

**BOARD OF REGENTS and its
AUDIT, COMPLIANCE AND TITLE IX COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**

Thursday, December 3, 2020

Members Present: Dr. Patrick R. Carter, Chair
Ms. Laura E. Perkins, Vice Chair
Dr. Jason Geddes
Mr. Trevor Hayes
Mr. Donald Sylvantee McMichael Sr.

Other Regents Present: Dr. Mark W. Doubrava, Board Chair
Mrs. Carol Del Carlo, Board Vice Chair
Ms. Amy J. Carvalho
Ms. Lisa C. Levine
Mrs. Cathy McAdoo
Mr. John T. Moran
Mr. Kevin J. Page

Others Present: Dr. Melody Rose, Chancellor
Mr. Andrew Clinger, Chief Financial Officer
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
Mr. Zelalem Bogale, Deputy General Counsel, System Administration
Mr. Nate Mackinnon, Vice Chancellor, Community Colleges
Ms. Keri Nikolajewski, Deputy Chief of Staff
Mr. Joe Sunbury, Chief Internal Auditor
Mr. Rhett Vertrees, Assistant Chief Financial Officer
Dr. Federico Zaragoza, President, CSN
Dr. Kumud Acharya, President, DRI
Ms. Joyce M. Helens, President, GBC
Mr. Bart J. Patterson, President, NSC
Dr. Karin M. Hilgersom, President, TMCC
Dr. Keith E. Whitfield, President, UNLV
Mr. Brian Sandoval, President, UNR
Dr. Vincent R. Solis, President, WNC

Faculty senate chairs in attendance were: Dr. Maria Schellhase, CSN; Dr. Eric Wilcox, DRI; Mr. Brian Zeiszler, GBC; Dr. Laura Naumann, NSC; Dr. Theo Meek, SA; Ms. YeVonne Allen, TMCC; Dr. Vicki Rosser, UNLV; Dr. Amy Pason, UNR; and Dr. Robert Morin, WNC. Student body presidents in attendance were: Ms. Alyssa Fromelius, SGA President, TMCC; and Mr. Will Carrasco, GSA President, UNR. Classified council chair in attendance was: Ms. Sarah Wilkey, GBC.

Chair Carter called the meeting to order at 12:00 p.m. with all members present.

1. Information Only – Public Comment – None.
2. Approved – Consent Items – The Committee recommended approval of the consent items.
 - 2a. Approved – Minutes – The Committee recommended approval of the September 10, 2020, meeting minutes.

4. Approved – Human Resources, DRI – *(Continued)*

Regent

5. Approved – Follow-Up: Dental Faculty Practice, CSN – (Continued)

In response to a question from Vice Chair Perkins related to collections, Dr. Pearson stated CSN is looking at an 85-90 percent collection rate given 70 percent of patients are through insurance carriers.

Vice Chair Perkins asked if the Dental Faculty Practice collected at 80 percent, when would it break even. Dr. Pearson stated if the Dental Faculty Practice has a 90 percent collection rate consistently between expenditures and collection activities, there would be a break-even over the next six months. But the previous debt will require new contracts and revenue.

Chief Internal Auditor Sunbury stated if there are open or ongoing findings, Internal Audit will provide follow-up in six months.

Chair Carter provided a friendly amendment for additional follow-up in 180 days (June 2021). Regents Geddes and McMichael accepted the friendly amendment.

Motion carried.

6. Information Only – Internal Audit, Compliance and Title IX Updates, NSHE – Chief Internal Auditor Sunbury provided an update on the Compliance Hotline and Incident Management System with a summary report of activities, including initial review and determinations, metrics, and nature/benchmarking materials from NAVEX Global. (Ref. A-6 on file in the Board Office.)

7. Information Only – Communications with Those Charged with Governance, University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. – Ms. Kim McCormick, Audit Partner, Grant Thornton, presented a report on Communications with Those Charged with Governance for the University of Nevada, Reno School of Medicine Integrated Clinical Services, Inc. for the year ended June 30, 2020, in line with requirements for compliance with the professional standards for CPA firms. (Ref. A-7 on file in the Board Office.)

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10. Approved – Financial Statements, University of Nevada, Las Vegas Medicine, Inc. – (Continued)

Ms. McCormick reviewed *Ref. A-10* highlighting an unmodified opinion of the University of Nevada, Las Vegas Medicine, Inc. Financial Statements.

The University of Nevada, Las Vegas Medicine was also a recipient of a payroll protection loan. Any potential loan forgiveness will be a Fiscal Year 2021 event.

Regent Geddes moved approval of the UNLV Medicine, Inc. Financial Statements for the year ended June 30, 2020. Vice Chair Perkins seconded.

Regent Geddes asked where the initial loan to cover costs during startup is credited. Ms. McCormick reported it is represented on the Statement of Net Position on page 19 of 37.

Dr. Michael Gardner stated UNLV Medicine appreciated the hard work of Ms. McCormick and the Grant Thornton team.

In response to Chair Carter's question about whether the line of credit had been refinanced, Dr. Gardner stated it was a \$19 million line of credit of which approximately \$15 million was used. The remainder of the line of credit has not been touched in two years. Ms. Jean Vock, UNLV Senior Vice President for Business Affairs, clarified the line of credit with the bank is for a five-year payback. The amount that UNLV Medicine is paying back to UNLV is a ten-year payback.

Motion carried.

11. Information Only – Communications with Those Charged with Governance, NSHE – Ms. McCormick presented a report on Communications with Those Charged with Governance for the Nevada System of Higher Education for the year ended June 30, 2020. This is a report on communications related to the System's consolidated audit and is required for compliance with the professional standards for CPA firms. (Supplemental Material on file in the Board Office.)

Ms. McCormick reviewed *Supplemental Material* highlighting: values; responsibilities; governance and management responsibilities; materiality; timeline and scope; significant risks; other areas of focus; technology support; COVID-19 pandemic; summary of misstatements; other required communications; quality of accounting practices; deliverables; internal control matters; use of other auditors-system related organizations; use of the work of others; commitment to ethical and professional excellence; and technical updates-GASB.

12. Approved – Financial Statements, NSHE (Agenda Item 12) – The Committee recommended approval of the NSHE Financial Statements for the year ended June 30, 2020. (Supplemental Material on file in the Board Office.)

12. Approved – Financial Statements, NSHE (Agenda Item 12) – (Continued)

Ms. McCormick stated outside agencies such as the state of Nevada use the NSHE Financial Statements.

Regent Geddes moved approval of the NSHE Financial Statements for the year ended June 30, 2020. Regent McMichael seconded.

Chair Carter