

**DRAFT**  
**North Dakota State Board of Higher Education**  
**Audit Committee**  
Meeting Minutes  
Thursday, September 21, 2017

The State Board of Higher Education Audit Committee met September 21, 2017, at 8:30 a.m. CT, via conference call originating from the State Capitol, 10<sup>th</sup> Floor Conference room, 600 East Boulevard Avenue, Bismarck, ND, 58505.

Mr. Stemen called the meeting to order at 8:30 a.m. CT.

SBHE Audit Committee members participating:

Mr. Greg Stemen, Chair  
Ms. Kathleen Neset  
Dr. Kevin Melicher

NDUS staff participating:

Chancellor Hagerott  
Ms. Robin Putnam, Director of Financial Reporting  
Ms. Laura Schrott, Director of Audit Services  
Ms. Karol Riedman, Compliance Officer  
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others participating:

Ms. Lisa Mock, DCB  
President Darling, LRSC  
Ms. Cindy Rott, NDSU  
Ms. Karin Hegstad, NDSU

1. **Agenda**

Melicher moved, Neset seconded, to approve the agenda.

Melicher, Neset, and Stemen voted yes.

2. **Meeting Minutes**

Neset moved, Melicher seconded, to approve the June 15, 2017, meeting minutes.

Melicher, Neset, and Stemen voted yes.

3. [Review of NDUS Internal Audit Manual](#)

Laura Schratt explained the purpose of the manual. It outlines the authority and scope of the internal audit function within the North Dakota University System (NDUS Internal audit) and it provide standards, guidance and procedures for the internal audit department. The guidelines aim to provide for consistency, stability, continuity, standards of acceptable performance and a means of effectively coordinating efforts. The manual includes but is not limited to the following areas:

- Authority, organization and standards
- General operating policies
- Audit planning
- Objectives and Resources
- Reporting
- Enterprise risk management
- Quality assurance

The Committee members discussed the current audit structure and confirmed UND currently staffs two internal auditors and NDSU is planning to hire one in the near future. The structure will be re-visited once all the positions are filled to consider best reporting practices.

4. [FY18 Q1 NDUS Internal Audit Quarterly](#)

Laura Schratt provided an overview of quarterly audits.

5. **Internal Audit Staffing**

Laura Schratt indicated a senior internal auditor has accepted a position with NDUS and there is a pending offer out for the additional internal auditor.

6. **FY18 Q1 Compliance Quarterly**

Karol Riedman indicated she is currently in the process of reviewing several different policies, mandatory compliance training

The meeting adjourned at 8:50 a.m. CT.