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DIscLAIMER – THE FOLLOWING ARE DRAFT MINUTES AND ARE SUBJECT TO CHANGE UPON REVIEW AND APPROVAL

MINUTES

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT MEETING

OCTOBER 3, 2019

I. CALL TO ORDER

Vice-Chair Wayne Higaki called the meeting to order at 8:55 a.m. on Thursday, October 3, 2019, at the University of Hawai‘i at Mānoa Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai‘i 96822.

Committee members in attendance: Vice-Chair Wayne Higaki; Regent Michael McEnerney; Regent Randy Moore; Regent Robert Westerman; and Regent Ernest Wilson.

Others in attendance: Regent Simeon Acoba (ex officio committee member); Vice President (VP) for Administration Jan Gouveia; Interim VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Research and Innovation Vassilis Syrmos; VP for Budget and Finance/Chief Financial Officer Kalbert Young; University of Hawai‘i at Mānoa Provost Michael Bruno; University of Hawai‘i – West O‘ahu Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. ELECTION OF COMMITTEE CHAIRPERSON

Pursuant to state law, the Chair of the Committee on Independent Audit is selected by the members of the committee.

Vice-Chair Higaki opened the floor for nominations. Regent Wilson nominated Regent McEnerney to serve as chair. There being no other nominations, Vice-Chair Higaki declared the nominations closed. The nomination was put to a vote and Regent McEnerney was unanimously elected to serve as the Chair of the Committee on Independent Audit.

Chair McEnerney proceeded to conduct the remainder of the meeting.

III. APPROVAL OF MINUTES OF THE MAY 2, 2019 MEETING

Vice-Chair Higaki moved to approve the minutes of the May 2, 2019, meeting, seconded by Regent Wilson, and the motion carried unanimously.

IV. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office did not receive any written testimony and no one signed up to provide oral testimony.
V. AGENDA ITEMS

A. Committee Goals and Objectives

Chair McEnerney welcomed Regents Westerman and Wilson as members that were new to the committee, and recognized Regent Moore who had previously served as committee chair and Regent Higaki who continues to serve as vice-chair of the committee.

Chair McEnerney previously circulated two handouts: Section 304A-321, Hawai‘i Revised Statutes (HRS), and the Audit Work Plan. He indicated that these documents will guide the work of the committee for the coming year.

B. Title III Grants – Senate Resolution 120 (2019)

Chair McEnerney stated that he hoped that a determination would be made by the next committee meeting as to whether there is a need to pursue additional information on Title III grants. He noted that there are checks and balances in place and there does not appear to be anything of concern, but that he would like to have something in writing that indicates such.

Glenn Shizumura, Director of the Office of Internal Audit (OIA), requested feedback on the memorandum in the materials packet regarding Title III. He noted that a Single Audit is conducted annually by Accuity and that no Title III federal compliance findings have been identified in the past three years.

Regent Acoba asked for confirmation that the OIA concluded there was no issue with Title III expenditures because the Single Audit met compliance requirements, and Director Shizumura affirmed.

There was a discussion on the use and beneficiaries of Title III funds. Chancellor Benham explained that Title III funds are given to qualifying universities with a certain percentage of Native Alaskan or Native Hawaiian students to strengthen the institutional structures or to support a specific underserved community.

Regent Westerman arrived at 9:15 a.m.

VP Young stated that he was unaware of any claims of improprieties in the use of Title III funds. Chancellor Benham noted that fairly extensive reports are required to be submitted on a quarterly basis to the federal government and no inquiries have been received on Title III grants.

C. Review and Acceptance of the Office of Internal Audit Report on the Status of Corrective Action Related to Capital Improvement Projects and Repairs and Maintenance

Director Shizumura noted that the issues in the audit report have been mitigated and that corrective action is in process. He noted that full implementation is expected this calendar year and that issues have been mitigated to OIA’s satisfaction.
D. **Recommend Board Approval of Revisions to Regents Policy (RP) 2.205, Policy on Whistleblowing and Retaliation**

Board Secretary Oishi explained that the proposed revisions to RP 2.205 were discussed by the committee in May at the recommendation of the previous board chair. She noted that the existing policy relates to whistleblowing and retaliation for university faculty, staff, students, and administrators, but remained silent as to how whistleblower reports against the President should be handled. The proposed revisions add to the existing policy provisions that would apply to the President.

Regent Moore arrived at 9:27 a.m.

Regent Westerman moved to approve the revisions to RP 2.205, and Regent Wilson seconded the motion.

Regent Westerman asked if the current board chair agreed with the changes. Chair McEnerney responded that he had not heard otherwise.

Regent Acoba referred to the language in the policy with regard to “designees” and questioned who designates the designees. Chair McEnerney understood it to refer to the chair. VP Okinaga suggested clarifying the language to “their respective designees.”

Regent Westerman amended his motion to include the amendment suggested by VP Okinaga, Regent Wilson agreed to amending the motion, and the motion to amend was adopted with unanimous approval.

The committee unanimously approved recommending board approval of the revisions to RP 2.205, as amended.

C. **Review and Acceptance of the Office of Internal Audit Report on the Status of Corrective Action Related to Capital Improvement Projects and Repairs and Maintenance**

Chair McEnerney noted that action was required for agenda item C.

Vice-Chair Higaki made a motion to accept the audit, Regent Wilson seconded, and the motion was adopted with unanimous approval.

B. **Title III Grants – Senate Resolution 120 (2019)**

VP Young asked for a statement for the record if the committee intends to have the OIA conduct an audit on Title III grants.

Chair McEnerney indicated that he did not want to make that statement now because it needs to blend with the entire work plan, and that his focus was on completing the financial reporting. He added that Accuity would be reviewing the use of grants and that he did not want to duplicate efforts and that action would be deferred until we know whether it is necessary.
VI. ADJOURNMENT

There being no further business, Vice-Chair Higaki moved to adjourn, seconded by Regent Moore, and with unanimous approval, the meeting was adjourned at 9:34 a.m.

Respectfully Submitted,

Kendra Oishi
Executive Administrator and Secretary of the Board of Regents