



AUDIT COMMITTEE

MARCH 7, 2024

KEENE STATE COLLEGE
KEENE, NEW HAMPSHIRE

MEETING MINUTES

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

Other Trustees physically present: Melinda Treadwell, Jamie Burnett

Other participants participating in person: (USNH) Kara Bean, Ashish Jain, Christine Heise, Karyl Martin; (KSC) Jeffrey Maher, Julie Kroupa; (PSU) Janette Wiggett, Katie Caron; (UNH) Bo Zaryckyj, Andy Glode, Marian McCord; (CLA) Andy Lee, Luke Winter, Brenda Scherer

I. Call to Order

At 12:30 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. There were technical difficulties with videoconferencing and Chair Tewksbury determined that the meeting could be conducted without it. There were no reported remote access issues.

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.

Items on the consent agenda appear below:

- A. Minutes of October 19, 2023, Meeting
- B. Enterprise Risk Management (ERM) Update on DEI and Free Speech
- C. Accept UNH NCAA Agreed Upon Procedures Report
- D. Internal Audit Reports Issued
 - 1. USNH Travel and Expense Reimbursement Audit Report

III. Items for Committee Consideration and Action

A. Accept External Auditors' FY23 Uniform Guidance Audit Reports on USNH Federal Expenditures

Chair Tewksbury introduced CLA attendees Andy Lee, Principal, Luke Winter, Manager, Brenda Scherer, Signing Director.

Ms. Scherer explained the single audit process and results. Major programs audited include Education Stabilization Fund – HEERF, Research & Development Cluster and Disaster Grants – Public Assistance.

There was an Unmodified Opinion on internal controls over financial reporting and compliance and an Unmodified Opinion on internal control over compliance with major programs. There was one finding reported as a significant deficiency related to the CARES HEERF reporting requirement.

Major programs that will be audited in 2024 are Student Financial Aid Cluster and Every Student Succeeds Act/Preschool Development Grants. Potential other major programs include Foster Care Title IV-E and any COVID-19 related programs depending on expenditures meeting the threshold. Work on the 2024 single audit will begin in May.

The following motion was made by Trustee Murphy, 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, 2023, 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 appointment of CliftonLarsonAllen (CLA) as external auditors and CLA's Fiscal Year 2024 audit plan covering USNH financial statements and federal awards under Uniform Guidance

Mr. Lee reviewed the audit scope and deliverables, responsibility overview, audit timeline, and audit fees. As noted in the proposal, fees will increase approximately 3% (to \$289,422) for FY25. Additional testing beyond those specified in the proposal will increase fees.

Mr. Winter discussed risk assessment and new accounting standards. He noted that investment valuation may be a risk in 2024. Mr. Lee stated that “unpredictability tests” are conducted to expose potential risks.

Unique audit items include GASB Statement No. 100, Accounting Changes and Error Corrections and valuation of investments.

Mr. Winter reviewed current events in higher education including enrollment pressures, increasing costs, cybersecurity and technology costs, and perceptions of the value of higher education. A discussion ensued regarding cyber threats for online programs and various scams.

In response to a question from Chair Tewksbury, Ms. Heise noted that past-due tuition is evaluated annually.

Emerging issues include related party disclosures, potential for default rates to rise due to student loan repayment restart, and a new requirement to report on certain ratios in the financial statements.

Mr. Winter and Mr. Lee encouraged the committee to contact them with any suggestions or comments.

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

***VOTED**, on recommendation of the Chief Administrative Officer, that CliftonLarsonAllen LLP be confirmed as the external auditor for the University System of New Hampshire to provide audit services related to activities of fiscal year ending June 30, 2024.*

IV. Items for Committee Consideration and Discussion

A. Receive USNH Environmental Health and Safety Council's 2023 Annual Report

Andy Glode, UNH EH&S Director and Chair of the Council, provided a brief overview of the council mission and makeup, programs in place, and compliance status at each campus.

Updates at UNH include initiation of a new Research Fieldwork Safety Program, completion of an emergency eyewash shower audit and a campus-wide hazardous building materials survey, support for the successful CEPS engineering accreditation, and management of surplus COVID-19 sanitizing products. The Research Fieldwork Safety Program was nationally recognized by the Association of Public Land-grant Universities (APLU) and was awarded their first Safety and Accountability for Researchers award.

Katie Caron, EHS Director, presented updates at PSU. Small Quantity Generator (SQG) Self Certification and Declaration of Compliance Reports for both the Holderness and Plymouth campuses have been completed. These reports are required every three years. The State Permit to Operate three Co-Generation Plant boilers and nine emergency generators was in the final stage of renewal with the NH Department of Environmental Services (NHDES) in 2023. Formal issuance of the permit should take place during the calendar year 2024. There has been an EH&S position vacancy since May 2020. The position is scheduled to be reviewed for inclusion in FY2025 budget.

Julie Kroupa, new EHS coordinator, provided KSC's update. Primary activities included responding to the external review; developing plans for emerging campus issues, specifically air quality; providing direct support to the institutional mission of teaching, research, and service (internship program and guest lectures in classes); and presentations at three national professional meetings.

Mr. Glode provided the System Office update, whose staff remain largely remote. Safety concerns are primarily associated with life/safety planning and office ergonomics. As a leased facility, building safety issues are directed to building management for resolution.

Mr. Glode discussed USNH EHS Council collaborations activities. Institutions collaborated on management of indoor mold in residential buildings; indoor air quality, biosafety, and laboratory ventilation; beginning development of an RFP for a new 5-7 year contract for regulated waste disposal services; and disposal of COVID sanitizing products. In addition, the Council reviews proposed bills being considered by the general court and provides input to each component institution's administration.

In response to a question from Trustee Jasper, Mr. Glode noted that an RFP for disposal of COVID sanitizing products was sought and awarded. Mr. Glode will follow up with Trustee Jasper regarding the cost of the disposal.

In response to a question from Trustee Eastwood, Mr. Glode stated that there is collaboration with the Community College System of NH regarding environmental health and safety.

Committee members expressed appreciation for the council's important work keeping our community safe.

B. Receive Annual Report on Title IX Compliance

Chair Tewksbury introduced Campus Title IX Coordinators Jeffrey Maher (KSC), Janette Wiggett (PSU), and Bo Zaryckyj (UNH).

Mr. Zaryckyj gave a brief background and explanation of sexual misconduct, noting that this misconduct impacts students, employees and visitors.

Institutional response includes promoting healthy and responsive reporting culture, working with impacted parties, confidential resource access (such as area crisis centers), non-punitive supportive measures, equitable and prompt resolution of complaints, and community-based remedies.

Each Coordinator responded to a question from Chair Tewksbury regarding ways to measure the reporting culture. Mr. Zaryckyj pointed to the number of varied requests and questions that clients present which show a certain level of comfort. He also focuses on community impact of reporting the conduct. Ms. Wiggett pointed to climate surveys. Mr. Maher pointed to anecdotal information and the large number of referrals from other offices/agencies.

Mr. Zaryckyj 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. He also briefly discussed the data reported by USNH institutions. Lastly, he noted that Title IX Coordinators are responsible for offering and coordinating the implementation of supportive measures to individuals who have been impacted by incidents of sexual misconduct. Supportive measures are non-disciplinary, non-punitive individual services offered to the complainant or respondent. Examples include counseling, academic accommodations, changes to

work or class schedules, housing modifications, mutual no-contact directives, and leaves of absence.

Title IX Coordinators learn of disclosures in a variety of ways (e.g. impacted party, third party, mandatory employee, law enforcement). Initial disclosures may describe a broad range of behavior experienced yet include limited detail.

Presenting a sample case, Mr. Zaryckyj explained the delicate navigation of Title IX, potential issues and matters to be considered.

Trends in campus climate and sexual misconduct disclosures include that formal resolution processes are seldom sought by students, likely due to the fact that the proceedings have become more like a legal proceeding; mistrust of individuals, organizations, and processes – grievances are aired via informal pathways (e.g. social media).

In response to a question from Trustee Eastwood, the Coordinators generally feel well-supported by administration and that their offices are sufficiently staffed.

Trustee Treadwell noted that administration takes great effort to look holistically at student support and student mental health.

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

C. Status of Outstanding Audit Issues

Mr. Jain shared the status of significant open audit issues from the past internal audit reports. Progress is being made on long outstanding audit issues.

V. Other Business

Items for the June meeting are FY25 work plan, Internal Audit update, FY25 internal audit plan, Audit Committee self-assessment, Hotline and Fraud activity, Audit Committee Charter review, Internal Audit Charter review, and GLBA compliance update. Mr. Jain noted that there are changes in Internal Audit standards which may require changes to the Internal Audit Charter.

VI. Adjournment

There being no further business, the meeting adjourned at 2:08 p.m.

-- End of Audit Committee Meeting Minutes --