Call to Order

1. Approval of Agenda
2. Recommended motion to hold an executive session: According to NDCC section 44-04-19.2, the SBHE Audit Committee hold an executive session to consider and discuss the draft NDUS FY2014 financial statement audit report recommendations and NDUS responses; further, the executive session shall be limited to members of the Board, the chancellor and staff, representatives of the state auditor's office, and invited campus officials.

Note: The draft financial statement audit may be considered or discussed only in executive session. According to NDCC section 54-10-26, a draft audit report released by the state auditor to the governing body or management of the audited entity is confidential until the final audit report is issued or work ceases on the audit. As provided in NDCC section 44-04-19.2, a governing body (including a SBHE committee acting under authority delegated by the SBHE) may hold an executive session to consider or discuss closed or confidential records.

The governing body may hold an executive session after first convening in an open meeting and passing a motion to hold an executive session, stating the topic or topics to be discussed and legal authority for holding the executive session. The executive session must be recorded and the topic or topics discussed must be limited to those for which the executive session is authorized and previously announced. Final action concerning the topic or topics discussed or considered must be taken in an open meeting, unless final action is required by law to be taken in a closed or confidential meeting.

3. Reconvene

Call to Order

4. Recommend Approval of the NDUS FY2014 DRAFT Financial Statement Audit Report, NDUS Responses
5. Discuss and Direct Distribution by State Auditor of Preliminary Audit Findings – Robin Putnam
6. Approval of August 21, 2014, Meeting Minutes
7. Review and approve next steps for Draft Compliance –Risk Management Plan – Tracy Kolb
8. Approve Job Description and Next Steps for Hiring Chief Auditor
9. Discuss Policy 611.10 Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste – Murray Sagsveen

Adjourn
**Note:** For purposes of this document, the term recommendation is used interchangeably for audit findings and recommendations.

**Requirements:**

- Generally Accepted Auditing Standards require timely communications between the auditor and the audit committee.
  - In many organizations, the communication takes place at the beginning of the audit to discuss timing, scope and potential issues and then at the end of the audit to discuss the results of the audits and recommendations. If fraud is discovered, the governing board is notified immediately.
  - Statement of Auditing Standard (SAS) #114, requires the auditor to communicate in a timely manner, matters related to the audit that are, in the auditor’s professional judgment, significant and relevant to the responsibilities of those charged with governance. This does not require regular or monthly reporting to the governing board.

**Current Process:**

- During the course of the annual financial statement audit, the State Auditors Office (SAO) sends monthly audit status updates, by email, to the following:
  - SBHE Audit Committee Members
  - NDUS and CTS campus Controllers
  - NDUS Vice Chancellor for Administrative Affairs
  - NDUS Chief of Staff and General Counsel
  - NDUS Director of Financial Reporting

- In late December, after the audit is completed, the SAO sends a draft report containing audit recommendations for the current year audit to the NDUS Director of Financial Reporting. The NDUS is required to provide a response to each recommendation. The deadline for submitting responses to the SAO is approximately two weeks from the date they are received.

- The System Office forwards the draft report to the institution/CTS controllers and the appropriate System Office individuals so responses can be prepared.
  - If there are questions or if clarification is needed on any of the recommendations, the campuses/CTS/ System Office contact the specific auditor who made the recommendation.
• Responses are returned to the Director of Financial Reporting who combines all responses into one document. The document is then reviewed by the NDUS Vice Chancellor for Administrative Affairs and the NDUS Chief of Staff, and changes are made, as necessary, in coordination with appropriate campus personnel.

• After their review, the report containing DRAFT NDUS responses is submitted to the SAO.

• The SAO reviews the responses and may provide a rebuttal, if they choose to do so.

• The SAO presents the DRAFT audit report, which contains both the SAO recommendations and the NDUS responses to the SBHE Audit Committee in late January/early February timeframe. The Audit Committee has the opportunity to direct revisions to responses, as deemed necessary.

• The SAO releases the report publicly on their website by mid-February. They are required to publicly release report within 60 days of the date of the audit opinion.

• SAO presents final report to the Legislative Audit and Fiscal Review Committee, at an upcoming meeting, who accept (or reject) the report.

• Audit recommendations are implemented as noted in audit responses and monitored internally for implementation status.

**Concerns with current monthly audit status update communications**

Certainly, auditor communication with the SBHE Audit Committee is important and beneficial.

• The potential issues identified in the audit status updates distributed to the Audit Committee by the SAO have not always been reviewed with the institutions, CTS or System Office first.

• The potential issues identified in the updates are preliminary and may be modified or removed entirely in the final audit report based on additional information provided to the SAO by the NDUS.

• The updates provided to the Audit Committee do not include any background or context, which is important to determine significance, magnitude and priority.

• Senior campus officials, such as the President, Vice President and others primarily responsible for operations do not receive the updates.
Options to Consider for recommendation to the SAO:

Option #1: SAO recommendations and NDUS responses are presented to the SBHE Audit Committee after the audit has been completed and the institutions, System Office or CTS have had an opportunity to review and respond. The report would still be in DRAFT form, so the Audit Committee can direct changes to the NDUS responses as they deem necessary.

Option #2: Request SAO to continue the monthly status updates to the Audit Committee, but the preliminary recommendations are communicated to the SBHE Audit Committee only after they have been thoroughly discussed with the appropriate institution, CTS or System Office personnel

- The monthly status update will contain language stating that the recommendations are preliminary and subject to change or may be removed when the audit is completed.
- Request SAO include appropriate context or background so that the SBHE Audit Committee can determine significance, magnitude and priority.

- Under both options, the SBHE Audit Committee will be notified immediately if fraud is discovered.
State Board of Higher Education
Audit Committee
August 21, 2014

The State Board of Higher Education (SBHE) Audit Committee met on August 21, 2014, at Barry Hall, Eide Bailly Boardroom, 811 2nd Avenue North, Fargo, ND, 58102, at 1:00 p.m. CST.

Ms. Neset called the meeting to order at 1:00 p.m.

SBHE Audit Committee members participating:
  Ms. Kathleen Neset, Chair
  Mr. Don Morton
  Dr. Kirsten Diederich

NDUS staff participating:
  Mr. Tim Carlson, Chief Auditor
  Ms. Kirsten Franzen, Chief Compliance Officer
  Dr. Lisa Feldner, Chief Information Officer
  Mr. Murray Sagsveen, Chief of Staff
  Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
  Ms. Robin Putnam, Director of Financial Reporting
  Ms. Kristie Hetzler, Executive Assistant to SBHE

Approval of Agenda
Diederich moved, Morton seconded to approve the agenda.

Diederich, Morton, and Neset voted yes. Motion carried.

Approval of July 9, 2014 Minutes
Diederich moved, Morton seconded to approve the July 9, 2014 minutes.

Diederich, Morton, and Neset voted yes. Motion carried.

Affordable Care Act
Ms. Glatt gave the committee an update on the Affordable Care Act (ACA) implementation. The ACA is a new federal mandate and the regulations are written for private sector business, but there is not much guidance on the public sector. The state will consider themselves as one large applicable employer for the implementation of ACA. There will be two separate members within the state, state government is one, and higher education is the other. Because of that structure we will have to track number of hours worked for employees that cross state government and the North Dakota University System (NDUS). That is important because we have a number of students that work for the summer and then come work for NDUS for the school year. We will have to have in place a mechanism that allows us to track the number of hours worked across all of state government. The state has asked that we complete implementation by Sept. 30, 2014 and the implementation team is working diligently to meet the deadline.
Chair Neset agreed with Ms. Glatt on the importance of meeting the deadline to avoid any penalty fees. The Audit Committee’s assistance was offered to Ms. Glatt and her department, if needed, Chair requested notification prior to September 5, 2014.

**Records Retention Policy Update**
Dr. Lisa Feldner indicated the state records management office is working on a new general records retention schedule that provides for all state agencies, including cities and counties. With that, each agency has the ability to adopt an agency specific one, in addition to the general. Dr. Feldner recommended that the University System adopt the States general records retention schedule and each campus can then adopt more campus specific ones if needed. She believes the interim legislative IT committee already has a draft bill indicating the NDUS adopt it. She stated some of the advantages are:

- Maintaining consistency throughout the institutions
- State Management office would be responsible to federal regulation changes
- State Management office will review and audit the forms annually
- State Management office will provide training to the campuses
- It will significantly benefit IT with security and storage

Dr. Lisa Feldner stated there have been updates in the IT department. The enterprise scanning tools has been updated; it scans for vulnerability and abnormalities within the system. ITD installed the intrusion detection devices on the network; they have three of the four quadrants completed. She indicated the security policies are currently being updated; policy 1901.3 has been flagged by SAO for being too vague. Ms. Neset requested an update be brought to the Audit Committee at their next meeting.

Chair Neset requested Dr. Feldner forward the draft records retention policy as soon as it is available due to it being time sensitive; a special Audit Committee meeting may have to be held. She would like to see this policy, along with an update on 1901.3 on the full Boards next agenda.

**Informational Technology update**
Three employees have been put on administrative leave following the security investigation. Core Technology System (CTS) office will be doing some restructuring and conducting more training CTS and across the system. State Auditor’s office (SAO) and CTS will be doing an assessment at each of the institutions.

Dr. Feldner stated a report ([http://www.ndus.edu/uploads/resources/3952/13.-recommendations-combined-es-fin-hr-2.pdf](http://www.ndus.edu/uploads/resources/3952/13.-recommendations-combined-es-fin-hr-2.pdf)) on data inconsistencies within PeopleSoft components that was presented to the Board last year. The list was prioritized by level of importance and the top components were campus solutions, financial systems, and human capital management. She stated that by the beginning of September those components will be in synched to help eliminate data inconsistencies. She also noted that data inconsistencies can affect the new funding model.

She state that personal/bio-demo data, including names, addresses, telephone numbers, email addresses, and more will be integrated among the following three systems:
Common Data Definition
Mr. Carlson briefed the committee on the advantages of having common data definitions, common chart of accounts, and the need for a more efficient, systemic process for financial reporting. He stated it is important for the Board of Higher Education to see financial statements more than once a year.
Committee members agreed, adding the financials would be significantly helpful with their fiduciary responsibilities and should be placed on the dashboard that is currently being created. Ms. Glatt stated that there is not enough NDUS and/or campus staff in the financial departments to accommodate the committees request for immediate access to financials. Committee members suggested hiring temporary employees to provide assistance to the budget and finance department during the process of creating a common chart of accounts. They noted that NDUS already has an extremely great, complex software system, PeopleSoft, which can be used in the process. After system has the process in place and it is being followed system wide, the need for additional staffing should be eliminated.

Ms. Neset proposed to have the SBHE Audit committee delegate the Chancellor and Vice Chancellor for Administrative Affairs to create a common set of data definitions and common chart of accounts by July 1, 2015. Ms. Glatt indicated that she will send the committee members the existing chart of accounts that is already in place and the common data dictionary for them to review. Ms. Neset agreed, stating that if this has already been done, the next step would be to implement utilizing them system wide.

Diederich moved, Morton seconded, to delegate the Chancellor and Vice Chancellor of Administrative Affairs to develop and implement common data definitions and a common chart of accounts with a goal date of implementation by July 1, 2015.

Diederich, Morton, and Neset voted yes. Motion carried.

Legislative Language regarding Internal Audit Work Paper
Mr. Carlson suggested that a request go to legislation, to exclude draft working papers for audit is subject to open record laws. The work would be open to the public once the work is completed. He is concerned that work papers become public before the final report is complete. This would help protect the tools and techniques that auditors use to identify inappropriate behavior. Mr. Sagsveen indicated that draft legislative language will be brought to the full Board prior to the pre-filing deadline of December 4, 2014.

Shared Services Update
Mr. Carlson updated committee members on WSC’s shortage in staff. He stated it is important to look into alternative approaches to assist WSC with their staffing issues. Some of the options were to outsource, share services with other institutions, or work study programs that would work address the staff shortage. He stated that there is a taskforce that has been formed under the direction of President Bresciani to look into centralizing payroll processing.
SBHE Agenda Memorandum
Mr. Sagsveen presented the Audit Committee members a memorandum that includes ten areas (listed below) of importance that the full Board agenda items should include in a short summary outline. The background information will be hyperlinked to this memorandum with more details regarding the agenda item for Board members that would like more information on the agenda item. Members of the committee agreed with the new proposed process for distribution of the Board agenda and materials.

1. Issue: [One sentence]
2. Proposed motion: [Exact language for the minutes.]
3. Background: [Explanation of the reason for the proposed action by the SBHE.]
4. Financial implications: [Explain the financial implications of the proposal, if any.]
5. Academic implications: [Explain the academic/student implications of the proposal, if any.]
6. Legal/policy issues: [Explain the legal/policy issues, if any.]
7. Review Process: [List the councils and individuals who have reviewed the proposal.]
8. Enclosures: [List any enclosures.]
9. Contact person: [State name, email address and telephone number of individual who may be contacted for additional information about proposal.]
10. Chancellor’s Recommendation: [The chancellor will add his recommendation.]

Diederich moved, Morton seconded, to approve the summary of proposed action outline as the new process in the distribution of the Board agenda and materials.

Diederich, Morton, and Neset voted yes. Motion carried.

Compliance
Chair Neset requested an update regarding the status of the compliance program that the full Board requested on June 26, 2014. The Chief Compliance Officer, Ms. Kirsten Franzen stated that there is a variety compliance programs and how they operate. The one common factor throughout the different compliance programs is that the compliance officer works independently. In order for the Board to have an effective compliance officer, it is important for that individual to work independently from the organizations management. Management makes the decision and the compliance officer is there to verify that management’s decision is doing the will of the Board. If compliance officer is also reporting to management it creates an inherent conflict. Ms. Franzen indicated that the compliance program is the duty of the Board and her concern is that the current structure does not allow her to investigate complaints without approval from the Chancellor.

Mr. Murray Sagsveen stated compliance is a Board policy and should be clearly defined by the full Board; it is necessary to clarify the role and responsibility of the Chief Compliance, along with the reporting structure. Committee members discussed if it would be appropriate for compliance to be within the scope of SBHE audit committee rather than the full Board. Chair Neset requested legal review and/or draft a policy regarding compliance, similar to the audit charter, 302.2.

Chief Auditor Performance
Ms. Kathleen Neset stated Tim Carlson’s performance review and salary adjustment (annual) letter states his appointment continues as the position of Chief Auditor continuing through June 30, 2016. The appointment is subject to review and extension on an annual basis, on or about July 1st of each year. The Chief Auditor is a non-broad banded and is subject to the policies of the State Board of Higher Education,
but is exempt from policy 608.2. Effective July 1, 2014, his salary will be $139,050 annually, plus benefits. Salary adjustments will occur annually each year on July 1, to coincide with the new fiscal year. His compensation is subject to payroll deductions as provided by law and policy.
Morton moved, Diederich seconded to approve Tim Carlson’s performance review and salary adjustment.

Diederich, Morton, and Neset voted yes. Motion carried.

Diederich motioned, Morton seconded, to adjourn. Motion carried.
The NDUS “Edge” of Compliance and Ethics:
A Guide To Stand Together
January 2015
COMPLIANCE AND ETHICS
STANDARDS OF CONDUCT GUIDE

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LETTER FROM THE CHANCELLOR

[NOTE: This could be an introductory letter from Chancellor Skogen that could include a comment about the timing of the compliance and ethics program and its relationship to the NDUS “Edge” Strategic Plan. One of the stated goals is to maximize the strengths of the unified system (Daring to Stand Together), which includes among its strategies creating efficiencies through shared programs and services where cost-savings and/or performance enhancements are achievable. A compliance program fits nicely in this strategy.]
NDUS OFFICER AND EMPLOYEE CODE OF CONDUCT

A purpose of the NDUS Officer and Employee Code of Conduct is to establish the commitment of the State Board of Higher Education (SBHE) and entire North Dakota University System (NDUS) to uphold the highest ethical and professional standards and the expectation that all Board members and NDUS officers and employees will, at all times, comply with all applicable law, regulations, policies and procedures. This Compliance and Ethics Standards of Conduct Guide is provided for use as a reference for Board members and North Dakota University System officers and employees. It provides information about and source references for the laws, regulations, policies and procedures that govern our conduct. It is not a comprehensive list of legal and ethical standards, nor is it intended as a substitute for the NDUS Officer and Employee Code of Conduct, which remains the expected and minimum standards for Board members and North Dakota University System officers and employees. Failure to comply with the Code of Conduct or other applicable law, regulations, policies and procedures may be grounds for disciplinary action, including termination of employment, in addition to any criminal or other civil sanctions that may apply.

All conduct is governed and guided, too, by the Beliefs established by the State Board of Higher Education for Board members and North Dakota University System officers and employees and the following Core Values that reflect how responsibilities should be carried out on a daily basis:

- High integrity
- Open, honest, forthright and mutually respectful in discussion and actions
- Trustworthy
- Accountable
- Cooperative valued partner with other state agencies and entities
- Responsible stewards of state investment in the University System
- Scholarship and the pursuit of excellence in the discovery, sharing, and application of knowledge
- Support and embrace diversity

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
SBHE Policy 100.5 Beliefs and Core Values of the State Board of Higher Education
NDUS Office Policy: Code of Conduct

COMPLIANCE AND ETHICS PROGRAM

Under the authority of the State Board of Higher Education, the Audit Committee provides oversight of the North Dakota University System compliance and ethics program. The Audit Committee is composed of three Board members. The principal functions of the Audit Committee’s oversight are to review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow-up (including disciplinary action) of any instances of noncompliance; review the findings of any examinations by regulatory agencies, and any auditor observations; review the process for communicating the code of conduct to Board members and university system personnel, and for monitoring compliance therewith; and obtain regular updates from management and Board and university system legal counsel regarding compliance matters.

Source: SBHE Policy 302.2 Audit Committee
NDUS COMPLIANCE OFFICE

The NDUS Compliance Office provides the day-to-day operations and oversight of the compliance and ethics program. The Compliance Officer is responsible for developing, coordinating and monitoring efforts and programs for the North Dakota University System to assure that its officers and employees and actions are compliant with all policies, procedures, laws, and other regulations. The NDUS Compliance Office also supports the North Dakota University System’s eleven institutions in a collective effort to promote a culture of ethical behavior and compliance. Working with each institution’s compliance office, the Compliance Officer helps to ensure all North Dakota University System institutions have the information and tools needed to maintain an effective compliance program and to assess the effectiveness and quality of the institutional programs. The Compliance Officer is under the supervision of North Dakota University System Office of Legal Counsel and reports directly to Legal Counsel and the Audit Committee. The Compliance Office is located on the 1st Floor of the BSC Campus Horizon building.

Source: NDUS Organizational Chart

REPORTING SUSPECTED NONCOMPLIANCE

The State Board of Higher Education encourages reporting suspected noncompliance. Procedures have been established for making reports that include a confidential and anonymous 24-hour toll-free hotline, in which reports can be made by calling 1-866-912-5378 or by filing a report online at www.eidebailly.com/hotline. You may also contact the NDUS Compliance Office or your supervisor, a senior manager or administrator, or legal counsel.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
NDUS Office Policy: Code of Conduct
NDUS Office Policy: Harassment/Hostile Environment Guidelines
NDUS Office Policy: Theft and Fraud
www.ndus.edu/employees/reporting-fraud
Section 1. ETHICAL CONDUCT IN THE WORKPLACE

Workplace Harassment and Misconduct

It is the policy of the North Dakota University System to provide an environment free of sexual or other harassment and misconduct. This prohibition extends to the use of North Dakota University Systems computers and networks. Workplace harassment and misconduct are unprofessional behaviors and those who engage in such conduct will be subject to disciplinary action, including termination of employment.

Harassment is offensive treatment or behavior that, to a reasonable person, creates an intimidating, hostile or offensive work environment, or unreasonably interferes with a person’s work environment. Expressly prohibited is any form of oral, written or physical conduct that may be sexual, racial, or based on gender, national origin, age, disability, religion, sexual orientation, or genetic information; or other forms of hostile, intimidating, threatening or humiliating conduct. Examples include unwelcome sexual advances or requests for sexual favors; discussing sexual activities; unnecessary touching; telling off-color jokes about race, sex, disability or other protected bases; using demeaning or inappropriate terms or epithets; commenting on physical attributes; engaging in hostile physical conduct.

All members of the State Board of Higher Education, and officers and employees of the North Dakota University System are expected to conduct themselves consistent with this policy.

It is the responsibility of all Board members, and officers and employees of the North Dakota University System to promptly report harassment and misconduct. The North Dakota University System is likewise committed to a policy of non-retaliation intended to provide assurance that an individual who reports a perceived violation of this policy, participates in any investigation, or otherwise opposes perceived discrimination, harassment, or retaliation, including as a witness, will not be the subject of retaliation. Anyone involved in an act of retaliation against someone who has reported suspected misconduct in good faith will be subject to disciplinary action, including termination of employment.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
SBHE Policy 603.1 Harassment
NDUS Office Policy: Code of Conduct
NDUS Office Policy: Harassment/Hostile Environment Guidelines
NDUS Procedure 603 Discrimination Complaint Procedures
NDUS Procedure 1901.2 Computer and Network Usage

Equal Opportunity/Discrimination/Diversity

The North Dakota University System is an equal opportunity employer that does not discriminate on any basis prohibited by applicable federal and/or state law including race, color, religion, sex, national origin, age, physical or mental disability, or genetics, in its admissions, student aid, employment practices, education programs or other related activities. Employment is based upon applicants’ qualifications and performance requirements of the position.

Source: SBHE Policy 603.2 Equal Employment Opportunity
NDUS Office Policy: Harassment/Hostile Environment Guidelines
Use of State and NDUS Property

It is unlawful and prohibited under State Board of Higher Education policy to use public property or resources except as specifically authorized. This prohibition extends to the use of any facilities, equipment, computing and networking resources, property, or personnel for personal or private gain or for other than official business, and includes NDUS funds and other assets, the use of state fleet vehicles, and computing and networking other than use that is incidental to job duties or limited in time and scope; and such use does not 1) interfere with NDUS operation of information technologies or electronic mail services; 2) burden the NDUS with incremental costs; or 3) interfere with the user’s obligations to the institution or NDUS.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
SBHE Policy 611.5 Employee Responsibility and Activities: Outside Employment or Consulting Practices; Use of Institution Property
SBHE Policy 1901.2 Computing Facilities
SBHE Policy 1910.2 Use of State Vehicles
SBHE Policy 512 Student Drivers and Use of State Vehicles by Student Groups
NDUS Office Policy: Code of Conduct
NDUS Procedure 1901.2 Computer and Network Usage
NDUS Office Policy: Code of Conduct
NDUS Office Policy: Proper Internet/Email Usage
NDUS Guide to Authorized Use of State Fleet Vehicles
www.nd.gov/risk/risk-management-fund/vehicle-liability

Theft, Fraud, Abuse and Waste

It is the responsibility of each officer and employee of the North Dakota University System to prevent theft, fraud, abuse and waste; or unlawful or improper use of public resources, including funds, supplies, data, technology, property or position.

Each officer and employee has a concomitant responsibility to report conduct or activity that is dishonest, unethical or criminal. Accordingly, the State Board of Higher Education and the North Dakota University System have established a policy that sets out individual responsibilities and actions regarding this type of conduct or activity, including a reporting and investigation process.

To make a report, you may notify your supervisor, the NDUS Chief of Staff, Vice Chancellor for Administrative Affairs, or the Chancellor. You may also make a report to the NDUS Compliance Office, call the 24-hour toll-free confidential and anonymous hotline (1-866-912-5378) or file a report online at www.eidebailly.com/hotline. State law prohibits retaliation against any employee who reports a job-related violation of the law or misuse of public resources.

Source: SBHE Policy 611.10 Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste
NDUS Office Policy: Theft and Fraud

Use of Intellectual or Copyrighted Property

Federal Copyright Law requires all members of the entire North Dakota University System to respect the proprietary rights of owners of copyrights and to refrain from actions that constitute an infringement of copyright or other proprietary rights, including trademark usage and software licensing. The State Board of Higher Education also has established an intellectual property policy setting forth the guidelines to support faculty, staff, and students in identifying, protecting, and administering intellectual property, and defining the rights and responsibilities of all involved.
Section 2. CONFLICTS OF INTEREST

It is the obligation and responsibility of members of the State Board of Higher Education and officers and employees of the North Dakota University System to conduct themselves in the best interests of the North Dakota University System. It is unlawful to use one’s position or knowledge gained as a result of one’s position for private or personal advantage.

Gifts, Entertainment and Favors

As a general rule, members of the State Board of Higher Education and officers and employees of the North Dakota University System may not accept entertainment, gifts, services, or personal favors; preferential treatment; or payment or compensation from any person or organization with whom or with which the North Dakota University System or one its institutions has, or likely to have business dealings under circumstances that could influence, or appear to influence, the member, officer or employee in the discharge of his or her official duties, or his or her official conduct. A violation may constitute a criminal offense.

Business Transactions and Investments

Members of the State Board of Higher Education and officers and employees of the North Dakota University System may not transact any business in his or her official capacity with any business entity of which the member, officer or employee is an officer, agent or member, or in which the member, officer or employee has an interest. A violation may constitute a criminal offense.

Political Activity

North Dakota University System officers and employees may not use state or North Dakota University System property, equipment, supplies, or staff for political purposes. Political purposes means any form of campaigning or electioneering, such as attending or arranging for political meetings; transporting candidates or workers engaged in campaigning or electioneering; distributing campaign literature, political guide cares, or placards; soliciting or canvassing for campaign funds; transporting electors to the polls on election day; and any other form of political work usually and ordinarily engaged in by state officers and employees during primary and general election campaigns.
Outside Employment

The primary responsibility of North Dakota University System officers and employees is the performance of their job duties for the North Dakota University System. Outside employment is permitted if it does not interfere with North Dakota University System job duties and does not constitute a conflict of interest.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
SBHE Policy 611.5 Employee Responsibility and Activities: Outside Employ or Consulting Practices; Use of Institution Property
NDUS Office Policy: Code of Conduct

Family Members (Nepotism)

No officer or employee of the North Dakota University System may serve in a supervisory capacity over, or enter a personal service contract with, a member of the officer’s or employee’s immediate family. Officers and employees are further required to disclose the existence of any relationship that may create a conflict of interest at the time of employment or that develops at any time during employment.

Source: SBHE Policy 603.3 Nepotism
NDUS Procedure 603.3 Nepotism

Section 3. RELATIONS WITH MEDIA, GOVERNMENT, AND OTHERS

Members of the State Board of Higher Education and officers and employees of the North Dakota University System must take care to separate their personal roles from their official roles when communicating on matters not involving official business. Care must be taken, too, when communicating not to compromise the integrity or damage the reputation of the North Dakota University System or any of its institutions.

If communicating on matters involving official business, only those with appropriate authority may speak on behalf of, and as a representative of, the North Dakota University System.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
NDUS Office Policy: Code of Conduct

Section 4. RECORDS AND INFORMATION

Open Records

As a general rule, all records of the State Board of Higher Education and the North Dakota University System and its institutions are public records, open and accessible for inspection during regular office hours.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
SBHE Policy 1912 Public Records
NDUS Office Policy: Code of Conduct

Information Privacy, Security and Confidentiality

It is the policy of the North Dakota University System to comply with all applicable laws, regulations and State Board of Higher Education policies concerning privacy, security and confidentiality of information and records.
Confidentiality of Employee Personal Information

Certain personal information of officers and employees of the North Dakota University System is exempt from release or disclosure under state open records law.

Source: NDUS Procedures 1912.3 Employee Personal Information

FERPA

The Family Educational Rights and Privacy Act (FERPA) is a federal law that protects the privacy of student education records. Education records includes almost any record maintained, not just academic records.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct

NDUS Office Policy: Code of Conduct

NDUS Procedures 1912.1 Student Records – Directory Information

HIPAA

The Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) are federal regulations that set forth the rules for protecting the privacy and security of an individual’s health information.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct

NDUS Office Policy: Code of Conduct

NDUS Procedures 1912.1 Student Records – Directory Information

Management and Retention of Records

Officers and employees of the North Dakota University System are responsible to maintain accurate and reliable records. The State Board of Higher Education recognizes, too, the importance of the orderly management and retention of records. Accordingly, it has directed that the North Dakota University System and each of its institutions maintain a program for the management, retention and disposal of records.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct

SBHE Policy 1912 Public Records

NDUS Office Policy: Code of Conduct

Section 5. CONTRACTS

The Chancellor of the North Dakota University System has general signing authority to sign contracts and agreements to which the North Dakota University System is a party. Unless delegated authority by the Chancellor, no other officer or employee is authorized to sign a contract or agreement that purports to bind the North Dakota University System.

Written contracts are required for all binding agreements with another party that involve any stated or implied consideration, including real property transfers, leases, purchase of equipment, supplies and services, cooperative agreements, interagency agreements, grants, loans, easements
and licenses. All contracts must be reviewed and approved by North Dakota University System legal counsel.

Source: SBHE Policy 840 Contract Review

Section 6. HEALTH AND SAFETY

Drug, Alcohol, and Smoke-Free Workplace

The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, or the possession and use of alcohol, in the workplace is prohibited. Controlled substances include illegal drugs such as cocaine, marijuana, heroin, amphetamine, methamphetamine, and opium. Smoking is prohibited in all North Dakota University System buildings and enclosed structures and facilities.

Source: SBHE Policy 308.1 Officer and Employee Code of Conduct
SBHE Policy 615 Drug Free Workplace
SBHE Policy 917 Smoke-Free Facilities
SBHE Policy 918 Alcoholic Beverages
NDUS Office Policy: Drug-Free Workplace Policy Notice
NDUS Procedure 615 Drug-Free Workplace

Workplace Threats and Violence

The North Dakota University System will not tolerate any act or threat of violence in the workplace. Threats of violence include possession or display of a weapon of any type or exhibiting an object in such a manner than it appears to be a weapon.

Source: NDUS Office Policy: Workplace Threats and Violence Policy

Section 6. REPORTING

How to Report

There may be instances when you suspect that the conduct of an officer or employee of the North Dakota University System is not in compliance with applicable laws, rules, regulations, and policies. To report a suspected compliance violation, contact the NDUS Compliance Office or your supervisor, a senior manager or administrator, or legal counsel. In addition, you may make a confidential and anonymous report by calling the 24-hour toll-free hotline, 1-866-912-5378, or by filing a report online at www.eidebailly.com/hotline.

Members of the State Board of Higher Education who have information concerning a possible violation or are uncertain about application or interpretation of any legal requirement should report the matter to the chancellor, legal counsel or the attorney general.

Failure to report known or suspected violations is in itself a violation and may lead to dismissal or other disciplinary action.

A violation is cause for dismissal or other appropriate disciplinary action, in addition to any criminal or other civil sanctions that apply.
NDUS Institution Compliance Hotlines [need to insert hotline numbers]

Bismarck State College
Dickinson State University
Lake Region State College
Mayville State University
Minot State University
   Dakota College at Bottineau
North Dakota State College of Science
North Dakota State University
University of North Dakota
Valley City State University
Willison State College

Non-Retaliation

Any officer or employee of the North Dakota University System who makes a report in good faith shall be protected against retaliation of any kind. Any officer or employee who retaliates or attempts retaliation in response to a good faith report shall be subject to dismissal or other discipline.

How reports will be investigated

Alleged violations involving North Dakota University System officers or employees shall be investigated by the appropriate North Dakota University System officer. All officers and employees shall cooperate in investigations of alleged violations.
Action Plan
To Ensure And Enhance
NDUS Compliance and Ethics
January 2015
INTRODUCTION

A goal of Chancellor Larry Skogen has been to institute a system-wide compliance program to ensure North Dakota University System (NDUS) compliance with applicable laws, regulations, policies, and procedures. The purpose of this Action Plan is to formally address the elements of an effective compliance program, and establish and improve the governance, structure and systems through which the program can be implemented and enhanced through existing or new processes.

It is widely-accepted in higher education systems and institutions across the country that an effective compliance and ethics program is appropriately based on Chapter 8 of the U.S. Federal Sentencing Guidelines. The core foundation for an effective program is two principles that should guide and direct an organization’s compliance efforts:

1. The exercise of due diligence to prevent and detect unlawful and potentially criminal conduct; and
2. The promotion of an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

Under the guidelines, there are seven recommended elements of an effective compliance and ethics program:

1. Oversight by the governing authority and high-level personnel;
2. Due care in delegating substantial discrentional authority;
3. Standards and procedures to prevent and detect non-compliant, unlawful or criminal conduct;
4. Effective communication to all levels of employees, including education and training programs;
5. Reasonable steps to achieve compliance, including systems for monitoring, auditing and reporting suspected wrongdoing without fear of reprisal;
6. Consistent enforcement of compliance standards including disciplinary mechanisms; and
7. Reasonable steps to respond to and prevent further similar offenses upon detection of a violation.

What follows is a recommended action plan based on these core principles and the seven elements of the Sentencing Guidelines. The plan includes a more detailed description each of the seven elements, existing NDUS compliance standards and procedures, and recommended action to enhance existing, or add new, standards and procedures.
2015 Action Plan – Compliance and Ethics Program

Program Elements

1. **Oversight and Due Care**

Ensure the organization’s governing authority is knowledgeable about the content and operation of the compliance and ethics program and exercises reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program.

- High-level personnel of the organization shall ensure that the organization has an effective compliance and ethics program and shall assign specific individual(s) within high-level personnel with overall responsibility for the compliance and ethics program.

- Specific individual(s) within the organization shall be delegated day-to-day operational responsibility for the compliance and ethics program. Individual(s) with operational responsibility shall report periodically to high-level personnel and, as appropriate, to the governing authority, or an appropriate subgroup of the governing authority (e.g. Audit Committee), on the effectiveness of the compliance and ethics program. To carry out such operational responsibility, such individual(s) shall be given adequate resources, appropriate authority, and direct access to the governing authority or an appropriate subgroup of the governing authority.

<table>
<thead>
<tr>
<th>Measures in place</th>
<th>Action recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies establishing the authority and responsibility of SBHE and Audit Committee for compliance</td>
<td>Establish NDUS Compliance Office and Chief Compliance Officer</td>
</tr>
<tr>
<td></td>
<td>Establish clear reporting relationships between and among SBHE, Audit Committee, Legal Counsel and NDUS Compliance Office and Officer</td>
</tr>
<tr>
<td></td>
<td>Establish role of NDUS Compliance Officer, including role in relation to institutional offices and compliance</td>
</tr>
<tr>
<td></td>
<td>Budget sufficient resources for compliance program</td>
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</table>

Use reasonable efforts not to include within the substantial authority personnel of the organization any individual whom the organization knew, or should have known through the exercise of due diligence, has engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.

<table>
<thead>
<tr>
<th>Measures in place</th>
<th>Action recommended</th>
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</thead>
<tbody>
<tr>
<td>Job Applicant/Employee Criminal History Background Checks</td>
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<tr>
<td>Performance Evaluations</td>
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</table>

2. **Standards and Procedures**

Establish standards and procedures to prevent and detect non-compliant, unlawful or criminal conduct. Standards and procedures means standards of conduct and internal controls that are reasonably capable of reducing the likelihood of non-compliant, unlawful or criminal conduct.
3. **Education and Training**

Take reasonable steps to communicate its standards and procedures, and other aspects of the compliance and ethics program to members of the organization, including the governing authority, high-level personnel, substantial authority personnel, organization employees, and, as appropriate, organization agents, by conducting effective education and training programs and otherwise disseminating information appropriate to individuals’ respective roles and responsibilities.

<table>
<thead>
<tr>
<th>Measures in place</th>
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<tbody>
<tr>
<td>Board orientation and other training</td>
<td>Substantively enhance existing awareness and training procedures; consider additional training methods such as webinars and in-service training</td>
</tr>
<tr>
<td>Annual Theft and Fraud/Code of Conduct training</td>
<td>Provide general compliance training for all employees and specialized compliance training for employees whose job responsibilities involve them in high-compliance-risk activities</td>
</tr>
<tr>
<td>Annual Notification of Policies training</td>
<td>Develop and maintain compliance and ethics guide that documents the compliance structure and the policies and procedures that pertain to the compliance program (in progress)</td>
</tr>
<tr>
<td>Annual Internal Controls Employee training</td>
<td>Consider including campus-specific high-risk compliance areas in compliance and ethics guide</td>
</tr>
<tr>
<td>Annual Data Privacy training</td>
<td></td>
</tr>
</tbody>
</table>

4. **Internal Compliance Monitoring**

Take reasonable steps to ensure the compliance and ethics program is followed by:

- Monitoring and auditing to detect non-compliant, unlawful or criminal conduct;
- Periodically evaluating the effectiveness of the compliance and ethics program through periodic risk assessment; and
- Establishing and publicizing a system, which may allow for anonymity or confidentiality, whereby individuals may report or seek guidance regarding potential or actual unlawful or criminal conduct without fear of retaliation.

<table>
<thead>
<tr>
<th>Measures in place</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Compliance/fraud hotline</td>
<td>Develop regular monitoring and auditing processes</td>
</tr>
<tr>
<td>Written acknowledgment of annual training and retention of training/attendance records</td>
<td>Develop annual compliance risk assessment and appropriate risk management plans for identified risk areas</td>
</tr>
<tr>
<td>Non-retaliation policy and procedure</td>
<td>Develop annual plan of activities to be completed by NDUS Compliance Office</td>
</tr>
<tr>
<td></td>
<td>Require annual report and other reports as needed on compliance activities</td>
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</tbody>
</table>
5. **Enforcement of Program**

Promote and consistently enforce the compliance and ethics program through appropriate incentives to comply and appropriate disciplinary measures for non-compliant, unlawful or criminal conduct.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Discipline/dismissal policies and procedures</td>
<td>Ensure that appropriate corrective action and, if necessary, disciplinary action is taken in the event of non-compliance</td>
</tr>
<tr>
<td>Policies/procedures published and accessible on NDUS website</td>
<td>Dedicate website space to compliance program</td>
</tr>
</tbody>
</table>

6. **Respond and Correct**

Take reasonable steps to respond appropriately to the unlawful, possibly criminal, conduct, including non-compliant conduct and to prevent further similar conduct, including making any necessary modifications to the organization’s compliance and ethics program.

<table>
<thead>
<tr>
<th>Measures in place</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Policies/procedures regarding reporting non-compliance, followed by appropriate investigation</td>
<td>Establish mechanisms for regular assessments of the compliance function, including review and audit of identified risk areas</td>
</tr>
</tbody>
</table>
Title: Chief Auditor, NDUS
Agency: North Dakota University System Office
Supervisor: SBHE/Chancellor
Status: Full-Time; Exempt from FLSA; Non-Broadband position
Location: Location of this position in North Dakota is negotiable

Job Summary
Reporting jointly to the State Board of Higher Education (SBHE) Audit Committee and administratively to the NDUS Chancellor, this senior level position is responsible for leading and managing the North Dakota University System's internal audit function, and the conduct of audits to mitigate risk.

Minimum Qualifications
- Bachelor's degree in accounting or other appropriate area from an accredited college or university
- At least five years of recent senior level audit experience in a complex organization
- Supervisory experience
- Demonstrated ability to communicate clearly, effectively, and collegially with the many constituencies
- Demonstrated ability to adhere to appropriate standards of conduct and ethics
- Demonstrated knowledge in auditing standards, compliance standards, enterprise risk management, and audit best practices
- Demonstrated knowledge of complex information systems audits
- Demonstrated use of Microsoft software (i.e. word, excel)

Preferred Qualifications
- Advanced degree
- Certified Public Account (CPA), Certified Internal Auditor (CIA) or similar certification/designation
- Experience in a comparable position in a major university, University System Office or large corporate environment

Duties and Responsibilities
- Direct, manage and oversee the periodic system-wide risk assessment for the purpose of developing the annual audit plan
- Prepare and monitor annual NDUS audit plan consistent with the risk assessment and other priorities, as identified and also to address compliance with statutes, regulations and policies; present the annual audit plan to SBHE Audit Committee, including periodic progress status reports
- Manage, oversee and conduct financial, operational, compliance and IT audits, consistent with audit plan, and in conformance with the International Standards for the Professional Practice of Internal
Auditing, to include objective and practical recommendations for management action, as appropriate

- Review internal audit and consulting reports to ensure they are complete and meet appropriate standards
- Review audit responses and action plans developed by the auditee
- Communicate the results of audit projects via written reports and oral presentations to management and SBHE Audit Committee, and others.
- Manage and conduct periodic follow-up reviews to assess and report on progress or completion of management’s corrective actions in response to internal audit observations and recommendations
- Identify policy and procedure for improvements
- Manage and conduct investigations of suspected irregular conduct in conjunction with other University System resources as appropriate
- For all audits and consulting engagements performed, provide guidance and direction to all audit staff, regardless of their geographic location, as appropriate
- Ensure good communication with SBHE Audit Committee, and other SBHE committees, institutions, State Auditor’s Office and other agencies, as appropriate
- Manage, oversee, lead and direct the work of all internal audit staff
- Ensure internal audit functions are consistent with the Definition of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (Standards), and applicable Practice Advisories as promulgated by the Institute of Internal Auditors.
- Develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity in accordance with the Standards
- Ensure an external assessment of the internal audit’s quality assurance programs, at least once every five years in accordance with the Standards
- Meet with, manage, oversee and lead the internal audit staff, regardless of their geographic location, to coordinate audit and consulting activities across NDUS; and facilitate efficient and effective audit and consulting activities for the entire System.
- Build relationships in the Chancellor’s Office and with key college and university constituents and serve as a resource of professional advice, as appropriate.
- Ensure that all staff members maintain professional competencies related to the internal audit profession, information technology, data security and other relevant higher education topics through appropriate continuing professional education opportunities.

**Reporting Structure**
The Chief Auditor reports functionally to the SBHE Audit Committee and administratively to the NDUS Chancellor. At least once per year, the SBHE Audit Committee will review the performance of the Chief Auditor and recommend the annual compensation and salary
adjustment in consultation with the Chancellor. The SBHE will also appoint, replace, or terminate the Chief Auditor in consultation with the NDUS Chancellor.

In-state and limited out-of-state travel required
Position Title: Chief Auditor, NDUS

Position #: 00028073

Annual Salary: $120,000+, with final salary commensurate with experience
Full-time/benefited/exempt/non-banded position

Location: The location of this position in North Dakota is negotiable.

Closing Date: TBD
Applications received by the closing date will be given first consideration. Open until filled.

Job Description: Reporting jointly to the State Board of Higher Education (SBHE) Audit Committee and administratively to the NDUS Chancellor, this senior level position is responsible for leading and managing the North Dakota University System's internal audit function, and the conduct of audits to mitigate risk.

The location of this position in ND is negotiable. In-state and limited out-of-state travel required

Minimum Qualifications:
- Bachelor's degree in accounting or other appropriate area from an accredited college or university
- At least five years of recent senior level audit experience in a complex organization
- Supervisory experience
- Demonstrated ability to communicate clearly, effectively, and collegially with the many constituencies
- Demonstrated ability to adhere to appropriate standards of conduct and ethics
- Demonstrated knowledge in auditing standards, compliance standards, enterprise risk management, and audit best practices
- Demonstrated knowledge of complex information systems audits
- Demonstrated use of Microsoft software (i.e. word, excel)

Preferred Qualifications:
- Advanced degree
- Certified Public Account (CPA), Certified Internal Auditor (CIA) or similar certification/designation
- Experience in a comparable position in a major university, University System Office or large corporate environment

Duties and Responsibilities
- Direct, manage and oversee the periodic system-wide risk assessment for the purpose of developing the annual audit plan
- Prepare and monitor annual NDUS audit plan consistent with the risk assessment and other priorities, as identified and also to address compliance with statutes, regulations and policies; present the annual audit plan to SBHE Audit Committee, including periodic progress status reports
- Manage, oversee and conduct financial, operational, compliance and IT audits, consistent with audit plan, and in conformance with the International Standards for the Professional Practice of Internal Auditing, to include objective and practical recommendations for management action, as appropriate
- Review internal audit and consulting reports to ensure they are complete and meet appropriate standards
- Review audit responses and action plans developed by the auditee
- Communicate the results of audit projects via written reports and oral presentations to management and SBHE Audit Committee, and others.
• Manage and conduct periodic follow-up reviews to assess and report on progress or completion of management's corrective actions in response to internal audit observations and recommendations
• Identify policy and procedure for improvements
• Manage and conduct investigations of suspected irregular conduct in conjunction with other University System resources as appropriate
• For all audits and consulting engagements performed, provide guidance and direction to all audit staff, regardless of their geographic location, as appropriate
• Ensure good communication with SBHE Audit Committee, and other SBHE committees, institutions, State Auditor's Office and other agencies, as appropriate
• Manage, oversee, lead and direct the work of all internal audit staff
• Ensure internal audit functions are consistent with the Definition of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (Standards), and applicable Practice Advisories as promulgated by the Institute of Internal Auditors.
• Develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity in accordance with the Standards
• Ensure an external assessment of the internal audit's quality assurance programs, at least once every five years, in accordance with the Standards
• Meet with, manage, oversee and lead the internal audit staff, regardless of their geographic location, to coordinate audit and consulting activities across NDUS; and facilitate efficient and effective audit and consulting activities for the entire System.
• Build relationships in the Chancellor's Office and with key college and university constituents and serve as a resource of professional advice, as appropriate.
• Ensure that all staff members maintain professional competencies related to the internal audit profession, information technology, data security and other relevant higher education topics through appropriate continuing professional education opportunities.

To Apply:

Applicants should submit 1), a cover letter specifically addressing the advertised qualifications and salary history 2), a current resume 3), a transcript and 4), the names and contact information (including telephone numbers and e-mail address) of three professional references, either electronically (preferred) to jane.grinde@ndus.edu or by mail to:

NDUS
Attention: Jane Grinde
4300 James Ray Drive, Stop 7131
Grand Forks, ND 58202-7131

by the close of business on the screening date. Applicants who are residents of ND and eligible to claim veteran's preference must include Form DD214 with the application for employment; claims for disabled veteran's preference must include Form DD214 and a letter less than one year old from the Department of Veterans' Affairs indicating disability; claims for preference as the eligible spouse of a disabled or deceased veteran must include Form DD214, a marriage certificate and a letter less than one year old from the Department of Veterans' Affairs indicating disability, or the veteran's death certificate. Due to access to restricted information, the successful candidate will be required to complete a satisfactory criminal background check. Applicants must be eligible to work in the U.S. and I-9 employment certification is required at hire.

Persons who may need additional job information or may require accommodation or assistance with the application or interview process should contact Jane Grinde at (701) 777-1918, or e-mail jane.grinde@ndus.edu. TTY Number 1-800-366-6866.

The North Dakota University System was organized in 1909. It is made up of 11 public colleges and universities governed by the State Board of Higher Education. The NDUS is composed of two doctoral-granting institutions (NDSU and UND), two master's granting institutions (UND, MNSU, MSU, NDSU, and UND), two universities that offer baccalaureate degrees (ISU and MNSU), and five campuses that offer associate and trade/technical degrees (ISU, LSSU, MWCO, MNSU and UND).

As employers, the State of North Dakota and political subdivisions prohibit smoking in all places of state and political subdivision employment in accordance with NDCC § 23-12-10.

Equal Opportunity Employer: The State of North Dakota and this hiring agency do not discriminate on the basis of race, color, national origin, sex, genetics, religion, age, or disability in employment or the provision of services, and complies with the provisions of the North Dakota Human Rights Act.
REQUEST TO RECRUIT

Attach an updated position description

1. Department: SBHE/System Office
2. Functional Title: Chief Auditor, NDUS
3. Proposed Start Date: March 16, 2015
4. Broadband Job Family: 0000 010505
5. Job Location: Bismarck, ND or negotiable ND location
6. Position is: Regular (benefited)
   Full-time
   Internim Assignment
   Replacement (former employee in position): Tim Carlson
   Position # needs to be created: Yes No

7. Position is:
   (check all that apply)
   Temporary (one year or less)
   Part-time
   New
   Replacement (former employee in position):

8. Purpose of Position:
   Reporting jointly to the State Board of Higher Education (SBHE) Audit Committee and administratively to the NDUS Chancellor, this senior level position is responsible for leading and managing the North Dakota University System's internal audit function, and the conduct of audits to mitigate risk. The location of this position in ND is negotiable. In-state and limited out-of-state travel required

9. Minimum Qualifications:
   - Bachelor's degree in accounting or other appropriate area from an accredited college or university
   - At least five years of recent senior level audit experience in a complex organization
   - Supervisory experience
   - Demonstrated ability to communicate clearly, effectively, and collegially with the many constituencies
   - Demonstrated ability to adhere to appropriate standards of conduct and ethics
   - Demonstrated knowledge in auditing standards, compliance standards, enterprise risk management, and audit best practices
   - Demonstrated knowledge of complex information systems audits
   - Demonstrated use of Microsoft software (i.e. word, excel)

10. Preferred Qualifications:
    - Advanced degree
    - Certified Public Account (CPA), Certified Internal Auditor (CIA) or similar certification/designation
    - Experience in a comparable position in a major university, University System Office or large corporate environment

11. *Designate Advertising: ND Combo ad (10 ND newspapers, Sunday only) ND Job Service ND.gov online HigherEd Jobs.com Chronicle of Higher Ed. print Chronicle of Higher Ed online Jobs HQ online MPLS Star Tribune print MPLS Star Tribune online ND Dept. of Commerce online NDUS website
    List additional advertising here, include listservs:
    *Contact HR for pricing

12. Date recruitment will begin: TBD
13. Closing date for receiving applications: TBD
14. Chair of search committee and recommended search committee members: Chair, SBHE Audit Committee and TBD
15. Comments: Up to 20% of qualified applicant pool to be interviewed not to exceed 4 interviews.

11/13
Approval Signatures:

(1)  
SBHE President  

(2)  
Vice Chancellor for Administrative Affairs  

(3)  
Chancellor  

11/13
Policies and Procedures

SBHE Policies

SUBJECT: 600s: Personnel       EFFECTIVE: December 15, 2011
Section: 611.10 Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste

1. Each employee, as a basic condition of employment, assumes responsibility for safeguarding and preserving the assets and resources of the state and university system and its institutions, particularly those for which the employee is responsible.

2. Each institution and the system office shall develop and implement controls designed to minimize opportunities for theft, fraud, abuse, waste or unlawful or improper use of public resources, including funds, supplies, data, technology, property or position.

   a. Theft means knowingly taking, exercising unauthorized control over, or making an unauthorized transfer of interest in, or receiving or disposing of property of another, including institution or state property or funds, with the intent to deprive the owner, including, but not limited to, embezzlement, obtaining money by false pretenses, fraudulent conversion or misappropriation of public funds or authorizing or receiving compensation for goods not received or services not performed.

   b. Fraud means any intentional act or omission designed to deceive others that results in a loss or other disadvantage to resources or achieving a gain or advantage to which an employee or other person would not normally be entitled, including, but not limited to, making false statements or creating or reporting false information.

   c. Abuse means intentional or willful destruction, diversion, manipulation, misapplication or misuse of resources, including, but not limited to, destruction, damaging or removal of records or property.

   d. Waste means intentional or willful expenditure, consumption, mismanagement, squandering or use of resources, resulting in unnecessary costs.

3. The controls must include a process for reporting of suspected theft, fraud or unlawful or improper use of public resources, designation of an officer with responsibility for receiving and investigating such reports, a process for investigation, audit or referral to law enforcement officials if there is reasonable basis to suspect theft, fraud, or unlawful or improper use of public resources and a report summarizing findings, disposition and, if appropriate, recommendations for additional controls to prevent recurrence. Each institution and the system office must subscribe to a fraud hotline service enabling anonymous reports. All reports
regarding institutions must be submitted simultaneously to a designated institution officer and the NDUS Chief Auditor. An investigation and disposition must include:

a. Review and inquiry regarding allegations and documentation of fact-finding steps completed;

b. Documentation regarding when the report or complaint was made and when the review or investigation was started and completed;

c. Conclusion regarding the results of the review or investigation; and

d. Documentation of any internal control or process changes recommended in order to mitigate concerns.

4. Each employee is expected to report suspected theft, fraud or unlawful or improper use of public resources to a supervisor, department head, chief fiscal officer or other institution or system officer designated with responsibility for receiving and investigating such reports.

5. An employee found to have engaged in theft, fraud or unlawful or improper use of public resources, or an employee with knowledge of such acts by another who unreasonably fails to report such information as required by this policy, is subject to discipline, up to and including dismissal.

6. Each institution and the system office shall require that each benefited employee annually complete fraud awareness training. The training requirement may be satisfied by classroom instruction, a seminar or online training, provided it is approved by the NDUS Chief Auditor. The training must include review of this policy and the required Code of Conduct. Each employee must agree to comply with the policy and Code of Conduct and each institution and the system office shall enforce this policy and document annual training.

History:
New policy, SBHE Minutes, September 21, 2006.
Amendment SBHE Minutes, December 15, 2011.
The NDUS Chief of Staff edited paragraphs 3 and 6 to reflect the current title of the Chief Auditor (i.e., replaced "Director of Internal Audit" with "Chief Auditor" effective November 13, 2014).