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10. Sharing information and coordinating activities with other internal and external assurance and consulting service providers to ensure proper coverage and minimize duplication of efforts.
  11. Designing, installing, and operating systems are not audit functions; however, the internal auditor's objectivity is not adversely affected when the auditor recommends standards of control for systems or reviews procedures before they are implemented.
- (B/R 12/16)

### **Section 3. Authority and Responsibility**

The internal audit activity is established by the Board of Regents. The internal audit activity's responsibilities are defined by the Board as part of its oversight role. The Internal Audit Department is provided with authority for full access to all of the NSHE records, properties, and personnel relevant to the subject of review. The Department is free to review and appraise policies, plans, procedures, and records.

The responsibilities of the Department are as follows:

1. Develop a sophisticated internal audit program that will include evaluation of the effectiveness of financial and related operational controls and review of compliance by NSHE personnel with NSHE policies and procedures.
2. Maintain the capacity to:
  - a. Perform audits to independently assess governance, risk management and control processes throughout the NSHE.
  - b. Provide consulting services, with the mutual agreement of the "client", to improve the NSHE governance, risk management and control processes.
  - c. Investigate, as necessary, allegations of improper activities including fraud, misuse of university resources, and unethical behavior or actions. The Chief Internal Auditor serves as the clearinghouse for matters requiring his or her investigatory activity and shall establish a mechanism for incident management.
3. Periodically measure and continually improve the efficiency of internal audit activity by means of a quality control program, effective use of technology, and proactive performance management. Institute appropriate budgetary and cost control over the auditing program.
4. Institute controls to ensure that audit findings have been reviewed with the management responsible for operations of the functions examined; see that findings are presented to management at various levels so as to motivate corrective actions; and arrange for the

6. Maintain a staff with the skills, experience and professional certifications to meet the Department's scope of responsibilities and aligned with the NSHE's risks.
7. Recommend changes to policy or required practices to sustain an effective balance between the magnitude of risk, the materiality of failed control, and the cost of compliance.
8. The internal audit activity will govern itself by adherence to appropriate internal auditing standards including, but not limited to, The Institute of Internal Auditors' Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing).
9. Coordinate all activities of the Department with others so as to best achieve the audit objectives and the objectives of the NSHE, including spreading adoption of effective practices and consideration of trends and emerging issues that could impact the NSHE.

In performing its functions, the Internal Audit Department has neither direct responsibility for, nor authority over, any of the activities that are reviewed. Therefore, the review and appraisal activity does not in any way relieve other persons in the organization of the responsibilities assigned to them.

(B/R 12/18)

## **Section 4. Independence**



## **Section 8.        Periodic Assessment**

The Chief Internal Auditor will communicate to the Chair of the Board of Regents and the Audit,

## **Section 2. Budget Director: Authority and Responsibility**

Reporting to the Chief Financial Officer, the NSHE Senior Budget Officer is provided with the authority and responsibility for establishing policies and procedures under which the budgetary administration will be conducted.

The NSHE Senior Budget Officer's specific duties will include, but not be limited to, the following:

### **1. PROMOTE AND COORDINATE INTEGRATED NSHE FINANCIAL PLANNING**

Working with institutional officers, coordinates and assists in the development of a system-wide financial planning process.

- Serves on appropriate committees, coordinates development of the database for planning, and maintains communication with and assures cooperation between all institutional budgetary officials.

### **2. ASSURES PROPER AND TIMELY BUDGET DEVELOPMENT**

Coordinates and develops system-wide budget development policy, procedure, and budget calendar.

- **Budget Policy and Procedures**  
Develops and maintains the system-wide budget policy and procedures section of the *University of Nevada Policy and Procedure Manual* for financial accounting.

## 5. PROVIDE TIMELY BUDGET EVALUATION

Provides budgetary evaluation and assessment to Board of Regents and institutional officers for future NSHE planning.

- Performs post performance review which involves critical analysis of institutional budgets, both quarterly and annually, focusing on the following elements:
  1. Budget versus actual expenditures and revenues.
  2. Identify variances and reasons for variances.
  3. Recommend corrective actions where potential problems are identified.
  4. Inform the Board of Regents of any exceptions that require discussion and further monitoring.
- The institutional business officers will comprise a review committee chaired by the Chief Financial Officer and charged to analyze and advise the Chancellor and other institutional officials on fiscal issues highlighted through the quarterly analysis of budgets.

(B/R 1/95)

## **Section 3. NSHE Director of Banking and Investments**

1. The Director of Banking and Investments for the NSHE is charged with the oversight of a system-wide cash management program and the Board of Regents' Permanent Endowment Funds. Included in the responsibilities are consolidation of the NSHE cash resources, bank relationships, and the placement of cash balances with investment managers in accordance with the



5. Title 4, Chapter 10, S

## C. Financial Policies: Operating Budgets

### Section 1. Authority

1. The Board of Regents shall approve annual and biennial state and self-supporting budgets, including associated registration fees, tuition rates, and student fees. They will review budget recommendations made by the Business, Finance and Facilities Committee. Once the budget is approved, responsibility and authority for all adjustments is delegated as indicated in the following sections.
2. The Board of Regents delegates to its Business, Finance and Facilities Committee responsibility and authority for:
  - a. Initial review and endorsement to the Board of proposed annual and biennial state and self-supporting budgets, including assessment of Board priorities, student and state revenue, enrollments, and other key components as defined through Board and gubernatorial guidelines, and
  - b. Year-end review of major current year budget revisions and/or transfers, including use of reserves (*unappropriated fund balances*) and excess income over budget.
3. The Board of Regents delegates to the Chancellor responsibility and authority for oversight and management of funds and other resources in accordance with policies stated below – including approval of transfers among funds and budget adjustments within specified parameters. Further, the Chancellor is charged with preparing documents in an appropriate and timely manner that require committee review and/or approval.
4. The Chancellor, in turn, delegates to the President of each System institution responsibility and authority for:
  - a. Ensuring that units function with proper internal control procedures such that all budgets remain balanced and within authorized limits;
  - b. Ensuring that any and all transactions requiring higher level review and/or approval are identified and forwarded in an appropriate and timely manner; and
  - c. Ensuring explanations and documentation of authorized adjustments, transfers, and/or revenue/expense patterns be provided in an appropriate and timely manner to officials for reporting purposes.

(B/R 12/18)

### Section 2. Financial Policies

1. Uniform Accounting Policies and Procedures
  - a. The NSHE institutions will implement uniform accounting and administrative policies and procedures as defined by the NSHE. Revisions to the policies and procedures will be considered by all institutions through the Business Officers Council to the Presidents' Council for recommendation to the Chancellor.
  - b. Definitions for all reporting categories will be in accordance with the nationally accepted National Association of College and University Business Officers (*NACUBO*) classification system. Policies concerning review and approval of annual operating

## 2. Reporting

Consistent and uniform quarterly reporting of financial activity is an obligation of the System units and institutions to the Chancellor's office. Reporting of fiscal exceptions for self-supporting programs and capital project accounts to the Business, Fi

- transfer of expenses from non-state to state budgets must be reviewed and approved by the institution President with appropriate supporting justification and reported in an annual summary to the Board of Regents as outlined in subsection d.
- c. The Presidents have authority to transfer funds into or out of each budget subject to policy guidelines of Title 4, Chapter 9(c), Section 2, Subsections 4 and 10, and state appropriation restrictions.
  - d. Budget transfers between functions of more than \$500,000 of State Appropriated or Self-Supporting Budget Funds must be reviewed and approved by the institution President or designee and reported to System Administration with justification, including how the transfer met the intent of the state appropriation or funding source. A budget transfer must maintain the original function. A quarterly report will be provided to the Board of Regents for transfers across functions when the total accumulated budget transferred exceeds \$500,000 for the fiscal year.
  - e. Documentation Requirements. All transfers must be properly documented, including detailed information about the purpose of the transfer, amounts involved, and any restrictions or requirements associated with the transfer.
  - f. Compliance with State and Federal Regulations. Transfers must comply with all applicable state and federal laws and regulations, including those related to accounting, financial management, and grant administration.

#### 6. Use of State Operating Funds

Each NSHE institution with a State-Operating Budget must utilize state appropriated funds to the greatest extent possible in support of the purpose the funds were appropriated. NSHE institutions that provide student instruction and derive instructional funding through the State-Operating Budget must utilize those resources to the greatest extent possible in support of student credit-based instruction. Funds provided in 2017.5 9 (ta

the Scholarship function are not subject to the student access guidelines established in Title 4, Chapter 18, and may be reallocated to other functions without restriction.

#### 8. Overrides

The controller or equivalent official at each NSHE institution is responsible for the control of override activities within their financial organizations. Overrides of financial transactions are restricted to the controller and those who report directly to the controller. Authority for other personnel can be given on a case-by-case basis. All "level five" financial overrides will be monitored through a System override report. Payroll entries will be monitored on an after-the-fact-basis. Exceptions in specific grant and contracts accounts and non-state budgets may be approved by System Administration.

#### 9. Reconciliation of Bank Accounts

Each NSHE institution must have documented procedures detailing the processes regarding reconciliation of bank accounts. Bank reconciliations must be completed and submitted to the Office of Banking and Investments within sixty days of the close of the month.

#### 10. Account Control

Each institution should review annually all budget accounts and eliminate those that have been inactive for an extended period of time and where it is unlikely that they will have any future activity. Consolidation of similar accounts should be undertaken to reduce further the number of overlapping and unnecessary accounts. The Board of Regents will periodically review and





## **Section 6. Institutional Compliance Program**

Each institution or unit is responsible for compliance relating to its activities and endeavors and for establishing and maintaining an effective compliance program (each an “Institutional Compliance Program”). No particular form or structure is mandated, however, the following elements of an effective Institutional Compliance Program must be included:

1. integration of compliance considerations and controls into operational policies and procedures;
2. periodic audits or reviews of compliance controls, policies and procedures, and development of corrective action plans, where necessary;
3. compliance training and support provided in a manner that is appropriate and accessible;
4. periodic risk assessments aimed at identifying areas of potential or emerging compliance risk;
5. designation of individuals or committees to provide direction and support on compliance issues, where appropriate;
6. processes that encourage institution employees and stakeholders to report compliance issues and that ensure non-retaliation for those who do so in good faith.

(B/R 9/17)

## **Section 7. Medical and Healthcare Compliance**

1. The healthcare industry is highly regulated and is subject to an increasing complex array of regulatory and industrial compliance obligations. Penalties for non-compliance can be severe and include exclusion of reimbursement from Medicare/Medicaid and private insurers. A robust compliance program is critically important in clinical practice activities in order to avoid erroneous billing and conflicts between patient care and business operations. Therefore, NSHE institutions, units and programs (including affiliated entities, programs, and practice plans) engaged in the clinical practice of medicine or allied healthcare must develop and maintain a written compliance plan for such activities (a “Healthcare Activity Compliance Plan”).
2. Each Healthcare Activity Compliance Plan shall address each of the elements described in Section 5 above and designate a person responsible for managing and administering the Healthcare Activity Compliance Plan (a “Healthcare Activity Compliance Officer”). In addition to any line of reporting that exists within the institution, the Healthcare Activity Compliance Officer shall also have a direct line of reporting to the institution President and the Compliance Coordinator in order to ensure independence, impartiality, and accountability.
3. Each Healthcare Compliance Plan is subject to review and must receive initial approval by the Audit, Compliance and Title IX Committee. After initial approval by the Audit, Compliance and Title IX Committee, a Healthcare Activity Compliance Plan may be amended or updated as necessary to conform to applicable compliance obligations, subject to review and approval by the Compliance Coordinator.

(B/R 12/19)



