkounkou, Mr. Jain stated that action plans are being developed to meet the GLBA safeguard rule compliance deadline. Trustee Treadwell added that she will work with Provost Wayne Jones to ensure compliance. The action plan will be submitted to the Presidents Council.

The following motion was made by Trustee Jasper, 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, 2022, 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 CY2023 Internal Audit Plan/Review Internal Audit's CY2022 Annual Report

Mr. Jain reviewed the CY 2022 annual report and CY 2023 internal audit plan. Information was provided regarding department resources, CY2022 audits, activities, advisory reports and services, organization of the department, budget, staff profiles, 2022 planned versus actual activities, and current year initiatives.

The 2023 internal audit plan has been shared with the Finance Executive Committee. The plan was developed with the assumption of a full staff (3 FTE's). In the period since, one member of the Internal Audit Department has been transferred to another position in the System Office. It is possible that some audits may be outsourced.

Department activities in CY2022 included audits and advisory services, construction cost reviews (outsourced), and data analysis projects. In addition, the department maintained the Ethics and Compliance Hotline, coordinated ERM reporting, and advised on GLBA and Red Flag compliance initiatives.

Internal Audit's CY2023 initiatives include selection of an IT audit service provider, Ethics and Compliance Hotline outreach, additional focus on old outstanding audit issues, assisting and advising on GLBA and Red Flag Rule compliance initiatives, and hiring an additional staff member.

Internal Audit staff is actively involved in many professional organizations (IIA, ACUA, Ivy+), conferences, and associations to keep current in their work and profession.

In response to a question from Chair Tewksbury, Mr. Jain stated the construction audits are focused on cost management – billing, insurance rate, etc. These audits generally work as a preventative measure.

In response to a question from Trustee Jasper, Mr. Jain noted that submissions to the Ethics and Compliance Hotline usually result in minor corrective measures (establishment of confidentiality forms for example); however, if there was a serious accusation such as significant fraud, he would report it to the committee. All complaints are routed to campus CFO, General Counsel, and the Director of Internal Audit for oversight and monitoring. Mr. Jain encouraged the committee to contact him for specific information regarding the Ethics and Compliance Hotline. Trustee Jasper requested such.

Chair Tewksbury expressed his concern regarding the limited internal audit staff in relation to the size of the organization and asked if there is any way to benchmark sufficient staff. Mr. Jain will

gather information and follow up with Chair Tewksbury. Trustee Nkounkou noted his concern with audits being at risk due to lack of staff. Although pointing out that more audits could be done with more staff, Mr. Jain stated that his department conducts continuous monitoring, and they share audit results and recommendations with management. In addition, an audit plan is developed annually.

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

***VOTED**, on recommendation of the Chief Administrative Officer, that the proposed Internal Audit Plan for CY2023 be approved.*

IV. Items for Committee Consideration and Discussion

A. Receive Annual Update on Title IX Compliance

Jeffrey Maher and Janette Wiggett introduced themselves to the committee.

Mr. Maher gave a brief background and explanation of sexual misconduct, noting that this misconduct impacts students, employees and visitors. He noted that these events are barriers to student success which is what makes it so important to respond appropriately. Institutional response includes promoting healthy and responsive reporting culture, impacted party agency, confidential resource access (such as area crisis centers), non-punitive supportive measures, equitable and prompt resolution of complaints, and community-based remedies. Title IX coordinators may also provide assistance to respondents. The bulk of the coordinator's work is to provide access to supportive measures.

Ms. Wiggett explained the delicate navigation of Title IX and choices available, giving several different scenarios and examples. She also discussed the legal landscape for the reporting party, respondent, location and type of conduct under the Clery Act, Title IX, RSA 188-H, and climate surveys.

Mr. Maher discussed the requirements of RSA 188-H which include adoption of policies, data reporting, annual training and awareness, bi-annual sexual misconduct survey, and confidential resource advisors. USNH institutions administered the 2022 Sexual Misconduct Climate Survey, which was also administered at all of New Hampshire's institutions of higher education. The survey was developed by a statewide task force and it exceeds statutory requirements. Colleges and universities used different survey tools which complicates interpretation of the responses. The survey includes questions on topics such as satisfaction with institution, sense of safety on campus, knowledge and awareness of campus sexual misconduct resources and procedures, perceptions of potential institutional response to sexual misconduct, and personal experiences relating to specific categories of sexual misconduct since enrolled at institution.

Mr. Maher noted that the prevalence rate indicates that a respondent experienced at least one type of incident in a given category since enrolling at the institution. The majority of respondents were female. Definitions of "dating violence," "stalking," and "sexual violence" as used in the survey

do not necessarily align with how this conduct is defined under Title IX, Clery Act/VAWA, or institutional policies.

Ms. Wiggett discussed RSA 188-H reported conduct data for USNH institutions for AY2021 and 2022, which reflects the residual effect of the pandemic. She also pointed out that this information is helpful for prevention programs.

Online training about harassment prevention and workplace discrimination (“Get Inclusive”) for students, faculty, and staff has been launched across USNH. This training complies with requirements under RSA 188-H, and augments in-person trainings and other efforts around violence prevention. In addition, there are new disclosure and attestation requirements in compliance with NCAA Policy on Campus Sexual Violence. Each campus has developed an internal compliance process.

Some take-aways/trends in sexual misconduct disclosures and response are increased disclosures through various channels (some non-traditional such as social media or other platforms), changing legal landscape, and increased use of shared resources across USNH (including training, investigations, adjudication resources). Although there are many reporting and survey requirements, Title IX coordinators are committed to working with students and employees as individuals to do what they can to assist.

In response to a question from Chair Tewksbury regarding commitment to a culture that makes a student feel safe, Ms. Wiggett stated there is outreach during student orientation (both in person and online), consistent exposure to materials, engagement of families and support systems, and on-campus counseling centers. Most importantly, coordinators and students have access to external sources such as Voices Against Violence and Sexual Harassment & Rape Prevention Program (SHARPP). These sources are valuable to the reporting party and the respondent; however, their value also extends to Title IX coordinators who use them as resource to ensure they are doing all they can for students and employees.

In response to a question from Trustee Murphy, Ms. Wiggett stated that campuses utilize “USafe” and encourage its use. Ms. Wiggett is not aware of any campuses having their own safety phone applications, but “USafe” has some of those capabilities.

Chair Tewksbury thanked the Title IX coordinators for their valuable work.

B. 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 102 action plans currently being tracked, 27 are from internal audit reports issued since the last semi-annual update, 20 issues are resolved as reported by management, and the remaining 55 are in process, much improved, on hold, and/or management has accepted the residual risk.

As noted previously, internal audit will put special focus on remediation of outstanding audit issues in 2023 (those issues outstanding since 2020), for which Chair Tewksbury expressed his support.

C. Review Internal Audit Charter

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

The Internal Audit Charter was last revised in April 2017. No changes to the Internal Audit Charter are recommended by USNH staff at this time.

Mr. Jain stated that revisions to the charter may be recommended in the next year or two. Chair Tewksbury noted that there are references to chancellor in the charter that could be revised at that time as well.

V. Other Business

None.

VI. Adjournment

There being no further business, the meeting adjourned at 1:46 p.m.

-- End of Audit Committee Meeting Minutes --