

Title 4 - Codification of Board Policy Statements

Chapter 9

NEVADA SYSTEM OF HIGHER EDUCATION
INTERNAL AUDIT, FINANCE AND ADMINISTRATION POLICIES

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A. Internal Audit Department Charter

Section 1. Nature

The Internal Audit Department is established as an independent and objective assurance and consulting activity within the Nevada System of Higher Education (NSHE) for the review of operations as a service to management.

10.

Inform the independent public accountants and other outside audit agencies of the internal audit schedule to avoid duplication of effort and to maximize the benefits of the total investment in audit activities.

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.

Where the Internal Audit Department is expected to have roles or responsibilities that fall outside of internal auditing, safeguards will be in place to limit impairments to independence or objectivity. The Internal Audit Department may provide assurance services where it had previously performed consulting services, provided the nature of the consulting did not impair objectivity, and provided individual objectivity is managed when assigning resources to an engagement.

(B/R 12/16)

B. Finance and Administration Charter

Section 1. Objectives and Scope

1. Finance and Administration is a part of System Administration. The Chancellor, as Chief Executive Officer and Treasurer of the NSHE, has delegated certain of the financial duties of his or her office, as prescribed by the Board of Regents at Article VII, Section 3, of the By-Laws, to the Chief Financial Officer. The Senior Budget Officer and Director for Banking and Investments for the NSHE report to the Chief Financial Officer.
2. While the primary financial accounting and control functions are maintained at the institutional level, the System through the Chief Financial Officer is responsible for the accurate and timely development and reporting of financial information. The System will ensure the adherence of the institutions to the most recent national financial accounting standards and support continuing internal and external audit reviews of programs and funding.

(B/R 10/96)

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

Section 3. NSHE Director of Banking and Investments

1.

2. Reporting

Consistent and uniform quarterly reporting of financial activity is an obligation of the System units to the Chancellor's office. Reporting of exceptions to the Business and Finance Committee will be determined by the Chancellor.

3. Self-Supporting Budget Review

All self-supporting budgets exceeding \$250,000 of projected annual expenditure activity will be included in the annual budget process. Fund transfers will not be included in

compliance. Therefore, the Board does hereby establish the following Compliance Department Charter setting forth policies and expectations with respect to compliance.

(B/R 9/17)

Section 2. Compliance Defined

Compliance means conforming to applicable federal, state, and local laws, rules, and regulations (sometimes referred to as “regulatory compliance”). Compliance also means and includes conformance with industry standards, self-regulating organizations, and internal policies, procedures and control systems (often referred to as “industry compliance”). Compliance also describes the awareness of, and efforts taken to ensure, regulatory and industry compliance. Compliance is an essential function of every institution, unit, and program of NSHE, and is a communal responsibility shared by all employees and stakeholders. The Board of Regents provides oversight of System and institutional compliance efforts and activities through the Audit and Compliance Committee.

(B/R 9/17)

Section 3. NSHE Compliance Department

The Compliance Department is hereby established as part of System Administration. The Compliance Department is responsible for the operation of the NSHE Compliance Program. The Compliance Department shall be administered by a Director of Compliance who shall report on functional matters to the Audit and Compliance Committee and on administrative matters to both the Chief Internal Auditor and the Vice Chancellor for Legal Affairs. Administrative matters include day-to-day management and supervision, technical direction, and performance evaluations.

(B/R 9/17)

Section 4. NSHE Compliance Program

Each institution has primary responsibility for ensuring compliance relative to its activities and for operating an effective compliance program that meets the needs and obligations of the institution. The NSHE Compliance Department supports and supplements institutional compliance efforts and is tasked with the following roles and responsibilities:

1. secondary (System level) oversight of institutional compliance efforts and programs;
2. development of appropriate System level compliance policies, procedures and controls;
3. provide technical assistance as necessary and facilitate the efficient utilization of compliance resources on a System wide basis;
4. review and periodic audits of compliance controls to determine the effectiveness of System and institutional compliance programs;
5. education and training on compliance issues and obligations;
6. communication on compliance issues and risks including providing an independent reporting line through which System and institutional employees and stakeholders can report compliance concerns.

(B/R 9/17)

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 NSHE Director of Compliance 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 and Compliance Committee. After initial approval by the Audit and Compliance 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 NSHE Director of Compliance.

(B/R 9/17)

Section 8. NSHE Compliance Department Funding

1. The NSHE Compliance Department receives funding from a cost allocation model and is based upon the budget approved by the Chancellor and the Chair of the Audit and Compliance Committee. The cost allocation model shall be developed in consultation with the Business Officers Council and should reflect an allocation based on the activities and relative compliance risks of each institution, and the priorities and goals identified in the Annual Compliance Plan.
2. NSHE Compliance Department Funds shall be accounted for separately and are available for expenditure on compliance-related expenditures which include:
 - a. salaries, wages and benefits for appropriate staffing of individuals directly employed in or providing services by the department;
 - b. operating expenses, including travel, directly related to the Compliance Department. This may include expenses that support the administration of the Compliance function (e.g. expenses related to office supplies, software program, membership dues, training and certifications);
 - d. equipment purchases directly related to the Compliance Department;
 - e. professional fees and expenses including consulting costs directly related to compliance activities;
 - f. transfers between NSHE institutions or budget areas for shared Compliance resources or programs.

(B/R 9/17)