Committee Chair Report
UNIVERSITY OF HAWAI’I
BOARD OF REGENTS’ COMMITTEE ON INDEPENDENT AUDIT

On Thursday, November 5, 2015, the committee met and took up one action item to amend the audit plan to include Student Housing and Parking, and to receive information regarding the following:

i. Update Status on Enterprise Risk Management and Whistleblower Program
ii. Update Status on Progress for the Business Plan for the University of Hawai’i Cancer Center and Timeline for Completion

Due to an unexpected scheduling conflict, the report on Internal Auditor’s Report on the UH Mānoa Athletic Department’s Acquisition, Maintenance, and Distribution of Equipment and Apparel was deferred at the request of AD Matlin to the next meeting when he and his staff would be able to attend.

The committee agreed to add to the audit plan to include the Student Housing and Parking operations as they are revenue generating operations. The committee noted that given the University’s financial situation, and learning from recent audits of the revenue generating operations of the culinary programs at KCC and LCC, it is wise to continue review of other revenue generating programs to ensure the programs are properly run, and asks the departments and deans to identify such programs.

Regarding the status of the Enterprise Risk Management and Whistleblower Program, Administration reported that the planning is on track. A summit of all officers will be held on November 24 facilitated by Aon specialist Lita Finch. The work will lead to a survey and working document by the first quarter of FY16. The Whistleblower program is progressing with draft procedures being reviewed, with implementation targeted by the end of FY16. The committee noted the importance of having a centralized system for faculty, students and public to make complaints. Administration recognizes that the system will need to coordinate among the existing programs that already have policies for reporting misconduct, such as the Title IX offices, and research that has current policies for reporting misconduct that are a federal requirement in order to receive federal funds.

Regarding the update on the progress for the business plan for the University of Hawai’i Cancer Center and timeline for completion, the president reported that progress is well underway with Navigant near completing its assessment after reviewing documents and interviews with stakeholders and administration. The timeline is to circulate internally a draft phase 1 assessment of the situation for comment during mid to late November, and share a final phase 1 assessment with the Regents. Phase 2 will be the preparation of a business plan to confirm the funding gap, and recommend changes in operations and structure in time for the legislative session in January. The estimated deficit remains at $5M and may likely increase but not decrease.