

AMENDED

Notice of Meeting

UNIVERSITY OF HAWAI'I

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT

Members: TBD (Chair), Randy Moore (Vice-Chair), and Regents
McEnerney, Doctor Sparks, Higaki, Portnoy

Date: Thursday, August 10, 2017

Time: 12:00 p.m.

Place: University of Hawai'i at Mānoa
Information Technology Building
1st Floor Conference Room 105A/B
2520 Correa Road
Honolulu, Hawai'i 96822

AGENDA

- I. Call Meeting to Order**
- II. Election of Committee Chairperson**
- III. Approval of Minutes of the May 17, 2017 Meeting**
- IV. Public Comment Period for Agenda Items:** All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Registration for oral testimony on agenda items will be provided at the meeting location 15 minutes prior to the meeting and closed once the meeting begins. Written testimony may be submitted via US mail, email at bor@hawaii.edu, or facsimile at 956-5156. Oral testimony is limited to three (3) minutes.
- V. Agenda Items**
 - A. For Review and Approval:
 1. Follow up Report on Evaluation of Corrective Action Status – University Purchasing Card Program
 - B. For Information:
 1. Whistleblower Report
 2. Risk Management Report
 - C. For Discussion:
 1. Committee Self-evaluation
- VI. Adjournment**

Item II.
Election of
Committee
Chairperson

NO MATERIALS

UNIVERSITY OF HAWAI'I
PURCHASING CARD PROGRAM FOLLOW-UP REVIEW

July 2017

DRAFT



University of Hawai'i
Office of Internal Audit



July 28, 2017

To the University of Hawai'i Board of Regents
and
University of Hawai'i Vice President for Administration

The purpose of this report is to evaluate the status of the Office of Procurement and Real Property Management's corrective action to address improvement opportunities and mitigate risks documented in an Office of Internal Audit (Internal Audit) report dated May 2, 2016. This May 2016 report evaluated the policies and procedures of the University of Hawai'i Purchasing Card (PCard) Program as well as its related processes and controls.

Overall, Internal Audit believes that the practices established and implemented by the Office of Procurement and Real Property Management (OPRPM) are sufficient to mitigate risks in regards to the timeliness of authorization, recordation and classification of PCard transactions, as well as policy noncompliance. However, these practices must be performed consistently to be effective.

Internal Audit continues to recommend that OPRPM consider implementing the following improvement opportunities:

- 1) Notify appropriate Senior Management of Cardholder transactions not approved timely by supervisory management,
- 2) Modify the planning of PCard audits to focus on higher risk transactions, Cardholders, and Units rather than volume of transactions, and
- 3) Perform a cost benefit analysis to determine whether the number of restricted merchant category codes can be decreased.

Internal Audit believes the above will increase the effectiveness of the PCard Program as well as efficiencies in connection with duties performed by the PCard Administrator.

Sincerely,

Glenn Shizumura
Director

**University of Hawai‘i
Purchasing Card Program Follow-Up
July 2017**

Background

The Purchasing Card (PCard) is designated as the University’s preferred method to purchase goods and services under \$2,500 as it eliminates the need for the preparation, review and approval of purchase orders. A written justification is required if a PCard is not used for purchases under \$2,500. The Office of Procurement and Real Property Management (OPRPM) is responsible for the systemwide administration of policies and procedures for the acquisition of goods and services and the overall management of the PCard program. Accordingly, OPRPM established policies, procedures and practices to manage the University’s PCard program.

During the fiscal year June 30, 2016, the Office of Internal Audit (Internal Audit) reviewed and evaluated the University’s PCard policies and procedures as well as the related processes and controls to mitigate the risk of PCard transactions that are: 1) improper, fraudulent or abusive (as defined by the United States Government Accountability Office), or 2) not in compliance with University of Hawai‘i policy. Internal Audit’s report dated May 2, 2016 identified opportunities for improvement in regards to the following:

- review and approval of PCard transactions,
- monitoring of PCard transactions, and
- use of merchant category codes.

Both Internal Audit’s report and OPRPM’s management response (dated July 29, 2016) were reviewed and approved by the Audit Committee on August 4, 2016. The purpose of this report is to evaluate the implementation status of Internal Audit’s recommendations. The report is organized by Internal Audit’s recommendations and includes a 1) summary of Internal Audit’s observations and recommendations presented in the May 2, 2016 report, 2) condensed discussion of OPRPM’s management response, and 3) evaluation of the implementation status of Internal Audit’s recommendations.

Procedures Performed

During April 2017, Internal Audit met with the Associate Director of OPRPM and the lead PCard Administrator to determine the implementation status of Internal Audit’s recommendations. For purposes of assessing implementation status, Internal Audit performed inquiries with the PCard Administrator and examined relevant documents such as spreadsheets listing audited transactions, e-mails distributed to college, school or department (Unit) Account Supervisors (previously known as Approving Authorities) and Fiscal Administrators (collectively Unit Supervisors), signed documents acknowledging policy noncompliance and lists of unapproved Purchasing Card Documents (PCDO’s). PCDO’s consist of documents (receipts, invoices, etc.) supporting a Cardholder’s monthly PCard transactions that are accumulated in the Kualii Financial System (KFS), the University’s general ledger.

Recommendation 1: Review and Approval of PCard Transactions

Prior Internal Audit Observation and Recommendation:

University Administrative Procedures AP 8.266 (A8.266) requires Unit Supervisors to promptly authorize the recordation and classification of PCDO’s in KFS. The prompt and effective review performed by Unit Supervisors of each and every PCDO is the key control to detect and mitigate the risk of noncompliant PCard transactions. Internal Audit was informed that numerous PCDO’s were not reviewed and approved by Unit Supervisors as of June 30, 2015. Accordingly, the PCard Administrator reviewed and approved these PCDO’s to reflect the purchases in KFS as of June 30, 2015.

Internal Audit recommended that the PCard Administrator establish a practice to remedy significant and chronic noncompliance with respect to the prompt review and approval of PCard transactions by Unit Supervisors. Notification and correspondence with Unit personnel (including Senior Management) identifying unapproved PCDO’s should be considered.

**University of Hawai‘i
Purchasing Card Program Follow-Up
July 2017**

Management Response (July 2016):

OPRPM acknowledged that Unit Supervisors were not promptly authorizing the recordation and classification of PCard transactions during the period under audit and noted that the PCard Administrator approved the recordation of 748 PCDO's as of June 30, 2015. During July 2016, the PCard Administrator commenced notifying Unit Supervisors of unapproved PCDO's in excess of 60 days via e-mail. The e-mail also stated that the PCard Administrator would not approve PCard related special requests (e.g. issuance of new PCards, etc.) until the Unit Supervisor approved all outstanding PCDO's.

Status

Internal Audit reviewed files maintained by the PCard Administrator evidencing the e-mails distributed to Unit Supervisors identifying unapproved PCDO's in excess of 60 days. However, Internal Audit also noted 24 instances of the PCard Administrator not distributing e-mails to Unit Supervisors with unapproved PCDO's ranging from 60 days to 120 days outstanding. In addition, Unit Senior Management was never copied on e-mails distributed to the noncompliant Unit Supervisors. Internal Audit's review of PCard information recorded in KFS noted no unapproved PCDO's in excess of 60 days as of May 31, 2017. A similar review performed during June 2017 noted that the PCard Administrator approved 41 PCDO's on June 20, 2017 associated with PCard transactions originating in May and June 2017.

Conclusion

The PCard Administrator has implemented corrective action. However, corrective action implementation was inconsistent and Unit Senior Management was never notified of unapproved PCDO's ranging from 60 days to 120 days outstanding. The PCard Administrator should continue this practice and consider notifying Unit Senior Management for chronic noncompliant Unit Supervisors.

Recommendation 2: Monitoring of PCard Transactions

Prior Internal Audit Observations and Recommendation:

A8.266 requires the PCard Administrator to audit, review or examine PCard transactions (collectively referred to as audits) for noncompliance. However, audits were performed on an infrequent basis with minimal planning, a lack of documentation protocols, and were limited to transactional and attribute testing.

The implementation of an audit process will increase the management and monitoring of PCard transactions while simultaneously reducing the risk of noncompliant purchases. Components of the audit process may include an audit plan documenting the scope, procedures, required documentation and the method to communicate the audit results to Unit Senior Management. The adoption of a risk based audit approach should be considered whereby higher risk transactions, Cardholders and Units are audited more frequently. In addition, the PCard Administrator should also consider requesting that the audited Units submit corrective action responses by an agreed-upon deadline and establish procedures for follow-up audits.

Management Response (July 2016):

OPRPM will review and possibly revise A8.266 to clarify PCard Administrator audit responsibilities. Beginning with fiscal year 2016 transactions, the PCard Administrator has performed monthly transactional audits. The PCard Administrator records any findings and actions resulting from these audits on an excel spreadsheet.

Status

During July 2016, the PCard Administrator commenced auditing suspected noncompliant PCard transactions (e.g., potential split transactions, purchases for personal use, etc.) pursuant to informal

**University of Hawai‘i
Purchasing Card Program Follow-Up
July 2017**

guidelines. The audited transactions and related conclusions are documented on a spreadsheet (Audit log) with noncompliant transactions (which are then labeled as violations) also included on a separate spreadsheet (Violation log). Cardholders, Unit Supervisors and Unit Senior Management sign a violation notice acknowledging the noncompliant transaction and must submit a corrective action response within 10 business days. The PCard Administrator has not yet established or performed follow-up audit procedures to evaluate corrective action implementation. For the period July 2016 to April 2017, the PCard Administrator identified 979 suspected noncompliant transactions. As of June 30, 2017, 713 of these transactions were audited resulting in 11 violations. Nine of the 11 violations were due to split transactions, whereby maximum purchase amounts are circumvented by spreading the purchase over multiple transactions or even days.

A draft revision to A8.266 dated October 2016 was re-revised, finalized and approved in July 2017. The updated policy requires the PCard Administrator to review PCard transactions, Cardholders and Units using a risk-based approach to identify possible improper, fraudulent, or abusive transactions. Additionally, it requires these reviews to be documented.

Conclusion

The PCard Administrator selected a significant number of transactions to audit. Given the number of identified transactions that were not audited, Internal Audit believes that audits can be performed more efficiently and effectively by developing and formalizing an audit process utilizing a risk-based approach whereby Cardholders and Units are audited in addition to transactions deemed to be high risk.

Recommendation 3: Use of Merchant Category Codes

Prior Internal Audit’s Observations and Recommendation:

The PCard Administrator instructs the University’s PCard issuer and processor (First Hawaiian Bank) to restrict purchases from merchants with certain Merchant Category Codes (MCC’s are the four-digit number that identifies the primary type of goods/services provided by the merchant), as a control to prevent potential noncompliant purchases. Generally, Cardholders are not authorized to purchase goods and services from merchants associated with approximately 750 of 1,000 available MCC’s. Accordingly, additional time is incurred by Cardholders, Unit Supervisors and the PCard Administrator to temporarily unrestrict MCC’s. This additional time incurred by University personnel may negate the PCard benefit of reducing the cost and alleviating the administrative burden of purchases less than \$2,500. Internal Audit recommended that the PCard Administrator consider performing a cost-benefit analysis and consult with Unit Supervisors to determine if the number of restricted MCC’s should be decreased.

Management Response (July 2016):

OPRPM agreed to evaluate the time spent by the PCard Administrator to allow purchases from merchants with restricted MCC’s or determine if a more efficient model or process can be implemented.

Conclusion

OPRPM did not perform a cost benefit analysis or evaluate the time incurred by the PCard Administrator to allow purchases from merchants with restricted MCC’s.



UNIVERSITY OF HAWAII BOARD OF REGENTS

17 AUG -4 P1:36

MEMORANDUM

August 4, 2017 RECEIVED

TO: Vice Chairperson Randy Moore Board of Regents Committee on Independent Audit

17 AUG -4 A11:52

VIA: David Lassner President

David Lassner (handwritten signature)

UNIVERSITY OF HAWAII PRESIDENT'S OFFICE

FROM: Jan Gouveia Vice President for Administration

Jan Gouveia (handwritten signature)

SUBJECT: MANAGEMENT RESPONSE TO OFFICE OF INTERNAL AUDIT, UNIVERSITY OF HAWAII PURCHASING CARD PROGRAM FOLLOW-UP REVIEW, JULY 2017

On August 4, 2016, the Board of Regents Committee on Independent Audit approved the University of Hawaii Purchasing Card Program December 2015 Audit Report ("December 2015 PCard Audit Report"), which was accompanied by a July 29, 2016 Management Response to Office of Internal Audit, University of Hawaii Purchasing Card Program, December 2015 Audit ("July 2016 Management Response").

Management has had the opportunity to review the University of Hawaii Purchasing Card Program Follow-Up July 2017 Report ("July 2017 Follow-Up Report") and provides its respective response herein ("August 2017 Follow-Up Management Response").

1. Management Response to Recommendation No. 1: Review and Approval of PCard Transactions

Management agrees, in principle, with the assessment set forth in Recommendation 1 of the July 2017 Follow-Up Report.

As described in the December 2015 Audit Report, this recommendation arises out of the need for prompt and effective review of PCard transactions to detect and mitigate the risk of improper, fraudulent and abusive use. To that end, the December 2015 PCard Audit Report found that Unit Supervisors (Approving Authority and Fiscal Administrator) were not promptly authorizing the recordation and classification of PCard transactions in KFS, which is also known as the Procurement Card Document (PCDO).

The PCDO was a newly implemented process that launched in September 2014. It replaced the manual approval process to which many PCard holders and Fiscal Administrators were accustomed. As such, at the end of fiscal year 1 of the new PCDO process, there were 748 out of 10,418 PCDOs still outstanding as of June 30, 2015; at the end of fiscal year 2, there were only 66 out of 12,363 PCDOs still outstanding as

of June 30, 2016; at the end of fiscal year 3, there were 41 PCDOs outstanding (none of which exceeded 60 days).

To address outstanding PCDOs, the December 2015 PCard Audit Report recommended that the administration consider a practice of notifying and corresponding with relevant Unit personnel (including Senior Management) when PCDO's were 60 days outstanding. In its July 2016 Management Response, however, management believed the current practice of sending notices to the Department PCard Coordinator (who in most cases is either the Fiscal Administrator or someone who reports to the Fiscal Administrator) was sufficient to address this outstanding PCDO issue. That notwithstanding, management agreed that more effective measures needed to be taken. To that end, a practice was immediately imposed that denies any PCard requests for the entire department that has an outstanding PCDO in excess of 60 days.

The July 2017 Follow-Up Report indicates the administration failed to notify Unit Supervisors or Unit Senior Management for PCDOs in excess of 60 days. This is accurate; however, as stated above, the administration did not believe such notice was necessary because the alternative corrective action was taken. While we believe this approach contributed to 0 PCDOs in excess of 60 days, as of June 30, 2017, we agree that escalating notices to all parties involved in the PCDO approval process is warranted when PCDOs are in excess of 90 days. As such, the administration has adopted the following protocol (see Attachment A):

- Identify PCDOs that are 60+ days overdue. Email notices to Department PCard Coordinator and implement a PCard Moratorium. Issue violations as necessary, which may include suspension of PCard privileges.
- Identify PCDOs that are 90+ days overdue. Email notices to units (Cardholders, Department Coordinators, Account Supervisors, Fiscal Administrators, and Approving Official). Issue violations as necessary, which may include suspension of PCard privileges.

2. Management Response to Recommendation No. 2: Monitoring of PCard Transactions

Management agrees with the July 2017 Follow-Up Report that a risk based audit approach should be adopted to review and examine PCard transactions to identify possible improper, fraudulent, or abusive transactions. To that end, the protocol set forth in Attachment A has been adopted to deliver a risk-based review methodology that more efficiently and effectively allocates resources within the PCard program.

3. Recommendation No. 3: Use of Merchant Category Codes

Management disagrees with the December 2015 PCard Audit Report and the July 2017 Follow-Up Report that maintains additional time is expended to process MCC unblock requests, thereby negating PCard benefit of reducing the cost and alleviating the administrative burden of purchasing less than \$2,500. Management believes that the

current operational model incorporates risk management principles that should be continued.

The PCard program relies on the Fiscal Administrator to assess the risks and benefits associated with PCard limits and authorized transactions of individual PCard holders. They are in the unique position of understanding the operational needs of the unit and assessing subjective factors that may result in increased risk exposure. Based on this assessment, the Fiscal Administrator shares authorization with the Approving Official to request PCard limits, PCard holder MCC profiles, and unblocks.

The current practice allows for lifting of restrictions when appropriate. Generally, if two or more requests were submitted to unblock the same cardholder, the PCard Administrator would not approve additional unblocks and instead would recommend that the PCard holder be moved to a less restrictive MCC profile. Ultimately, however, it is up to the Fiscal Administrator to determine whether a request to change the MCC profile is appropriate.

Management does not believe the time spent to process MCC unblock requests for its PCard holders outweighs the value in relying on the Fiscal Administrator to initiate the unblocking of MCC groups. As such, management does not believe a cost-benefit analysis and audit of time spent on processing unblock requests is warranted.

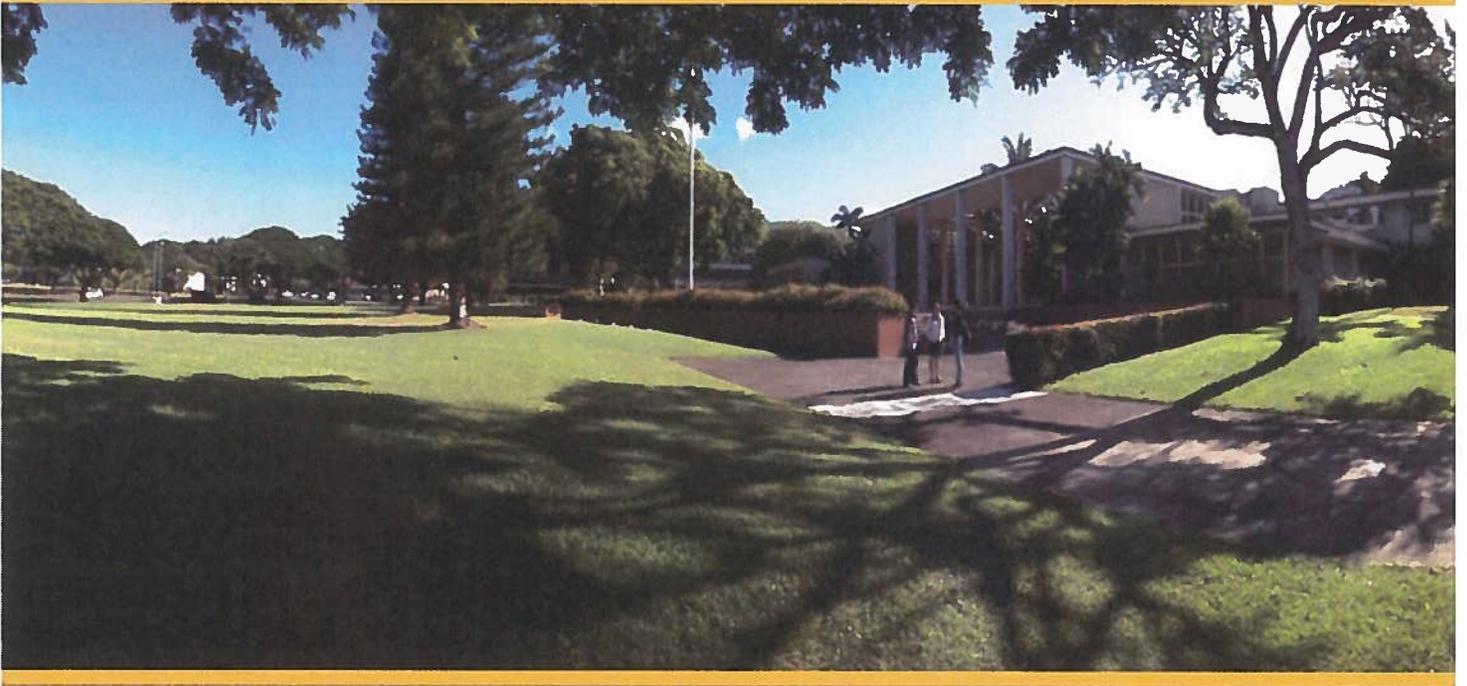
STANDARD OPERATING PROCEDURES – RISK BASED REVIEW APPROACH

This Standard Operating Procedure sets forth a risk based review approach of PCard transactions to detect and mitigate the risk of improper, fraudulent and abusive use. The following criteria should be considered when the Pcard Administrators determines which transactions, card holders, and departments to review, on a quarterly basis.

- Cardholders who request MCC changes or card increases. Spot check Cardholder's previous PCDO history and identify previous violations.
- Evaluate the 1600 Report from CentreSuite (Multiple Transaction Exception Report) and identify potential parceling violations
- Evaluate the CentreSuite Transaction Report (1710) to identify possible violations that may require additional follow up, which may include:
 - Transaction Amount: identify all transaction more than \$2,499, which may indicate a transaction in excess of typical limits.
 - Merchant Name: identify transactions that may be related to personal charges, lodging, food, gift cards, contract type, Amazon Prime membership, and any other unusual merchants.
 - Cardholder Name: identify multiple transactions to the same merchant that the 1600 Report may not pick up (different days).
- Random transaction selections based on unit self-reporting.

**UNIVERSITY OF HAWAI'I
FY 2017 WHISTLEBLOWER HOTLINE
ANNUAL REPORT**

**Independent Audit Committee Meeting
August 10, 2017**



**UNIVERSITY
of HAWAI'I[®]**
SYSTEM

I. Introduction

On June 15, 2016, the University of Hawai'i (University) launched a confidential whistleblower hotline to further advance the University's commitment to encourage and enable any member of the University community or the general public to make good faith reports of misconduct. The hotline, managed by EthicsPoint, is available 24 hours a day via telephone and online. The hotline allows anyone to anonymously report fraud, waste, abuse or other conduct that might be in violation of any law, regulation or University policy.

II. University Profile

The University of Hawai'i System was founded in 1907 and has experienced steady development over the past century. Currently, the University is responsible for maintaining over 16,800 acres of land and nearly 14 million gross square feet of physical assets. In fiscal year 2016, it supported over 53,000 students across its 10 campuses and system offices and managed an employee base of over 9,000 FTE.

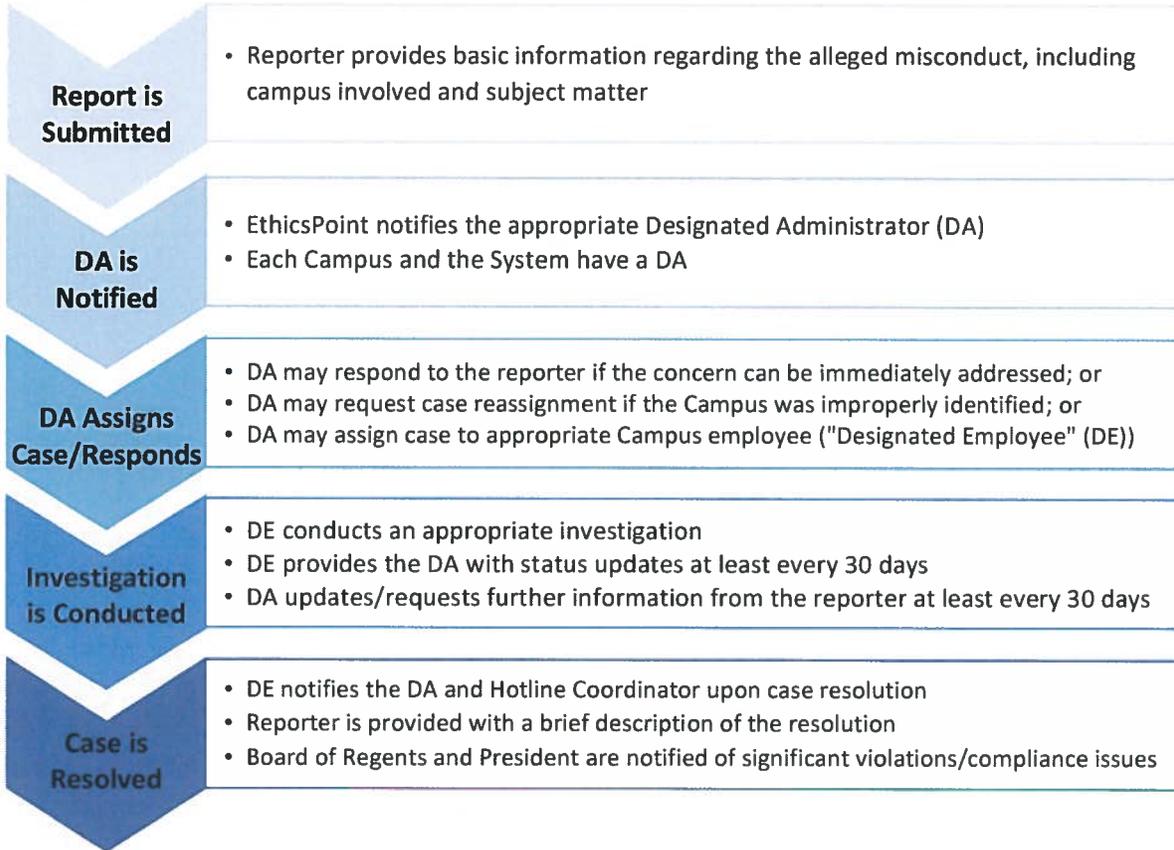
III. Whistleblower Hotline Program

Between June 15, 2016 and June 30, 2017, the University's whistleblower hotline received 137 reports. Reporters have utilized both telephone and online methods to report their concerns and it appears that the hotline is working as intended. To date, no trends or patterns have been identified. All reports are reviewed by the Director of Internal Audit who will notify the Board of any significant issues.

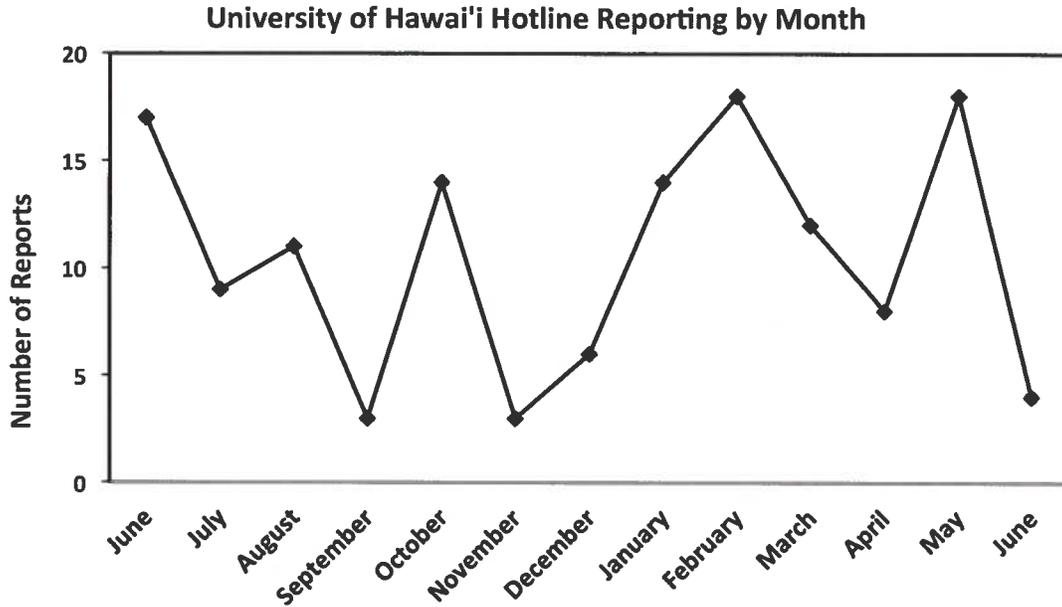
Reports are received by campus and by one of the following categories: (1) employment/human resources; (2) student affairs; (3) health and safety; (4) financial; (5) property, facilities or equipment; (6) hiring policy; (7) research; (8) information technology; (9) athletics; or (10) other. Reporters note whether or not they are a University employee. Classifications include violation of University policy, no violation alleged, employee misconduct, student misconduct, campus maintenance, or hazardous condition.



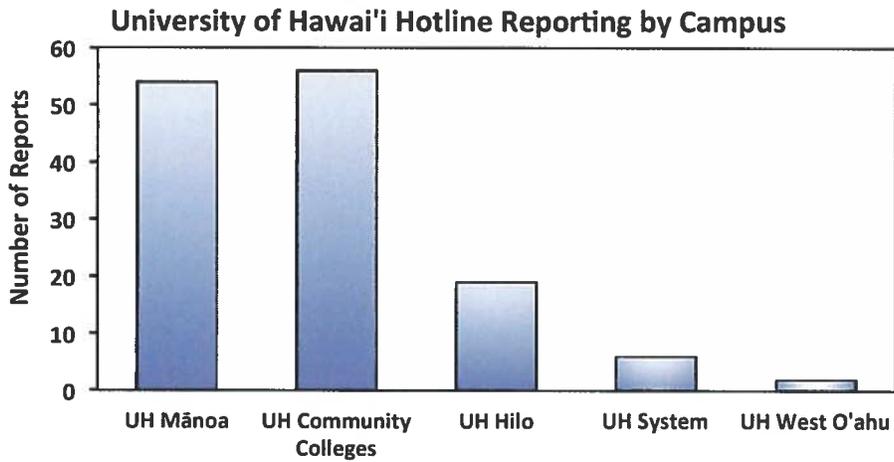
The whistleblower report workflow proceeds as follows:

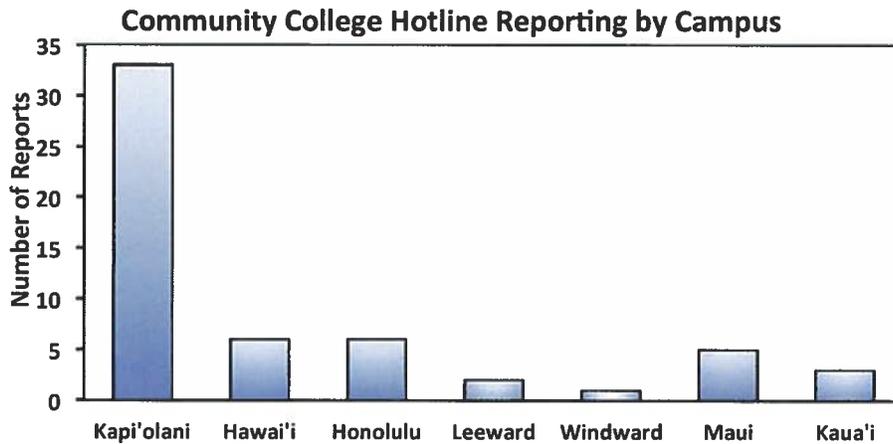


In its inaugural year, a total of 137 reports were submitted, ranging from 3 to 18 reports each month.



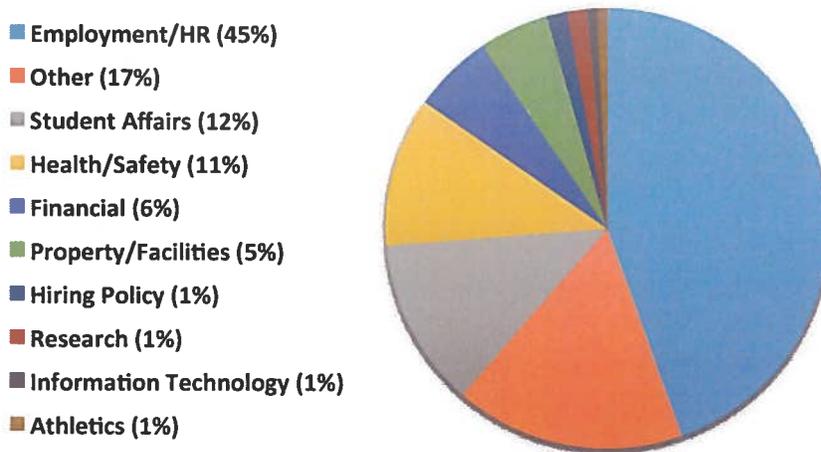
As illustrated below, reports ranged from UHWO concerns (2) to UH Mānoa concerns (54).





Reports were made across ten categories and approximately 48% of all reports were related to human resources or employment-related matters. 66% of the reports alleged a violation of University policy and 62% of the reports were submitted by University employees.

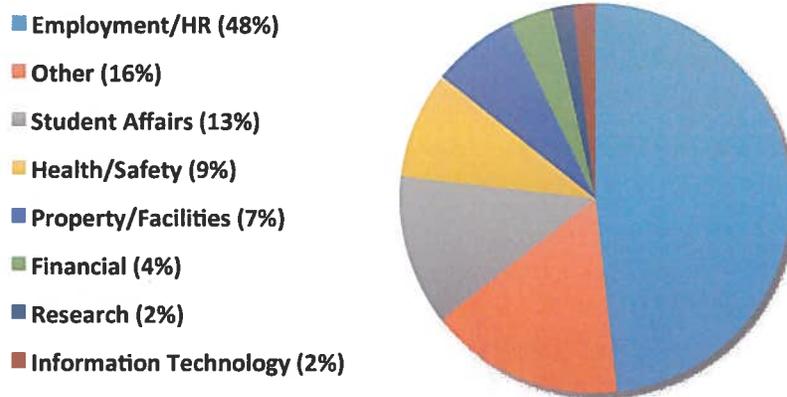
Reports by Type (All UH)



Reports regarding the community colleges were made across eight different categories. Approximately 48% of the reports made were regarding employment or HR-related matters. 36% of all community colleges reports alleged a violation of University policy and 43% of the reports were made by a University employee.

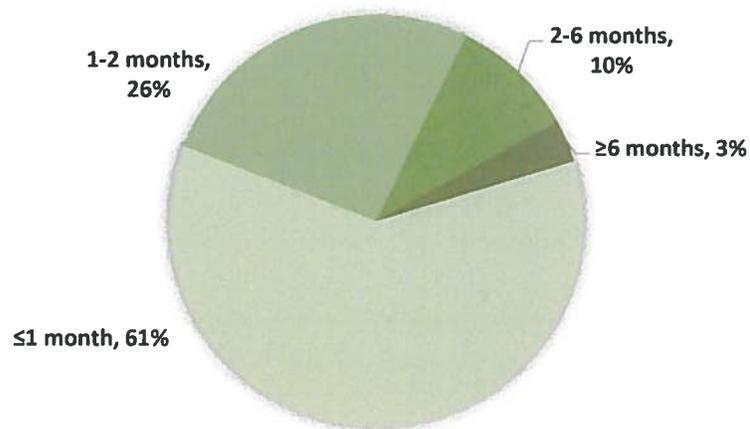


Reports by Type (Community Colleges)

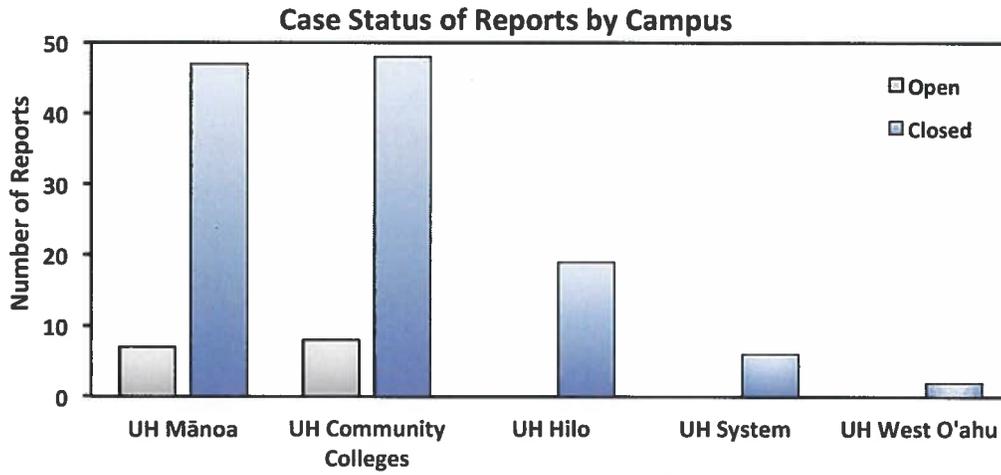


Cases are investigated, addressed and closed fairly quickly, with 61% of all cases closed within one month of the initial report.

CASE PROCESSING TIME



As of June 30, 2017, of the 137 reports made, only 15 cases remain open.



IV. Conclusion

The University will continue to monitor whistleblower reports for trending analysis and report any findings annually.

University of Hawaii
Whistleblower Tracking Report
June 15, 2016 - July 28, 2017

Case #	Campus	Classification	Submitted by	Date Opened	Status		Description
					In process	Closed	
152	System	No violation alleged	Employee	07/28/17	x		Expense reimbursement policy
151	UH - Manoa	No violation alleged	Non-employee	07/28/17		x	Argument at faculty housing
150	UH - Manoa	Violation of University policy	Employee	07/05/17	x		HR matter under investigation
149	Hawaii CC	Violation of University policy	Employee	07/03/17	x		HR matter under investigation
148	UH - Manoa	Student misconduct	Non-employee	07/03/17		x	Academic dishonesty
147	UH - Manoa	No violation alleged	Employee	07/01/17	x		HR matter under investigation
146	Kapiolani CC	Violation of University policy	Employee	06/20/17		x	Misuse of facilities. Matter resolved.
145	Kapiolani CC	Violation of University policy	Employee	06/13/17		x	HR matter investigated. No violation.
144	Kapiolani CC	Violation of University policy	Employee	06/09/17		x	HR matter investigated. No violation.
143	UH - Manoa	Violation of University policy	Employee	06/09/17	x		HR matter under investigation
142	Kapiolani CC	No violation alleged	Non-employee	05/23/17	x		Academic grievance.
141	UH - Manoa	Violation of University policy	Non-employee	05/23/17		x	Allegation is identical to #133.
140	UH - Manoa	Violation of University policy	Employee	05/22/17	x		Hiring policy
139	System	Violation of University policy	Non-employee	05/21/17		x	Allegation is identical to #133.
138	UH - Hilo	Violation of University policy	Non-employee	05/21/17		x	Allegation is identical to #133.
137	UH - Manoa	Violation of University policy	Non-employee	05/20/17		x	Allegation is identical to #133.
136	UH - Manoa	Violation of University policy	Non-employee	05/20/17		x	Allegation is identical to #133.
135	System	Violation of University policy	Non-employee	05/19/17		x	Allegation is identical to #133.
134	UH - Manoa	Violation of University policy	Non-employee	05/19/17		x	Allegation is identical to #133.
133	System	Violation of University policy	Non-employee	05/18/17		x	Free speech. Reviewed by administration and resolved.
132	Kapiolani CC	Violation of University policy	Employee	05/17/17		x	HR allegation reviewed and resolved
131	UH - Manoa	No violation alleged	Non-employee	05/15/17		x	Professor misrepresentation. Forwarded to appropriate office.
130	System	Violation of University policy	Non-employee	05/12/17		x	Improper use of University vehicle. Investigated and determined that vehicle is not owned by the University.
129	Honolulu CC	Violation of University policy	Employee	05/10/17		x	Conflict of interest. No violation.
128	Kapiolani CC	Violation of University policy	Non-employee	05/03/17	x		HR matter under investigation
127	UH - Manoa	Violation of University policy	Non-employee	05/02/17	x		Hiring policy
126	UH - Manoa	Violation of University policy	Non-employee	05/02/17	x		Hiring policy
125	Honolulu CC	Violation of University policy	Employee	05/01/17		x	HR matter.Addtl info. requested from reporter but not provided.
124	UH - Manoa	Violation of University policy	Employee	04/27/17		x	HR allegation reviewed and resolved
123	UH - Hilo	Violation of University policy	Employee	04/20/17		x	Procurement of goods/services reviewed and resolved.
122	UH - Manoa	No violation alleged	Non-employee	04/14/17	x		Bird in dorm room.
121	UH - Manoa	Violation of University policy	Non-employee	04/13/17	x		Title IX
120	UH - Manoa	Violation of University policy	Non-employee	04/12/17	x		Title IX
119	Kapiolani CC	Violation of University policy	Employee	04/11/17		x	Former employee has campus keys. Reviewed by administration and resolved.
118	Kapiolani CC	Violation of University policy	Employee	04/11/17		x	Former employee on campus.Reviewed by administration and resolved.
117	UH - Manoa	Violation of University policy	Employee	04/05/17		x	HR matter. Addtl info. requested from reporter but not provided.
116	Kapiolani CC	No violation alleged	Non-employee	03/24/17		x	Culinary operations. Matter resolved.

University of Hawaii
Whistleblower Tracking Report
June 15, 2016 - July 28, 2017

Case #	Campus	Classification	Submitted by	Date Opened	Status		Description
					In process	Closed	
115	Kapiolani CC	Violation of University policy	Employee	03/21/17		x	Casual hiring policy. No violation.
114	Kapiolani CC	Violation of University policy	Employee	03/20/17		x	Hiring policy investigated. No violation.
113	Kapiolani CC	Violation of University policy	Employee	03/20/17	x		HR matter under investigation
112	Kapiolani CC	No violation alleged	Non-employee	03/15/17	x		Academic grievance.
111	UH - Manoa	No violation alleged	Employee	03/14/17		x	Vague allegation. Addtl info. requested. None rec'd.
110	UH - Manoa	No violation alleged	Non-employee	03/11/17		x	Academic grievance.
109	UH - Hilo	Violation of University policy	Employee	03/10/17		x	Casual hiring policy. Addtl info. requested. None rec'd.
108	Kapiolani CC	Violation of University policy	Employee	03/09/17		x	HR matter investigated. No violation.
107	UH - West Oahu	No violation alleged	Non-employee	03/03/17		x	Health center hours of operation. Signage at health center updated.
106	Kapiolani CC	Violation of University policy	Employee	03/02/17		x	Former employee loitering on campus. Reviewed by administration and resolved.
105	System	Violation of University policy	Employee	03/01/17		x	Employee grievance investigated. No violation.
104	UH - Manoa	Violation of University policy	Employee	02/28/17		x	HR allegation reviewed and resolved
103	UH - Manoa	Violation of University policy	Non-employee	02/17/17		x	Free speech. Reviewed by administration and resolved.
102	UH - Hilo	Violation of University policy	Employee	02/17/17		x	HR allegation reviewed and resolved
101	Kapiolani CC	Violation of University policy	Employee	02/16/17		x	HR allegation reviewed and resolved
100	Kapiolani CC	Violation of University policy	Employee	02/16/17		x	Policy violation allegation investigated. No violation.
99	Kapiolani CC	Violation of University policy	Employee	02/16/17		x	HR allegation reviewed and resolved
98	UH - Manoa	No violation alleged	Employee	02/15/17		x	Inappropriate use of e-mail allegation investigated. No violation.
97	Hawaii CC	No violation alleged	Employee	02/15/17		x	Improper paint disposal allegation investigated. No violation.
96	Kauai CC	Violation of University policy	Employee	02/13/17		x	HR allegation reviewed and resolved
95	UH - Manoa	No violation alleged	Employee	02/10/17		x	Inappropriate use of parking pass. Forwarded to appropriate dept.
94	Kapiolani CC	Violation of University policy	Employee	02/10/17		x	Addtl info. requested from reporter. Addtl info not provided.
93	Kapiolani CC	Violation of University policy	Employee	02/10/17		x	HR matter investigated. No violation.
92	Kauai CC	No violation alleged	Employee	02/10/17		x	Service animals. Investigated and resolved.
91	Kapiolani CC	Violation of University policy	Employee	02/10/17		x	Outdated policies allegation reviewed and resolved.
90	Kapiolani CC	Violation of University policy	Employee	02/09/17		x	HR allegation reviewed and resolved
89	UH - Manoa	No violation alleged	Non-employee	02/08/17		x	Academic grievance.
88	Leeward CC	Violation of University policy	Employee	02/06/17		x	HR allegation reviewed and resolved
87	UH - Hilo	No violation alleged	Non-employee	02/05/17		x	Academic grievance
86	Kapiolani CC	Violation of University policy	Non-employee	01/26/17		x	HR matter investigated. No violation.
85	Kapiolani CC	Campus maintenance	Non-employee	01/20/17	x		Classroom condition
84	UH - Manoa	Violation of University policy	Employee	01/17/17		x	HR allegation forwarded to departmental personnel.
83	Hawaii CC	Violation of University policy	Employee	01/17/17		x	Free speech. Reviewed by administration and resolved.
82	Maui College	Violation of University policy	Non-employee	01/15/17		x	Financial aid. Reviewed by administration and resolved.
81	UH - Hilo	No violation alleged	Non-employee	01/11/17		x	HR allegation reviewed and resolved
80	UH - Manoa	No violation alleged	Non-employee	01/11/17		x	Academic grievance
79	Kauai CC	No violation alleged	Non-employee	01/10/17		x	HR allegation reviewed and resolved
78	UH - Manoa	No violation alleged	Non-employee	01/09/17		x	Loud music
77	Kapiolani CC	Violation of University policy	Employee	01/09/17	x		HR matter under investigation

University of Hawaii
Whistleblower Tracking Report
June 15, 2016 - July 28, 2017

Case #	Campus	Classification	Submitted by	Date Opened	Status		Description
					In process	Closed	
76	UH - Hilo	Violation of University policy	Employee	01/08/17		x	HR allegation reviewed and resolved
75	UH - Hilo	Violation of University policy	Non-employee	01/08/17		x	Federal regulation non-compliance. Reviewed by administration and resolved.
74	Kapiolani CC	No violation alleged	Employee	01/06/17		x	Former employee loitering on campus. Reviewed by administration and resolved.
73	Kapiolani CC	Violation of University policy	Employee	01/05/17		x	HR allegation reviewed and resolved
72	UH - Hilo	Violation of University policy	Employee	12/26/16		x	HR allegation reviewed and resolved
71	UH - Hilo	Employee misconduct	Employee	12/26/16		x	Compliance with UHF policies. Reviewed by administration and resolved.
70	UH - Manoa	Violation of University	Non-employee	12/25/16		x	Addtl info. requested from reporter. Addtl info not provided.
69	UH - Manoa	Violation of University policy	Employee	12/23/16		x	HR allegation reviewed and resolved
68	UH - Manoa	Violation of University policy	Non-employee	12/15/16		x	Allegation withdrawn by reporter
67	UH - Manoa	No violation alleged	Employee	12/08/16		x	Use of handicap parking pass
66	UH - Manoa	Violation of University policy	Employee	11/17/16		x	Addtl info. requested from reporter. Addtl info not provided.
65	UH - Hilo	No violation alleged	Employee	11/09/16		x	HR allegation reviewed and resolved
64	UH - Manoa	No violation alleged	Employee	11/09/16		x	No-smoking policy
63	Hawaii CC	Violation of University policy	Non-employee	10/30/16		x	Addtl info. requested from reporter. Addtl info not provided.
62	UH - Hilo	Violation of University policy	Employee	10/28/16		x	HR allegation reviewed and resolved
61	Honolulu CC	No violation alleged	Non-employee	10/26/16		x	HR allegation reviewed and resolved
60	Hawaii CC	No violation alleged	Non-employee	10/24/16		x	Addtl info. requested from reporter. Addtl info not provided.
59	Maui College	Employee misconduct	Employee	10/24/16		x	HR allegation reviewed and resolved
58	Honolulu CC	No violation alleged	Employee	10/21/16		x	HR allegation reviewed and resolved
57	Maui College	Violation of University policy	Employee	10/21/16		x	HR allegation reviewed and resolved
56	Maui College	No violation alleged	Employee	10/21/16		x	HR allegation reviewed and resolved
55	Maui College	No violation alleged	Employee	10/21/16		x	HR allegation reviewed and resolved
54	UH - Hilo	Violation of University policy	Employee	10/20/16		x	HR allegation reviewed and resolved
53	Honolulu CC	Violation of University policy	Employee	10/19/16		x	Health insurance. Reviewed by administration and resolved.
52	UH - Manoa	Violation of University policy	Non-employee	10/18/16		x	Unreconciled account balances. Reviewed and resolved by administration.
51	UH - Manoa	Violation of University policy	Employee	10/16/16		x	Addtl info. requested from reporter. Addtl info not provided.
50	UH - Hilo	Employee misconduct	Non-employee	10/12/16		x	HR allegation reviewed and resolved
49	UH - Manoa	Hazardous condition	Employee	09/20/16		x	Cluttered stairwell
48	UH - Manoa	Violation of University policy	Employee	09/20/16		x	HR allegation reviewed and resolved
47	Windward CC	No violation alleged	Non-employee	09/01/16		x	Addtl info. requested from reporter. Addtl info not provided.
46	UH - Hilo	Violation of University policy	Non-employee	08/29/16		x	Free speech. Reviewed by administration and resolved.
45	UH - Hilo	Violation of University policy	Employee	08/27/16		x	HR allegation reviewed and resolved
44	UH - Manoa	Student misconduct.	Non-employee	08/24/16		x	Alcohol complaint
43	Hawaii CC	Employee misconduct	Employee	08/24/16		x	HR allegation reviewed and resolved
42	UH - Manoa	Violation of University policy	Employee	08/22/16		x	HR allegation reviewed and resolved

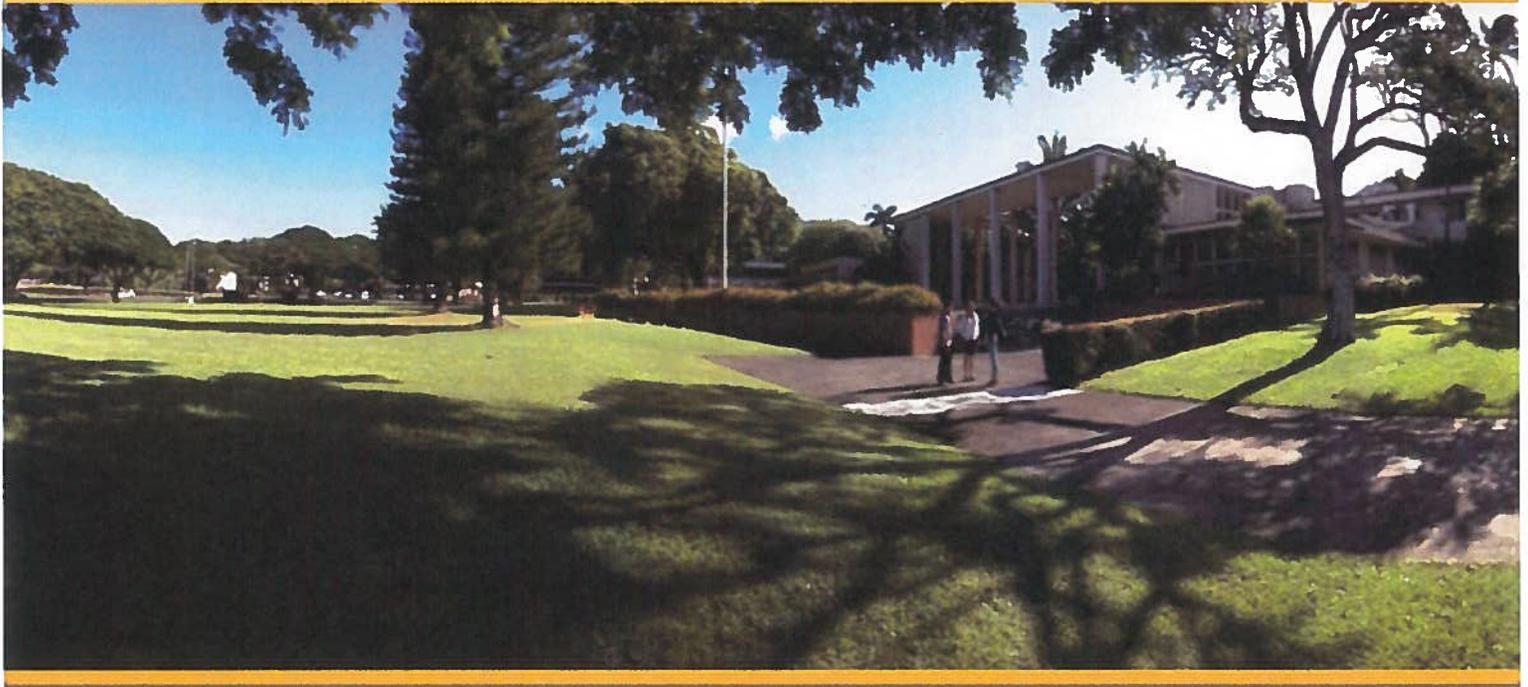
University of Hawaii
Whistleblower Tracking Report
June 15, 2016 - July 28, 2017

Case #	Campus	Classification	Submitted by	Date Opened	Status		Description
					In process	Closed	
41	UH - Manoa	Employee misconduct	Employee	08/19/16		x	Addtl info. requested from reporter. Addtl info not provided.
40	UH - Manoa	Violation of University policy	Non-employee	08/18/16		x	HR allegation reviewed and resolved
39	UH - Manoa	Violation of University policy	Employee	08/17/16		x	HR allegation reviewed and resolved
38	UH - Manoa	Employee misconduct	Non-employee	08/16/16		x	HR allegation reviewed and resolved
37	UH - Manoa	Violation of University policy.	Non-employee	08/08/16		x	Allegation withdrawn by reporter
36	System	Violation of University policy	Employee	08/04/16		x	Addtl info. requested from reporter. Addtl info not provided.
35	System	Violation of University policy.	Employee	07/27/16		x	HR allegation reviewed and resolved
34	UH - Manoa	Violation of University policy.	Employee	07/19/16		x	Use of general funds. Reviewed by administration and resolved.
33	Honolulu CC	Campus maintenance	Employee	07/14/16		x	Addtl info. requested from reporter. Addtl info not provided.
32	UH - Manoa	Violation of University policy	Non-employee	07/14/16		x	Parking safety allegation reviewed by administration. No violation.
31	System	Violation of University policy	Employee	07/12/16		x	HR allegation reviewed and resolved
30	UH - Manoa	Violation of University policy	Non-employee	07/11/16		x	HR allegation reviewed and resolved
29	UH - Manoa	Student misconduct	Non-employee	07/11/16		x	Title IX
28	UH - Hilo	Violation of University policy	Non-employee	07/05/16		x	HR allegation reviewed and resolved
27	UH - Hilo	Violation of University policy	Non-employee	07/01/16		x	HR allegation reviewed and resolved
26	UH - Manoa	Campus maintenance	Employee	06/30/16		x	Dirty parking facility
25	Kapiolani CC	Violation of University policy	Employee	06/27/16		x	HR allegation reviewed and resolved
24	UH - West Oahu	Violation of University policy	Employee	06/21/16		x	HR allegation reviewed and resolved
23	Kapiolani CC	Violation of University policy	Employee	06/19/16		x	HR allegation reviewed and resolved
22	Kapiolani CC	Violation of University policy	Employee	06/17/16		x	HR matter under investigation
21	Kapiolani CC	Violation of University policy	Employee	06/16/16	x		HR matter under investigation
20	UH - Manoa	Hazardous condition	Employee	06/16/16		x	HR allegation reviewed and resolved
19	UH - Manoa	Violation of University policy	Employee	06/16/16		x	Allegation does not involve the University
18	UH - Hilo	Violation of University policy	Non-employee	06/16/16		x	HR allegation reviewed and resolved
17	System	Violation of University policy	Employee	06/16/16		x	Addtl info. requested from reporter. Addtl info not provided.
16	UH - Manoa	Violation of University policy	Employee	06/15/16		x	HR allegation reviewed and resolved
15	Leeward CC	Employee misconduct	Employee	06/15/16		x	HR allegation reviewed and resolved
14	Kapiolani CC	Violation of University policy	Employee	06/15/16		x	Allegation was previously reported, resolved and closed.
13	Kapiolani CC	No violation alleged	Employee	06/15/16		x	Information request.
12	UH - Manoa	No violation alleged	Employee	06/15/16		x	Addtl info. requested from reporter. Addtl info not provided.
11	Hawaii CC	Violation of University policy	Non-employee	06/15/16		x	HR allegation reviewed and resolved
10	UH - Manoa	Hazardous condition	Employee	06/15/16		x	Mold. Resolved by Work Coord Ctr and Envir Hlth & Safety Office

Cases #1 - #9 were test/pilot cases entered by administrators to familiarize themselves with the system.

**UNIVERSITY OF HAWAI'I
OFFICE OF RISK MANAGEMENT FY 2017
ANNUAL REPORT**

**Independent Audit Committee Meeting
August 10, 2017**



**UNIVERSITY
of HAWAI'I®**
SYSTEM

I. INTRODUCTION

The University of Hawai'i ("University") Office of Risk Management ("ORM") provides advice on risk-related matters, assists in the development of programs, policies and best practices to reduce the University's total cost of risk, and establishes the University's risk financing and insurance strategy. It also administers the enterprise-wide workers' compensation program for the University. Our vision is to promote a culture of risk awareness and advance an enterprise risk management process that embeds risk ownership into management activities and decisions at all levels of the institution.

II. UNIVERSITY PROFILE

The University of Hawai'i System was founded in 1907 and has experienced steady development over the past century. In fiscal year 2016, the University issued over 11,000 degrees or certificates and supported over 53,000 students. It also managed an employee base of over 9,000 FTE and possessed over 750 motor vehicles in its fleet.

The University offers multiple points of access through distance learning as well as traditional instruction through its 3 baccalaureate universities, 7 community colleges, and 9 educational centers. Currently, the University is responsible for maintaining over 16,800 acres of land and nearly 14 million gross square feet of physical assets in all counties. Campus facilities include housing for over 4,600 students in 17 residence halls, 4 stadiums and 5 theaters with seating capacities of over 22,000, and 2 recreation centers.

The University also maintains numerous off-campus facilities and oversees research programs in all counties. In fiscal year 2016, the University received nearly \$400 million in extramural research funds. Programs and facilities range from marine biology research conducted at the Waikiki Aquarium and Coconut Island in Kane'oh'e Bay, to astronomical research conducted at the summits of Mauna Kea and Haleakalā.

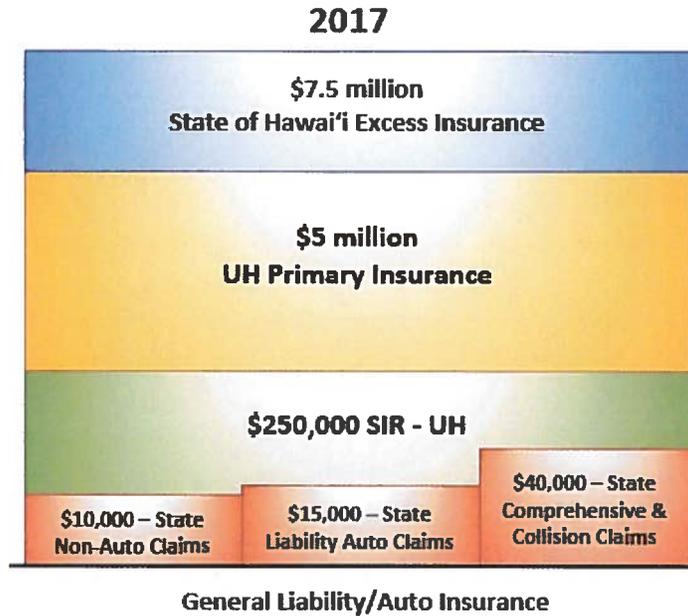
III. RISK FINANCING PROGRAM

Generally speaking, the University has a combined program of self-insurance and excess insurance to cover its losses and liabilities in the areas of general liability (including automobile insurance), property coverage, employment practices, and management liability. This report presents the various coverages and loss experience for the last five fiscal years within the University's risk financing structure, based on the date of loss and reflects only payments made as of June 30, 2017.



A. General Liability

Overall, the University's general liability program covers claims made by third parties for various exposures, including: bodily injury, property damage, products and completed operations, personal and advertising injury, incidental medical malpractice injury, and automobile accidents. The University has combined coverage up to \$12.5 million through various platforms, including participation in the Department of Accounting and General Services, State of Hawai'i's (DAGS), general liability program, as illustrated below:



The majority of general liability claims are processed and paid for by DAGS, the bulk of which are automobile-related claims. Over the last five fiscal years from FY 2013 through FY 2017, there were a total of 89 tort claims and 305 auto claims filed with DAGS and 49% of the tort claims and 54% of the auto claims were approved.

Auto Claims Summary

	FY13	FY14	FY15	FY16	FY17
Total Paid by State of Hawai'i	\$77,519	\$51,202	\$54,220	\$104,111	\$44,408
Total Paid by UH – SIR	\$0	\$0	\$0	\$0	\$0
Total Paid by UH Primary Insurance	\$0	\$0	\$0	\$0	\$0
Total Paid by State of HI Excess	\$0	\$0	\$0	\$0	\$0
Number of Claims (1st Party / 3rd Party)	44/17	21/32	34/20	54/24	34/25

For auto claims, payments ranged from \$14 to \$22,441 for a straight average amount of \$1,999 per claim. Auto claims include first party claims for collision or property damage and third party



claims for property damage and bodily injury. From FY 2013 to 2017, no claims exceeded the State's primary coverage.

Tort Claims Summary

	FY13	FY14	FY15	FY16	FY17
Total Paid by State of Hawai'i	\$8,396	\$2,594	\$6,073	\$14,642	\$3,670
Total Paid by UH – SIR	\$333,731	\$53,558	\$4,865	\$53,367	\$0
Total Paid by UH Primary Insurance	\$74,948	\$0	\$0	\$0	\$0
Total Paid by State of HI Excess	\$0	\$0	\$0	\$0	\$0
Number of Claims	18	15	21	29	13

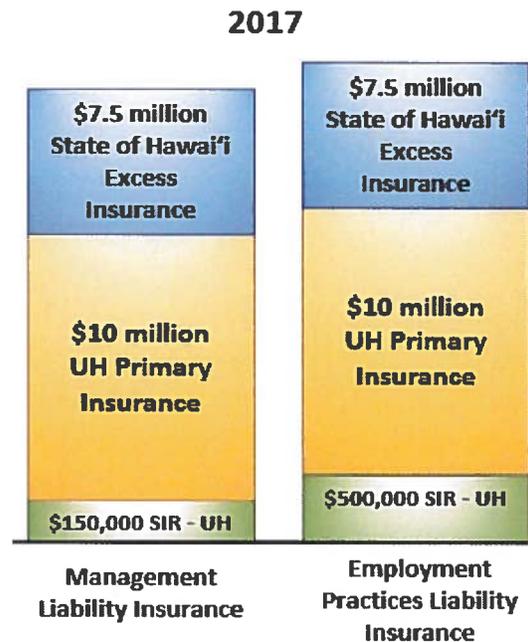
For tort claims processed by DAGS, payments ranged from \$7 to \$8,396, for a straight average amount of \$804 per claim. The University also processed seven tort claims, which ranged in cost from \$6 to \$323,522, for a straight average amount of \$74,353 per claim. In total, settlements and judgments comprised 68% of the payments made by the University, with legal fees and other costs comprising 32%.

B. Employment Practices Liability

Overall, the University's employment practices liability program covers claims made by third parties for various exposures, including: employment related misrepresentation, discrimination, sexual harassment, retaliation, and education-related claims. The program provides coverage under management liability and employment practices liability insurance policies.

The University has combined coverage up to \$17.5 million through various platforms, including participation in the State of Hawai'i's excess insurance program and the University's own primary insurance policy through ACE/Chubb, as illustrated to the right:

From FY 2013 through FY 2017, no management liability claims were made. However, from FY 2013 through FY 2017, thirteen employment practices liability claims were filed.



Employment Practices Claims Summary

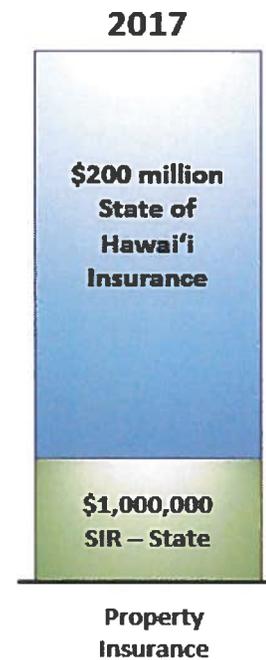
	FY13	FY14	FY15	FY16	FY17
Total Paid by UH – SIR	\$114,331	\$167,784	\$330,799	\$0	\$0
Total Paid by UH Primary Insurance	\$0	\$0	\$100,000	\$0	\$0
Total Paid by State of HI Excess	\$0	\$0	\$0	\$0	\$0
Number of Claims	4	5	4	0	0

These claims ranged in cost from \$1,440 to \$189,763, for a straight average amount of \$47,147. Of these claims, all except one were within the University's self-insurance retention. In total, settlements and judgments comprised 72% of the payments made by the University, with legal fees and other costs comprising 28% of all claim costs.

C. Property Liability

The University is covered up to \$200 million through the State of Hawai'i's property insurance program, as illustrated to the right. The self-insurance retention of \$1 million applies to standard losses. All claims are processed by DAGS and the University is reimbursed subject to a \$5,000 deductible for preventable losses.

Over the last five fiscal years from FY 2013 through FY 2017, the University made a total of 41 claims for property damage and 29% of the claims were approved. Payments ranged from \$89 to \$1,000,000 for a straight average amount of \$88,245 per claim.



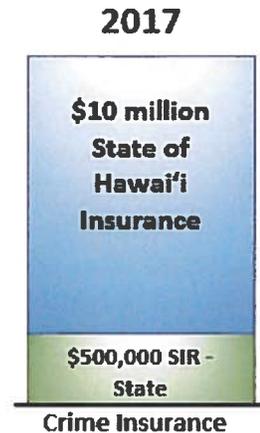
Property Claims Summary

	FY13	FY14	FY15	FY16	FY17
Total Paid by State of HI - SIR	\$0	\$16,401	\$19,918	\$1,016,210	\$6,414
Total Paid by State of HI Insurance	\$0	\$0	\$0	\$0	\$0
Number of Claims	2	7	20	6	6



D. Crime Liability

Overall, the University's crime liability program covers first party claims for various exposures, including employee theft and embezzlement. The University is covered up to \$10 million through the State of Hawai'i's insurance program, as illustrated to the right. Over the last five fiscal years, the University has not made any claims under this policy.

**E. Excluded Liability**

The University also self-insures claims for various exposures that are excluded from coverage by the University's and the State of Hawai'i's insurance policies, including breach of contract, wrongful discharge and collective bargaining matters, which include grievances. From FY 2013 through FY 2017, the University processed a total of 18 excluded claims. These claims ranged in cost from \$102 to \$785,123, for a straight average amount of \$69,292. In total, settlements and judgments comprised 60% of the payments made by the University, with legal fees and other costs comprising 40%.

Excluded Claims Summary

	FY13	FY14	FY15	FY16	FY17
Total Paid by UH	\$124,684	\$109,043	\$859,899	\$145,629	\$8,000
Number of Claims	8	3	4	2	1

F. Other Expenditures

The University also pays non-claim-related expenses out of the risk management special fund, for example to obtain legal advice on non-claim-related matters.

Other Expenditures Summary

	FY13	FY14	FY15	FY16	FY17
Total Paid by UH	\$0	\$245,593	\$0	\$149,478	\$0
Number of Expenditures	0	2	0	3	0

IV. Conclusion

Consistent with our vision to promote a culture of risk awareness and advance an enterprise risk management process, the University has established a risk financing and insurance strategy that effectively addresses the risks and claims that arise across its 10 campus system. The University will continue to report annually on its risk financing and insurance strategy.



Chapter 17: Conducting an Audit Committee Self-Evaluation: Questions to Consider

Overview: The audit committee should conduct an annual self-evaluation to determine its performance and effectiveness. Audit committee members should answer a series of questions independently to complete their self-evaluations. The entire audit committee should discuss the answers and plan for further action as appropriate prior to kicking off the next audit committee year.

Instructions for using this tool: The sample questions included in this tool are only a starting point to evaluating the performance and effectiveness of the audit committee. These questions should be completed anonymously by each audit committee member prior to the audit committee meeting, and the entire committee should discuss the responses.

Audit Committee Self-Evaluation	Yes	No	N/A	Comments
<p>1. Does the committee have a charter that covers all standard best practices? Has the charter been reviewed annually?</p> <p>For a listing of standard best practices for an audit committee charter, see chapter 2, “Audit Committee Charter Matrix,” in this toolkit.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>2. Is the audit committee charter used to guide the committee’s efforts and agenda? Have all elements of the committee’s responsibilities as delineated in the audit committee charter been covered throughout the fiscal year?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>3. Are the members educated appropriately on the entity, its organizational structures, governance and internal control environment, and current hot topics, as well as the entity’s risk profile?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

The AICPA Audit Committee Toolkit: Not-for-Profit Entities

Audit Committee Self-Evaluation	Yes	No	N/A	Comments
4. Are the members independent?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Is there a sufficient mix of necessary skill sets and knowledge among the committee members, including acumen around financial reporting, risk assessments, internal controls, and systems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Do the committee members convey the appropriate tone at the top?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Do committee members participate in some form of continuing education to stay abreast of changes in the relevant financial accounting and reporting, regulatory, and ethics areas?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Are the committee's meeting packages complete and given to committee members with enough lead time? Do the packages include the right information to allow meaningful discussion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	I am concerned about the short time between the materials and the meetings when complex materials are included
9. Are the committee meetings well organized, efficient, effective, and of the appropriate length? Do they occur often enough to allow discussion of issues that are relevant to and consistent with the committee's responsibilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	We need to meet more often
10. Do the minutes and reports to the full board reflect the significant activities, actions, and recommendations of the committee?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Chapter 17: Conducting an Audit Committee Self-Evaluation

Audit Committee Self-Evaluation	Yes	No	N/A	Comments
11. Does the committee have open access to management, internal audit, and independent auditors? Do committee members have open, honest, and effective communication with management, the internal auditors, and the independent auditors? Is the committee able to challenge management, the internal auditors, and the independent auditors with its own view on issues as appropriate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12. Are differences of opinion on issues resolved to the satisfaction of the entire committee?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13. Is the committee cognizant of the line between oversight and management, and does it endeavor to respect that line?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14. Does the committee have a clear definition of the services the independent auditors are allowed to perform in order to maintain independence? Does the committee approve all allowed services of the independent auditors in advance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	I do not recall any time we were presented with other services by Acuity, if any
15. Does the committee review the independent auditors' reports to ensure the auditors maintain their independence? Does the committee review the reports at least annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16. Is the committee aware of the last time the independent audit firm or lead partner was rotated and is the committee considering a future rotation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	I have asked this and still do not know

The AICPA Audit Committee Toolkit: Not-for-Profit Entities

Audit Committee Self-Evaluation	Yes	No	N/A	Comments
17. Does the committee engage in the hiring and evaluation of the chief audit executive (CAE)? Does the committee provide feedback to the CAE? Does the committee do its part to ensure the quality and objectivity of the internal audit team?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18. Does the committee receive the appropriate level of information to evaluate the soundness of the entity's internal control environment?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19. Does the committee engage outside experts as appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Do not know the last time this happened
20. Does the committee conduct executive sessions in a manner that offers a safe haven to the individual? During executive sessions, does the committee ask tough and necessary questions, evaluate the answers, and pursue issues that might arise to a satisfactory resolution?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Just starting through PIG
21. Do the committee members challenge the chair as appropriate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22. Does the committee receive constructive 360-degree feedback from management, internal and independent auditors, and peer groups?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not done to my knowledge
23. Are the entity's overall governance and internal controls, including financial reporting processes, stronger as a result of management's interactions with the committee?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Chapter 17: Conducting an Audit Committee Self-Evaluation

Other Comments, Further Questions				