

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.1. **Nicholls State University's** request for approval of the Board of Supervisors for the University of Louisiana System for the execution of supplemental leases between the Board, on behalf of the University, and NSU Facilities Corporation, in connection with the refunding or remarketing of all or a portion of the University's outstanding Series 2007B Bonds.

EXECUTIVE SUMMARY

The University, through NSU Facilities Corporation, a private nonprofit corporation whose purpose is to support and benefit the educational, scientific, research and public service missions of the University, financed the cost of acquiring certain existing housing facilities, demolishing certain existing facilities and renovating, developing and constructing student housing facilities, related facilities and other campus improvements, including but not limited to parking improvements, on the campus of the University. The project was financed through the issuance of two series of revenue bonds by the Louisiana Community Development Authority in 2007. The Series 2007A Bonds were structured to bear interest at a fixed interest rate and the Series 2007B Bonds currently bear interest at a variable interest rate. The Series 2007A Bonds were refinanced in 2017 through the issuance of fixed rate revenue refunding bonds by the Louisiana Community Development Authority and the Series 2007B Bonds were simultaneously restructured and continue to bear interest at a variable rate.

The land upon which the project was completed was leased to NSU Facilities Corporation by the Board, acting on behalf of the University, pursuant to a Ground and Buildings Lease Agreement. The completed project was leased back to the Board pursuant to an Agreement to Lease with Option to Purchase in return for lease payments that secure the Series 2007 Bonds.

The University, through NSU Facilities Corporation, proposes to use proceeds of tax-exempt refunding bonds issued through the Louisiana Community Development Authority and other available funds to refund all or a portion of the Series 2007B Bonds and to pay a swap termination payment associated therewith. In connection with the restructuring and refunding of the Series 2007B Bonds, the University is expecting the leases relating to the Series 2007B Bonds to be supplemented and amended to refer to the terms of the refunding bonds and the new terms for any Series 2007B Bonds that remain outstanding. The total principal amount of the refunding bonds is not expected to exceed \$38,000,000 which, together with other available funds, will be sufficient to pay the costs associated with retiring or restructuring the Series 2007B Bonds, paying a termination payment on all or a portion of the swap and the costs of issuance of the refunding bonds. The net interest cost of the refunding bonds is not expected to exceed a fixed rate of 6.0%.

Annual debt service for the proposed refunding bonds will be secured and payable from lease payments paid by the Board, on behalf of the University, to the Corporation which will be derived from the rents collected by the University from the student housing facilities. The Board and University have not and will not pledge its full faith and credit or State appropriated funds to make any debt service payments on the Bonds.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby approves Nicholls State University's request for approval of the Board of Supervisors for the University of Louisiana System for the execution of supplemental leases between the Board, on behalf of the University, and NSU Facilities Corporation, in connection with the refunding or remarketing of all or a portion of the University's outstanding Series 2007B Bonds.

BE IT FURTHER RESOLVED, that Nicholls State University shall obtain final review from UL System staff and legal counsel to the Board, and shall secure all other appropriate approvals from agencies/parties of processes, documents, and administrative requirements prior to execution of documents.

BE IT FURTHER RESOLVED, that the President of Nicholls State University, and his or her designee, are hereby authorized and directed to execute the leases described herein and any and all documents necessary in connection with the issuance of the bonds described herein.

AND FURTHER, that Nicholls State University will provide the System office with copies of all final executed documents for the Board's files.



Office of the President

P.O. Box 2001 | Thibodaux, LA 70310 | 985.448.4003 | 985.448.4920 [F]

H 1

July 29, 2019

Dr. Jim Henderson
System President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

Nicholls State University requests consideration and approval of the following to be placed on the agenda for the August 22, 2019 meeting of the Board of Supervisors for the University of Louisiana System:

Refinance Nicholls State University Series 2007B Bonds

Thank you for your assistance in this matter.

Sincerely,

John Clune
President

JC/jms

Enclosures

pc: Mr. Alex Arceneaux, Executive Vice President
Dr. Sue Westbrook, Provost and Vice President for Academic and Student Affairs
Dr. Todd Keller, Vice Provost
Dr. Michele Caruso, Associate Vice President for Student Affairs
Mr. Terry Braud, Vice President for Finance and Administration
Mrs. Paulette Mayon, Internal Auditor
Dr. James Stewart, Faculty Senate President/ Faculty Association Representative
Mrs. Renee Hicks, Executive Director of Planning and Institutional Effectiveness

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.2. **Northwestern State University's** request for approval of a revised Internal Audit Charter.

EXECUTIVE SUMMARY

The Internal Audit Charter set forth the purpose, authority, and responsibility of the internal audit activity for Northwestern State University. The Charter, which was last revised September 2016, has now been modified to reflect compliance with mandatory guidance of the International Professional Practices Framework (IPPF). Specific updates were made to Standards for the Professional Practice of Internal Auditing to include all four mandatory elements of the Institute of Internal Auditors International Professional Practices Framework.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves Northwestern State University's request for approval of a revised Internal Audit Charter.*



July 31, 2019

RECEIVED

AUG 05 2019

UNIVERSITY OF
LOUISIANA SYSTEM

Dr. Jim Henderson, President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Re: Internal Audit Activity Charter

Dear Dr. Henderson:

Northwestern State University is submitting the attached "Internal Audit Activity Charter" to be placed on the agenda for approval at the August 2019 Board Meeting.

Thank you for your consideration of this request.

Sincerely,

Dr. Chris Maggio
President

Attachment

**NORTHWESTERN STATE UNIVERSITY
INTERNAL AUDIT ACTIVITY CHARTER**

This charter sets forth the purpose, mission, objectives, authority, and responsibility of the internal audit activity at Northwestern State University. The charter establishes the internal audit activity's position within the University; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Purpose and Mission

The purpose of the University's internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit activity helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The internal audit activity is guided by a value-driven philosophy of partnering with other departmental units to continuously improve the operations of the University.

Standards for the Professional Practice of Internal Auditing

The internal audit activity will govern itself by adherence to the *Mandatory Guidance* of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the Standards. The Director of Internal Audit (Chief Audit Executive) will report periodically to the University President and, through the System Director of Internal & External Audit, to the Board of Supervisors of the University of Louisiana System (Board) regarding the internal audit activity's conformance to the Code of Ethics and the Standards.

Authority

The University's internal audit activity is established by the Board. The internal audit activity's responsibilities are defined by the Board as part of their oversight role. The Director of Internal Audit will report administratively (i.e., day-to-day operations) to the President of the University and functionally to the Board, through the System Director of Internal & External Audit and the Finance Committee. To establish, maintain, and assure that University's internal audit activity has sufficient authority to fulfill its duties, the Board of Supervisors will:

- Approve the internal audit activity's charter.
- Approve the risk based internal audit plan.
- Approve the internal audit activity's budget and resource plan.
- Receive communications from the Director of Internal Audit on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Director of Internal Audit.
- Approve the remuneration of the Director of Internal Audit.
- Make appropriate inquiries of management and the Director of Internal Audit to determine whether there is inappropriate scope or resource limitations.

The Director of Internal Audit will have unrestricted access to and communicate and interact directly with the System Director of Internal & External Audit, the Finance Committee of the Board of Supervisors, and the Board of Supervisors, including in private meetings without management present.

The Board of Supervisors authorizes the internal audit activity to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Audit or review any function, activity, or unit of the University and the accounts of all organizations required to submit financial statements to the University.

**NORTHWESTERN STATE UNIVERSITY
INTERNAL AUDIT ACTIVITY CHARTER**

- Have direct and unrestricted access and present to the President of the University any matter considered to be of sufficient importance to warrant attention or that has been brought to the internal audit activity for review.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel of the University where they perform audits, as well as other specialized services from within or outside the University, in order to complete the engagement.

Independence and Objectivity

The Director of Internal Audit will ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Director of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the University or its affiliates.
- Initiating or approving transactions external to the Department of Internal Audit.
- Directing the activities of any University employee not employed by the internal audit activity, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

To provide for the independence of the internal audit activity, its personnel will report to the University's Director of Internal Audit, who reports functionally to the Board of Supervisors through the System Director of Internal & External Audit and administratively to the President of the University. The University President has authority to handle all personnel matters regarding Internal Audit. Therefore, internal audits and appraisals do not in any way substitute for nor relieve other persons in the University of the responsibilities assigned to them.

Where the Director of Internal Audit has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

At least annually, the Director of Internal Audit will confirm to the University President and, through the System Director of Internal & External Audit, the Board of Supervisors of the University of Louisiana

**NORTHWESTERN STATE UNIVERSITY
INTERNAL AUDIT ACTIVITY CHARTER**

System the organizational independence of the internal audit activity. The Director of Internal Audit will also disclose to those parties any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the University. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the University's strategic objectives are appropriately identified and managed.
- The actions of the University's officers, directors, employees, and contractors are in compliance with the University's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the University.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Director of Internal Audit will report periodically to senior management and the Board regarding:

- The internal audit activity's purpose, authority, and responsibility.
- The internal audit activity's plan and performance relative to its plan.
- The internal audit activity's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the University.

The Director of Internal Audit also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit activity does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The chief audit executive has the responsibility to:

- Annually develop and submit to senior management and the Board a risk-based internal audit plan for review and approval. The flexible annual audit plan (summary of the audit work schedule, staffing plan, and time budget) will be developed based on internal audit's assessment of risk with input from management regarding areas of concern and areas of increased risk.
- Communicate to senior management and the Board the impact of resource limitations on the internal audit plan.

**NORTHWESTERN STATE UNIVERSITY
INTERNAL AUDIT ACTIVITY CHARTER**

- Review and adjust the annual internal audit plan, as necessary, in response to changes in the University's business, risks, operations, programs, systems, and controls.
- Communicate to senior management and the Board any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Department of Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Establish a Quality Assurance and Improvement Program by which the Director assures the operations of internal auditing activities are acceptable.
- Perform consulting services, beyond internal auditing's assurance services, to assist management in meeting its objectives.
- Ensure trends and emerging issues that could impact the University are considered and communicated to senior management and the Board as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Assist in the investigation of significant suspected fraudulent activities within the University and notify management and the finance committee of the results.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
- Ensure adherence to the University's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Board.
- Submit written and timely reports to the President of the University and appropriate members of management at the conclusion of each engagement to acknowledge satisfactory performance or to set forth observations and/or recommendations for correction or improvement.
- Forward a copy of each internal audit report and a summary to the System's Director of Internal & External Audit.
- Ensure conformance of the internal audit department with the Standards, with the following qualifications:
 - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the chief audit executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by other authoritative bodies (e.g., AICPA, GAO, etc.) the chief audit executive will ensure that the internal audit department conforms with the Standards, even if the internal audit department also conforms with the more restrictive requirements of other authoritative bodies.

Quality Assurance and Improvement Program

The internal audit activity will maintain a Quality Assurance and Improvement Program (program) that covers all aspects of the internal audit activity. The program is detailed in the Audit Manual of the NSU

**NORTHWESTERN STATE UNIVERSITY
INTERNAL AUDIT ACTIVITY CHARTER**

Department of Internal Audit. The program will include an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The program will include both internal and external assessments. The internal assessments will include ongoing monitoring of the performance of the internal audit activity and periodic self-assessments. The IIA Standards provide that external assessments are required to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. Act 314 of the 2015 Regular Legislative Session (L.R.S. 17:3351) became effective on August 1, 2015. Therefore, an external assessment will be required to be completed by July 31, 2020, which is five years of the effective date of Act 314 of 2015. The Director of Internal Audit will communicate to senior management and the Board on the internal audit activity's quality assurance and improvement program, including results of internal assessments (ongoing monitoring and periodic internal assessments) and external assessments.



Director of Internal Audit

7/25/2019

Date

Approved:


NSU President

7/26/19

Date

University of Louisiana System Board

Date

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.3. **Northwestern State University's request for approval of a proposed new flat rate pricing plan for enrollment in the RN to BSN program.**

EXECUTIVE SUMMARY

Northwestern State University is proposing a flat rate price of \$6,750 in tuition and fees for 30 credit hours of nursing courses in the RN to BSN program beginning in the Spring 2020 semester. There would also be an additional cost of \$225 per credit hour for any additional courses required for students to complete the RN to BSN program. Act 426 of the 2013 Legislative Session grants authority to the Board of Supervisors for the University of Louisiana System to impose tuition and attendance fees for students enrolled in an academic degree program offered entirely through distance education.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves Northwestern State University's request for approval of a proposed new flat rate pricing plan for enrollment in the RN to BSN program.*



NORTHWESTERN STATE
Office of the President

310 Sam Sibley Drive
Caspari Hall - Suite 223
Natchitoches, LA 71497
(O) 318-357-6441
(F) 318-357-4223

August 7, 2019

H 3

Dr. James B. Henderson, President
University of Louisiana System
1201 North Third Street, 7-300
Baton Rouge, LA 70802

Re: RN to BSN Flat Rate Pricing Plan

Dear Dr. Henderson:

Northwestern State University is submitting the attached *RN to BSN Flat Rate Pricing Plan* to be placed on the agenda for approval at the August 2019 Board Meeting.

Thank you for your consideration.

Sincerely,

Dr. Chris Maggio
President

Attachment

DEDICATED TO ONE GOAL. **YOURS.**





NORTHWESTERN STATE

Office of the President

310 Sam Sibley Drive
Caspari Hall - Suite 223
Natchitoches, LA 71497
(O) 318-357-6441
(F) 318-357-4223

August 12, 2019

Dr. Jim Henderson, President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, La. 70820

Dear Dr. Henderson:

This is to request consideration by the University of Louisiana System of a proposed new flat rate pricing plan for enrollment in the RN to BSN program.

NSU is proposing a charge of \$6,750 in tuition and fees for 30 credit hours of nursing courses in the RN to BSN program. There would also be an additional cost of \$225.00 per credit hour for any additional courses required for students to complete the RN to BSN program.

Based on the outstanding quality of the Northwestern program and a review of charges at other universities, this proposed cost structure would be beneficial to current students and viable for the university.

Thank you for your consideration of this request that would help assure the continued success and excellence of this important program.

Sincerely,

Dr. Chris Maggio
President

DEDICATED TO ONE GOAL. **YOURS.**



**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.4. University of Louisiana at Lafayette's request for approval to implement a per credit hour tuition rate for online programs.

EXECUTIVE SUMMARY

University of Louisiana at Lafayette is requesting approval to implement a per credit hour tuition rate for online programs. The University proposes implementing a tuition rate of \$380 per undergraduate credit hour and \$480 per graduate credit hour for online programs not partnered with Academic Partnerships beginning in the Spring 2020. Act 426 of the 2013 Legislative Session grants authority to the Board of Supervisors for the University of Louisiana System to impose tuition and attendance fees for students enrolled in an academic degree program offered entirely through distance education.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby approves University of Louisiana at Lafayette's request for approval to implement a per credit hour tuition rate for online programs.



University of Louisiana at Lafayette

OFFICE OF THE PRESIDENT

P. O. Drawer 41008
Lafayette, LA 70504-1008
(337) 482-6203
Fax: (337) 482-5914
e-mail: president@louisiana.edu

August 1, 2019

Université des Acadiens

H 4

Dr. James B. Henderson
President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

This is a request for approval to implement a per credit hour tuition rate for online programs. The University proposes implementing a tuition rate of \$380 per undergraduate credit hour and \$480 per graduate credit hour for online programs not partnered with Academic Partnerships beginning Spring 2020. In the event a student qualifies for a hardship waiver, the University will apply a 5% reduction to the online program tuition rate.

Act 426 of the 2013 Regular Session grants authority for the Board to impose tuition and fees for students enrolled in an academic degree program offered entirely through distance education. The proposed rates are competitive with other online programs and are relative of the costs associated with providing online courses.

Please place this item on the agenda for consideration at the August 2019 meeting of the Board of Supervisors.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Savoie".

E. Joseph Savoie
President

SVC

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.5. University of Louisiana at Monroe's request for approval of a revised Internal Audit Charter.

EXECUTIVE SUMMARY

The Internal Audit Charter sets forth the purpose, authority, and responsibility of the internal audit activity for the University of Louisiana at Monroe. The Charter, which was last revised August of 2017, has now been modified to further conform with mandatory guidance of the International Professional Practices Framework (IPPF). Specifically, the Charter was revised to include the internal audit activity's vision statement, define the nature of assurance and consulting services provided, and recognize the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing and Definition of Internal Auditing.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby approves University of Louisiana at Monroe's request for approval of a revised Internal Audit Charter.



Office of the President

University Library 632 | 700 University Avenue | Monroe, LA 71209
P 318.342.1010 | F 318.342.1019

H5

July 29, 2019

RECEIVED

AUG 05 2019

**UNIVERSITY OF
LOUISIANA SYSTEM**

Dr. James B. Henderson, President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

I respectfully request approval of the University of Louisiana at Monroe's revised Internal Audit Plan at the August 22, 2019, Board of Supervisors meeting.

If I may be of further assistance, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Nick Bruno', with a long horizontal flourish extending to the right.

Nick J. Bruno, Ph.D.
President

#TAKEFLIGHT

UNIVERSITY OF LOUISIANA AT MONROE
INTERNAL AUDIT ACTIVITY CHARTER

This charter sets forth the purpose, mission, objectives, authority, and responsibility of the internal audit activity at the University of Louisiana at Monroe. The charter establishes the internal audit activity's position within the University; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Purpose and Mission

The purpose of the University's internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit activity helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The internal audit activity is guided by a value-driven philosophy of partnering with other departmental units to continuously improve the operations of the University.

Vision

The vision of the University's internal audit activity is to be a valued partner of the University, the Board of Supervisors of the University of Louisiana System, and other institutions within the University of Louisiana System and to deliver professional assurance and consulting services to assist these entities in achieving their mission, strategic planning goals, and initiatives in an atmosphere of respect and accountability.

Standards for the Professional Practice of Internal Auditing

The internal audit activity will govern itself by adherence to the *Mandatory Guidance* of the Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, International Standards for the Professional Practice of Internal Auditing, the Code of Ethics, and the Definition of Internal Auditing. The Director of Internal Audit (Chief Audit Executive) will report periodically to the University President and, through the System Director of Internal & External Audit, to the Board of Supervisors of the University of Louisiana System (Board) regarding the internal audit activity's conformance to the *mandatory elements* of the IPPF.

Authority

The University's internal audit activity is established by the Board. The internal audit activity's responsibilities are defined by the Board as part of their oversight role. The Director of Internal Audit will report administratively (i.e., day-to-day operations) to the President of the University and functionally to the Board, through the System Director of Internal & External Audit and the Finance Committee. To establish, maintain, and assure that University's internal audit activity has sufficient authority to fulfill its duties, the Board of Supervisors will:

- Approve the internal audit activity's charter.
- Approve the risk based internal audit plan.
- Approve the internal audit activity's budget and resource plan.
- Receive communications from the Director of Internal Audit on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Director of Internal Audit.
- Approve the remuneration of the Director of Internal Audit.
- Make appropriate inquiries of management and the Director of Internal Audit to determine whether there is inappropriate scope or resource limitations.

UNIVERSITY OF LOUISIANA AT MONROE
INTERNAL AUDIT ACTIVITY CHARTER

The Director of Internal Audit will have unrestricted access to and communicate and interact directly with the System Director of Internal & External Audit, the Finance Committee of the Board of Supervisors, and the Board of Supervisors, including in private meetings without management present.

The Board of Supervisors authorizes the internal audit activity to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Audit or review any function, activity, or unit of the University and the accounts of all organizations required to submit financial statements to the University.
- Have direct and unrestricted access and present to the President of the University any matter considered to be of sufficient importance to warrant attention or that has been brought to the internal audit activity for review.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel of the University where they perform audits, as well as other specialized services from within or outside the University, in order to complete the engagement.

Independence and Objectivity

The Director of Internal Audit will ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Director of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the University or its affiliates.
- Initiating or approving transactions external to the Department of Internal Audit.
- Directing the activities of any University employee not employed by the internal audit activity, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

To provide for the independence of the internal audit activity, its personnel will report to the University's Director of Internal Audit, who reports functionally to the Board of Supervisors through the System Director of Internal & External Audit and administratively to the President of the University. The University President has authority to handle all personnel matters regarding

**UNIVERSITY OF LOUISIANA AT MONROE
INTERNAL AUDIT ACTIVITY CHARTER**

Internal Audit. Therefore, internal audits and appraisals do not in any way substitute for nor relieve other persons in the University of the responsibilities assigned to them.

Where the Director of Internal Audit has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

At least annually, the Director of Internal Audit will confirm to the University President and, through the System Director of Internal & External Audit, the Board of Supervisors of the University of Louisiana System the organizational independence of the internal audit activity. The Director of Internal Audit will also disclose to those parties any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to:

- Assurance services provided to the Board, management, and outside parties primarily consisting of objective examinations of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of governance, risk management, and control processes for the University. Examples may include financial, performance, compliance, system security, and due diligence engagements.
- Consulting services provided to the Board, management, and outside parties primarily consisting of advisory and related client service activities, the nature and scope of which will be agreed with the client and be intended to add value and improve the University's governance, risk management, and control processes without the internal audit activity assuming management responsibility. Examples may include counsel, advice, facilitation, and training.

Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the University's strategic objectives are appropriately identified and managed.
- The actions of the University's officers, directors, employees, and contractors are in compliance with the University's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the University.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

**UNIVERSITY OF LOUISIANA AT MONROE
INTERNAL AUDIT ACTIVITY CHARTER**

The Director of Internal Audit will report periodically to senior management and the Board regarding:

- The internal audit activity's purpose, authority, and responsibility.
- The internal audit activity's plan and performance relative to its plan.
- The internal audit activity's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the University.

The Director of Internal Audit also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The chief audit executive has the responsibility to:

- Communicate to senior management and the Board the impact of resource limitations on the internal audit plan.
- Annually develop and submit to senior management and the Board a risk-based internal audit plan for review and approval. The flexible annual audit plan (summary of the audit work schedule, staffing plan, and time budget) will be developed based on internal audit's assessment of risk with input from management regarding areas of concern and areas of increased risk.
- Review and adjust the annual internal audit plan, as necessary, in response to changes in the University's business, risks, operations, programs, systems, and controls. Any significant interim changes from the approved internal audit plan will be communicated to senior management and the Board through periodic activity reports.
- Communicate to senior management and the Board any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Department of Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Establish a Quality Assurance and Improvement Program by which the Director assures the operations of internal auditing activities are acceptable.

**UNIVERSITY OF LOUISIANA AT MONROE
INTERNAL AUDIT ACTIVITY CHARTER**

- Perform consulting services, beyond internal auditing's assurance services, to assist management in meeting its objectives.
- Ensure trends and emerging issues that could impact the University are considered and communicated to senior management and the Board as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Assist in the investigation of significant suspected fraudulent activities within the University and notify management and the finance committee of the results.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
- Ensure adherence to the University's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Board.
- Submit written and timely reports to the President of the University and appropriate members of management at the conclusion of each engagement to acknowledge satisfactory performance or to set forth observations and/or recommendations for correction or improvement.
- Forward a copy of each internal audit report and a summary to the System's Director of Internal & External Audit.
- Ensure conformance of the internal audit department with the Standards, with the following qualifications:
 - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the chief audit executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by other authoritative bodies (e.g., AICPA, GAO, etc.) the chief audit executive will ensure that the internal audit department conforms with the Standards, even if the internal audit department also conforms with the more restrictive requirements of other authoritative bodies.

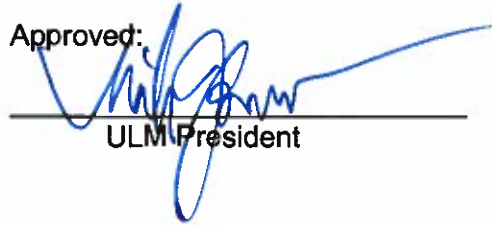
Quality Assurance and Improvement Program

The internal audit activity will maintain a Quality Assurance and Improvement Program (program) that covers all aspects of the internal audit activity. The program is detailed in the ULM Department of Internal Audit Manual. The program will include an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The program will include both internal and external assessments. The internal assessments will include ongoing monitoring of the performance of the internal audit activity and periodic self-assessments. The IIA Standards provide that external assessments are required to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. Act 314 of the 2015 Regular Legislative Session (L.R.S. 17:3351) became effective on August 1, 2015. Therefore, an external assessment will be required to be completed by July 31, 2020, which is five years of the effective date of Act 314 of 2015. The Director of Internal Audit will communicate to senior management and the Board on

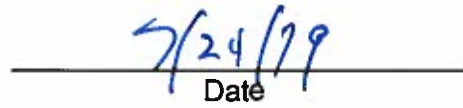
**UNIVERSITY OF LOUISIANA AT MONROE
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the internal audit activity's quality assurance and improvement program, including results of internal assessments (ongoing monitoring and periodic internal assessments) and external assessments.

Approved:



ULM President



Date

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

- Item H.6.** **University of Louisiana System's** request for acceptance of Fiscal Year 2018-19 Financial and Compliance and Federal Award Programs Representation Letters for (a) Grambling State University, (b) Louisiana Tech University, (c) Nicholls State University, (d) Northwestern State University, (e) Southeastern Louisiana University, (f) University of Louisiana at Lafayette, (g) University of New Orleans, and (h) University of Louisiana System.

EXECUTIVE SUMMARY

In connection with its financial and compliance audits of colleges and universities, the Legislative Auditor's Office requires the President and Chief Fiscal Officer to review certain representations and certify that those representations are true and correct. The officers answer and sign a financial and compliance and federal award programs questionnaire at the beginning of the audit and then sign an update upon conclusion of the audit certifying that: (1) there were no material changes to the original certification; or (2) any such changes have been disclosed to the Legislative Auditor. Office of Legislative Auditor policy further requires that the appropriate management board accept the university's questionnaire in a public meeting. The documentation is available in the System Office.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby accepts Fiscal Year 2018-19 Financial and Compliance and Federal Award Programs Representation Letters for (a) Grambling State University, (b) Louisiana Tech University, (c) Nicholls State University, (d) Northwestern State University, (e) Southeastern Louisiana University, (f) University of Louisiana at Lafayette, (g) University of New Orleans, and (h) University of Louisiana System.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.7. University of Louisiana System's request for approval of Fiscal Year 2019-20 Operating Budgets, including organizational charts, undergraduate/graduate mandatory attendance fees, scholarships, and System Shared Costs.

EXECUTIVE SUMMARY

The 2019-20 Operating Budgets were prepared in accordance with instructions received from the System Office, the Division of Administration Office of Planning and Budget, and the Louisiana Board of Regents.

System staff has prepared a comparative Operating Budget Summary for the System including Revenues by Source, Expenditures by Function and Object, and other summary data on Mandatory Attendance Fees, Organizational Charts, Employees, Scholarships, and Athletic Budgets.

Informational items are included in each institution's full operating budget document that will be available at the Board meeting.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves Fiscal Year 2019-20 Operating Budgets, including organizational charts, undergraduate/graduate mandatory attendance fees, scholarships, and System Shared Costs.*

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

August 22, 2019

Item H.8. University of Louisiana System's report on internal and external audit activity for the period of June 24 to August 18, 2019.

EXECUTIVE SUMMARY

Attached is a list of internal and external reports completed by various auditors since the last Board meeting. The internal audit reports are prepared based upon independent review of university departments and functions. The internal audits are designed to ascertain compliance with established policies and procedures, to evaluate operational efficiencies of business and management practices, and to determine adequacy of internal controls. The internal audits are conducted to provide management with recommendations and comments designed to improve the operations of university departments and functions. External audits are generally conducted in accordance with laws, regulations, or contracts. Also included are internal audits that are currently in progress.

This is a report only and no action by the Board is necessary.