NOTICE OF BOARD OF REGENTS MEETING
Board business not completed on this day will be taken up on another
day and time announced at the conclusion of the meeting.

Date: Thursday, July 20, 2017
Time: 9:30 a.m.
Place: University of Hawai‘i at Mānoa
   Information Technology Building
   1st Floor Conference Room 105A/B
   Honolulu, Hawai‘i 96822

AGENDA

I. Call Meeting to Order

II. Welcome New Regent Norma Doctor Sparks, and Reappointed Regents Acoba and Kudo

III. Election of Officers

IV. Approval of Minutes of the June 1, 2017 Board Meeting

V. Public Comment Period: 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.

VI. Report of the President

VII. Items for Approval
   A. Request for Action to Approve the Establishment of the Kosasa Endowed
      Professorship in Gynecologic Oncology at the John A. Burns School of Medicine
      Department of Obstetrics Gynecology and Women’s Health.

VIII. Items for Discussion
   A. Annual Report of the Independent Audit Committee
   B. Board Self-Assessment Discussion
   C. Briefing on the Regents And Presidential Scholars Program (RAPS)
   D. Title IX Overview

IX. Executive Session (closed to the public): The board anticipates holding a meeting
   closed to the public pursuant to HRS §92-4 for the following purposes:
   A. Personnel: (To consider the hire, evaluation, dismissal, or discipline of an officer
      or employee, where consideration of matters affecting privacy will be involved,
      pursuant to HRS §92-5(a)(2))
      1. Discussion of Personnel Actions (A-1 for approval)
      2. Evaluation of the Performance of the President
      3. Evaluation of the Performance of the Board Secretary

Accommodation required by law for Persons with Disabilities requires at least (5) five days prior notice to
the board office at 956-8213 or bor@hawaii.edu.
B. Legal Matters: (To consult with the board’s attorneys on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities, pursuant to HRS §92-5(a)(4)):
   1. Quarterly Status Report on Litigation

X. Items for Discussion and/or Approval
   A. Items for Approval (continued)
      1. Personnel Actions (A-1 for approval)

XI. Announcements
   A. RAPS Dinner, July 20, 2017 at the UHM Campus Center Ballroom
   B. Next Meeting: August 24, 2017 at University of Hawai‘i IT Center

XII. Adjournment

ATTACHMENTS
A1 – Personnel actions posted for action
A2 – Personnel actions posted for information only
## Executive/Managerial

<table>
<thead>
<tr>
<th>Campus</th>
<th>Last Name</th>
<th>First Name &amp; Middle Initial</th>
<th>Proposed Title</th>
<th>Unit</th>
<th>Nature of Action</th>
<th>Monthly Salary</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>System</td>
<td>Straney</td>
<td>Donald</td>
<td>Vice President for Academic Planning and Policy</td>
<td>Office of the Vice President for Academic Planning and Policy</td>
<td>Reassignment</td>
<td>$20,834</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>UH Hilo</td>
<td>Sakai</td>
<td>Marcia</td>
<td>Interim Chancellor</td>
<td>Office of the Chancellor</td>
<td>Appointment</td>
<td>$20,834</td>
<td>August 1, 2017 - July 31, 2018</td>
</tr>
</tbody>
</table>

Recommendation: That the Board approve the personnel actions as recommended.

David Lassner
President
Attachment A-2: Pursuant to §89C-4, Hawaii Revised Statutes, the following proposed compensation actions for excluded Executive/Managerial are disclosed for purposes of public comment.

<table>
<thead>
<tr>
<th>Campus</th>
<th>Last Name</th>
<th>First Name &amp; Middle Initial</th>
<th>Proposed Title</th>
<th>Unit</th>
<th>Nature of Action</th>
<th>Monthly Salary</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>UH Mānoa</td>
<td>Ceria-Ulep</td>
<td>Clementina</td>
<td>Associate Dean</td>
<td>School of Nursing &amp; Dental Hygiene</td>
<td>Appointment</td>
<td>$14,252</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Comerford</td>
<td>Nicholas</td>
<td>Dean and Director for Research and Cooperative Education</td>
<td>College of Tropical Agriculture &amp; Human Resources</td>
<td>Appointment</td>
<td>$20,834</td>
<td>September 1, 2017</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Lipe</td>
<td>Kaiwipuni</td>
<td>University Academic Affairs Program Officer</td>
<td>Office of the Chancellor</td>
<td>Appointment</td>
<td>$8,500</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Miyasaka</td>
<td>Susan</td>
<td>Interim County Administrator (Hawai‘i County)</td>
<td>College of Tropical Agriculture &amp; Human Resources</td>
<td>Appointment</td>
<td>$10,834</td>
<td>August 1, 2017 - July 31, 2018</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Otsuki</td>
<td>J. Alan</td>
<td>Associate Dean</td>
<td>John A. Burns School of Medicine</td>
<td>Appointment</td>
<td>$18,750</td>
<td>October 1, 2017</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Quereshi</td>
<td>Kristine</td>
<td>Associate Dean</td>
<td>School of Nursing &amp; Dental Hygiene</td>
<td>Appointment</td>
<td>$14,584</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Reeves</td>
<td>Cynthia</td>
<td>County Administrator (Maui County)</td>
<td>College of Tropical Agriculture &amp; Human Resources</td>
<td>Salary Adjustment</td>
<td>$12,500</td>
<td>June 1, 2017</td>
</tr>
<tr>
<td>UH Mānoa</td>
<td>Uchida</td>
<td>Raymond</td>
<td>County Administrator (O‘ahu County)</td>
<td>College of Tropical Agriculture &amp; Human Resources</td>
<td>Salary Adjustment</td>
<td>$10,834</td>
<td>June 1, 2017</td>
</tr>
<tr>
<td>Kaua‘i Community College</td>
<td>Barko</td>
<td>Valarie</td>
<td>Director of University of Hawaii Center</td>
<td>Institutional Effectiveness and University Center</td>
<td>Appointment</td>
<td>$8,437</td>
<td>August 1, 2017</td>
</tr>
</tbody>
</table>
Item VI.
Report of the President

NO MATERIALS

ORAL REPORT
MEMORANDUM

TO:      Jan Naoe Sullivan
         Chairperson, Board of Regents  

VIA:     David Lassner
         President, University of Hawai'i

VIA:     David Lassner
         Interim Chancellor, University of Hawai'i at Mānoa

FROM:   Donna Vuchinich
         University of Hawai'i Foundation President and CEO

Jerris R. Hedges
         Dean, John A. Burns School of Medicine, University of Hawai'i at Mānoa

SUBJECT: REQUEST FOR ACTION TO APPROVE THE ESTABLISHMENT OF THE KOSASA ENDOWED PROFESSORSHIP IN GYNECOLOGIC ONCOLOGY AT THE JOHN A. BURNS SCHOOL OF MEDICINE DEPARTMENT OF OBSTETRICS, GYNECOLOGY AND WOMEN'S HEALTH

SPECIFIC ACTION REQUESTED:
The University of Hawai'i at Mānoa John A. Burns School of Medicine ("JABSOM") seeks the approval of the University of Hawai'i Board of Regents to name the Kosasa Endowed Professorship in Gynecologic Oncology in recognition of a $500,000 gift commitment to honor the Kosasa family name to the University of Hawai'i Foundation.

RECOMMENDED EFFECTIVE DATE:
Request that this is effective upon Board of Regents approval.

ADDITIONAL COST:
No additional costs are associated with this request.

PURPOSE:
The purpose of the Fund is to provide support for an endowed professorship in gynecologic oncology in the Department of Obstetrics, Gynecology, and Women's Health ("OBGYN") at the University of Hawai'i at Mānoa John A. Burns School of Medicine ("JABSOM") in an effort to support, reward, and retain talented faculty, as well as to provide resources to the recipient for faculty development and to enhance the
gynecologic oncology research, education, and community outreach missions of the department.

Funds may be used by the recipient at his/her discretion to enhance and support the program. Examples of how funds may be used include, but are not limited to:

(1) Salary support for the recipient based on the determination of the Dean of JABSOM and the OBGYN Department Chair.

(2) Program support as follows: The recipient will consider input from the Dean and the OBGYN Department Chair in determining priorities and activities for gynecologic oncology research, education and community outreach initiatives.

   a. Travel by the recipient and/or other members of the OBGYN Department to other universities and medical schools, government agencies, and industry visits.

   b. Attendance at workshops, short or extended courses, and other educational opportunities on or off campus, by the recipient and/or by other members of the OBGYN Department.

   c. Support for faculty, junior faculty, fellows, residents, medical students, graduate researchers or other health professionals in the OBGYN Department.

   d. Support for research, curriculum, and/or program development in the OBGYN Department.

Funds may also be used to support the recruitment and relocation expenses of the professorship position. The recipient shall make an annual report to the Dean of JABSOM and the OBGYN Department Chair.

Selection
Selection Committee members shall be appointed by the Dean of JABSOM, who will serve in an advisory role to the committee, and confer in making a final decision in awarding the professorship.

Criteria
Candidates must:

(1) Be a current faculty member or new recruit.

(2) Be an associate professor or higher rank at the time of assignment of the professorship.
(3) Have a documented record of research and knowledge in gynecologic oncology.

(4) Be able to provide program leadership and to make contributions to the education, and/or research goals of the OBGYN Department at JABSOM.

Renewal
The professorship shall be reviewed for reassignment either to the current holder or for assignment to another individual in accordance with the standard review and renewal process as established by the Dean of JABSOM and in accordance with University policy.

Vacancy
During any period of vacancy of this endowed position, proceeds in excess of an amount equal to an annual distribution may be used in support of general faculty recruitment and start-up packages for the OBGYN Department at the discretion of the Dean of JABSOM.

BACKGROUND:
The Kosasa family legacy started with Sidney Kosasa who was a student attending UC Berkeley School of Pharmacy during WWII when he was interned at the Tule Lake relocation camp in California. In 1943, he married Ms. Minnie Ryugo at the camp. After their release, they eventually returned to Hawai’i, formed a family company, and opened a drugstore, Kaimuki Pharmacy, later known as Thrifty Drugs. In 1964 Sidney and Minnie Kosasa opened the first ABC Store. Today, the chain of ABC Stores is one of the most successful business enterprises in Hawai’i.

Today, family members have found many avenues to give back to the community.

ACTION RECOMMENDED:
Board approval of the naming of the Kosasa Endowed Professorship in Gynecologic Oncology at the University of Hawai’i at Mānoa John A. Burns School of Medicine in recognition of a $500,000 gift commitment to the University of Hawai’i Foundation.

c: Executive Administrator and Secretary of the Board Quinn
Committee on Independent Audit of the Board of Regents

Annual Report
For the Fiscal Year Ended June 30, 2017

Office of Internal Audit: Audit Results for the fiscal year ended June 30, 2017

May 2017
Summary
This Annual Report is prepared pursuant to the provisions of Hawai‘i Revised Statutes (HRS) §304A-321, Independent Audit Committee. Similar to the fiscal year ended June 30, 2016 Annual Report, the June 30, 2017 Annual Report is organized by the following sections:

1. Committee on Independent Audit (Audit Committee) Charter
2. Role of the Audit Committee
3. Membership
4. Meetings

The Audit Committee has fulfilled its responsibilities pursuant to the Bylaws of the Board of Regents of the University of Hawai‘i (BOR Bylaws) and HRS §304A-321. Collectively, BOR Bylaws (Article II.D.2.e) and HRS §304A-321 functions as the Audit Committee’s Charter. This Annual Report includes and is complemented and supported by the “Audit Results” report prepared by the University of Hawai‘i (University or UH) Office of Internal Audit (Internal Audit) that summarizes Internal Audit’s activities during the fiscal year ended June 30, 2017.

Committee on Independent Audit (Audit Committee) Charter
The duties and responsibilities of the Audit Committee are documented in HRS §304A-321 and BOR Bylaws. The Audit Committee’s duties and responsibilities include the following:

1. Undertake professional development to improve the financial expertise of the Audit Committee.
2. Provide oversight relating to enterprise risk management.
3. Hold meetings at least twice per year.
4. Review the Audit Committee’s effectiveness and prepare or oversee the preparation of an annual report to the BOR.
5. Review the procedures for the receipt, retention, and treatment of complaints received by the University regarding accounting, internal accounting controls, auditing matters, or suspected fraud that may be submitted by any internal or external party.
6. Review (1) significant findings of internal audits and auditee responses, (2) whether internal auditors have encountered difficulties in the course of their audits, (3) changes in the scope of internal audits, (4) the internal audit budget and staffing, (5) the annual internal audit plan, and (6) the annual report of the internal audit department.
7. Review the following with management and the external auditor: (1) UH’s annual financial statements and related footnotes, (2) all reports certified by the external auditor, (3) the external auditor’s judgments about the quality of UH’s accounting principles, (4) any significant changes required in the external auditor’s audit plan, (5) any difficulties or disputes encountered during the audit, and (6) matters pursuant to Statement of Auditing Standards No. 114 (critical accounting policies and practices, consultations with audit firms other than the external auditor, and any other information relating to significant estimates and judgments).
8. Review with the external auditor matters affecting internal control including (1) the adequacy of UH’s internal control, including computerized information system controls and security and (2) any related significant findings and recommendations of the internal and external auditors, together with the responses of UH.
9. Annually evaluate the external auditor and the internal audit function.
10. Recommend to the BOR, the external auditor to be retained by UH and their fees.
11. Submit an annual report to the BOR and the legislature no later than 20 days prior to the
    convening of each regular session of the legislature on matters that include (1) all instances
    of material weaknesses in internal control, including the responses of UH management and
    (2) all instances of fraud, including the responses of UH management.
12. Internal auditors shall meet separately with any external auditor to coordinate audit plans to
    optimize the ability of the external auditor to rely upon the results of an internal audit team.
13. Perform such other functions as assigned by the BOR and/or its bylaws.

Role of the Audit Committee
The Audit Committee members are appointed by the BOR Chair and serve for one year or until the
appointment of successors. The Audit Committee Chair is selected by the members of the Audit
Committee.

Pursuant to the BOR Bylaws, the Audit Committee has the authority to conduct or authorize
investigations into any matter within its scope of responsibility with unrestricted and timely access to
all University functions, books, records, information systems, data, personnel, and property as
necessary to carry out its duties.

Membership
The Audit Committee must consist of at least three members but not more than five members.
During the fiscal year ended June 30, 2017, membership of the Audit Committee consisted of the
following Regents:

  1. Randy Moore, Chair
  2. Michael McEnerney, Vice Chair
  3. Wayne Higaki
  4. David Iha
  5. Jeffrey Portnoy

Meetings
The Audit Committee is required to meet at least twice per year. During fiscal year 2017, the Audit
Committee held seven meetings. For purposes of ensuring that these meetings addressed the duties
and responsibilities of the Audit Committee as documented in HRS §304A-321 and BOR Bylaws,
Chair Moore prepared an Audit Committee Workplan and Schedule of Audit Committee Meeting
Agenda. The Audit Committee Workplan documented the provisions of HRS §304A-321 and the
planned actions to comply with these provisions. The Schedule of Audit Committee Meeting
Agenda documents the anticipated timing for the performance of the planned actions.

In addition to Audit Committee members, other BOR members attending fiscal year 2017 meetings
included BOR Chair Sullivan and Regents Acoba, Bal, Higa, Kudo, Mizuno, Putnam, Tagorda,
Wilson, and Yuen. Meeting attendees also included University executive management (President,
Vice Presidents, Chancellors of various campuses, etc.), the Director of Internal Audit, and personnel
from the University’s external auditors (Accuity, LLP or Accuit). Other attendees consisted of
University personnel from a University campus/department/function associated with an Audit Committee meeting agenda topic or matter.

The following summarizes the significant matters and topics discussed at Audit Committee meetings held during fiscal year 2017. These topics and matters noted below conformed to the Schedule of Audit Committee Meeting Agenda.

**August 4, 2016:**
1. Internal Audit’s fiscal year 2017 Audit Plan was reviewed, discussed and accepted.
2. The Director of Internal Audit presented the fiscal year 2016 Audit Committee Annual Audit Report. This report was reviewed, discussed and accepted by the Audit Committee.
3. The Director of Internal Audit provided a status update and general information with respect to the Whistleblower Program.
4. The Audit Committee reviewed and accepted Internal Audit’s report in connection with their review of the Purchasing Card Program.

**August 18, 2016:**
1. BOR Vice Chair Moore was selected to serve as the Chair of the Audit Committee.

**October 6, 2016:**
1. The Audit Committee reviewed and accepted Internal Audit’s report in connection with their review of UHM Student Housing Services.
2. The Director of Risk Management provided a status update of the Enterprise Risk Management Program.
3. Professional development session provided by Accuity.
4. The Director of Internal Audit presented the Whistleblower Hotline Tracking Report.
5. Chair Moore discussed the memo prepared by the Director of Internal Audit documenting the coordination of work between the Office of Internal Audit and Accuity.
6. The Director of Internal Audit discussed the matrix documenting the status of audit projects included in the fiscal year 2017 Audit Plan.

**December 15, 2016:**
1. The Audit Committee reviewed and accepted the following reports presented by Accuity:
   c. UHM Athletics Department NCAA Agreed-Upon Procedures (AUP) Report for the year ended June 30, 2016
   d. UHM Athletics Department Internal Control and Business Issues Report for the year ended June 30, 2016
2. Accuity discussed their professional responsibilities and required communications pursuant to Statement on Auditing Standards No. 114.
3. Professional development session provided by Accuity.
4. Chair Moore discussed the Annual Report on Material Weakness and Fraud prepared by the Director of Internal Audit pursuant to HRS §304A-321. The report noted no material weaknesses or fraud.
February 9, 2017:
1. The Audit Committee reviewed and accepted the UHM Athletics Department Agreed-Upon Procedures report for the 2016 Football Season attendance presented by Accuity.
2. The Audit Committee reviewed and accepted the following reports prepared and presented by Internal Audit:
   a. Sales audit of the H-Zone for the year ended December 31, 2016
   b. Operational and compliance review of scholarship, registered independent organization, and study abroad scholarship awards of the Associated Students of the University of Hawai‘i at Mānoa (ASUH)
   c. Operational and financial review of University of Hawai‘i at Hilo Student Housing
   d. Evaluation of corrective action status of UHM Athletics equipment and apparel
3. The UHM Interim Vice Chancellor for Students and UHM Student Housing Services management provided a corrective action status update in response to Internal Audit’s report on UHM Student Housing Services presented at the October 6, 2016 meeting.
4. The Director of Internal Audit presented an updated Whistleblower Hotline Tracking Report.
5. Professional development session provided by Accuity.

April 6, 2017:
1. The Audit Committee reviewed and accepted the following reports prepared and presented by Internal Audit:
   a. Review and compliance evaluation of the Community College Financial and Operational Oversight of Revenue Generating Programs policy
   b. Evaluation of corrective action status of Commuter Services
   c. Operational and financial review of the University of Hawai‘i Press
2. The Director of Internal Audit presented an updated Whistleblower Hotline Tracking Report inclusive of an additional case description column.
3. The Vice President for Administration presented an update of the Enterprise Risk Management Program.
4. Professional development session provided by Accuity.

May 17, 2017:
1. The Audit Committee is expected to review and accept the following prepared and presented by Internal Audit:
   a. Proposed fiscal year 2018 Audit Plan
   b. Matrix comparing Office of Internal Audit reports with the Institute of Internal Auditor’s International Standards for the Professional Practice of Internal Auditing
   c. Fiscal year 2017 Annual Report of the Committee on Independent Audit
   d. Fiscal year 2017 Audit Results of the Office of Internal Audit
2. The Director of Internal Audit is expected to present an updated Whistleblower Hotline Tracking Report.
UNIVERSITY OF HAWAI‘I
Mānoa • Hilo • West O‘ahu • Community Colleges

OFFICE OF INTERNAL AUDIT

Audit Results
For the Fiscal Year Ended June 30, 2017

For the Committee on Independent Audit of the Board of Regents
May 2017
Executive Summary

Introduction
The Office of Internal Audit (Internal Audit) prepares this Audit Results (or Annual Report) report to summarize their activities and accomplishments for the fiscal year ended June 30, 2017. The Bylaws of the Committee on Independent Audit of the Board of Regents (Audit Committee) require that the Audit Committee review this report. Additionally, the preparation of this report assists the Audit Committee review the internal audit function of the University of Hawaiʻi (University) as required by Hawaiʻi Revised Statutes (HRS) §304A-321, Independent Audit Committee. Pursuant to the Charter of the Office of Internal Audit of the University of Hawaiʻi (Internal Audit Charter), an annual audit plan is developed and submitted to the Audit Committee for review and approval. A copy of the Internal Audit Charter is incorporated into this report at Exhibit 2. The fiscal year 2017 Audit Plan was approved by the Audit Committee on August 4, 2016.

Overview of fiscal 2017 audit engagements
Exhibit 1 summarizes the audit objective(s), audit scope, observations, findings, conclusions and status of the engagements included in the approved 2017 Audit Plan. The status, observations, findings and recommendations of these engagements were discussed with the Audit Committee Chair and Vice Chair continuously and throughout fiscal 2017. The following table categorizes the 20 engagements listed in the 2017 Audit Plan.

<table>
<thead>
<tr>
<th>Fiscal 2017 engagements:</th>
<th>Completed: report reviewed and accepted</th>
<th>Completed: report for information</th>
<th>In Process</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Substantially complete</td>
<td>Fieldwork ongoing</td>
</tr>
<tr>
<td>New</td>
<td>6</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Audit committee assistance</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Follow-up</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>External assistance</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

The 20th engagement was a placeholder for a “to be determined” engagement on behalf of UHM Athletics. However, UHM Athletics did not identify additional engagements during fiscal 2017. The audit committee assistance engagements related to the Whistleblower Hotline Program and related tracking reports, the annual report to the Hawaiʻi State Legislature noting no instances of material weaknesses and the Audit Committee’s annual report evaluating their effectiveness. Substantial audit work has been completed with respect to the four (4) in-process engagements. The in-process engagements are anticipated to be completed during the first quarter of fiscal 2018. A significant accomplishment during fiscal year 2017 was the establishment and monitoring of the Whistleblower Hotline.

With respect to the completed engagements, Unit management concurred with all observations/findings and conclusions. Internal Audit produced recommendations ranging from 4 – 14 in connection with each engagement to mitigate identified operational, financial and compliance
risks. Unit management have implemented or are in the process of implementing corrective action pursuant to these recommendations. Regarding the follow-up audits, Internal Audit verified implementation of corrective action for seven (7) recommendations and also verified that Unit management was in-process of implementing corrective action of all remaining recommendations (approximately 10).

Conclusion
In connection with the fiscal 2017 audit engagements, Internal Audit did not identify conditions that we believe are material weaknesses. Common recommendations included in fiscal 2017 audit reports included the performance of periodic budget to actual analyses, comparison of financial and operational information warehoused in subsidiary management information systems to periodic financial reports and the University’s general ledger (KFS), and monitoring outstanding accounts receivable balances.

Internal Audit recognizes the importance of building and sustaining effective relationships among the Audit Committee, University management and the external auditor. These relationships provide efficiencies and enhancements in the University’s risk assessment and management processes and in the performance of internal and external audits. Accordingly, Internal Audit appreciates and thanks University management and staff for their cooperation and responsiveness in connection with the engagements summarized in Exhibit 1. Further, we thank the Audit Committee for their continued support of Internal Audit. Please call Glenn Shizumura at 956-7318 with any questions or comments with respect to the contents of this report.
Audit Resources & Competencies

Internal Audit’s staffing at the commencement of the fiscal year ended June 30, 2017 consisted of its Director and four full-time staff auditors. In late July 2016, a full-time staff auditor resigned to pursue a career in the private sector. Internal Audit’s professionals have a substantial number of years of auditing and accounting experience within both the University environment and the private sector. Collectively, professionals have approximately 30 years of audit experience at international public accounting firms. Professional designations include Certified Public Accountant and Certified Internal Auditor.

Internal Audit also employs University students majoring in accounting to provide the students with the opportunity to experience auditing from an internal audit perspective in addition to an external audit perspective. Assistance on Internal Audit projects includes research and preparing working papers documenting the results of their research, verifying the mathematical accuracy of schedules and financial statements, obtaining and analyzing financial information from the University’s general ledger, reviewing the contents of electronic and manual audit files for completeness, etc. Student auditor tasks may also include research on new or recently revised accounting and auditing literature. The work product of this research is an oral presentation and PowerPoint slide presentation to Internal Audit staff and student auditors. External audit assistance consists of assisting full-time staff perform audit procedures that can be relied upon by the University’s external auditors (Accuity, LLP or Accuity). Audit experience gained through their employment at Internal Audit has benefited and assisted student auditors obtain internship and/or full-time employment opportunities with international and local accounting firms.

Internal Audit employed a total of eight students during the year ended June 30, 2017. During this period, three – six students were employed at any point in time. Employment fluctuations result from student internships at downtown accounting firms and graduation. Internal Audit encourages these internships and reserves the student auditor position for the student upon the completion of their internship.

The administrative functions of the office are handled by a full-time Administrative Assistant and student auditors. Administrative duties consist primarily of the following:

- Provide information technology support.
- Manage the storage, back-up and security of Internal Audit’s electronic files.
- Prepare and issue fiscal related documentation for procuring goods and processing payments.
- Coordinate work orders and auxiliary services for the office.
- Maintain office supplies and equipment, including routine security maintenance on computers.
- File and archive internal and external audit reports.
- Manage office information flow.
- Prepare monthly and year-to-date financial reports to track and monitor Internal Audit expenses.
- Compare and analyze current year-to-date expenses to budget and prior year expenses.
Office of Internal Audit
Organization Chart
July 1, 2016 – June 30, 2017

University of Hawai‘i
Board of Regents

The Office of Internal Audit reports functionally to the University of Hawai‘i Board of Regents through its Committee on Independent Audit

Vice President for Budget and Finance/Chief Financial Officer

The Office of Internal Audit reports administratively to the Vice President for Budget and Finance/Chief Financial Officer

Office of Internal Audit
Director
Glenn Shizumura

Internal Auditors
Sheri Ching
Bryce Iwata
David Sakamoto
Kristin Dong (departed 7/2016)
VACANT

Administrative Assistant

Student Assistants
## Profile of the Office of Internal Audit

<table>
<thead>
<tr>
<th>Name:</th>
<th>Glenn Shizumura</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Director</td>
</tr>
<tr>
<td>Professional Designation:</td>
<td>Certified Public Accountant (CPA) – Hawai‘i 1990</td>
</tr>
<tr>
<td>Academic Qualification:</td>
<td>Bachelor of Business Administration (BBA)</td>
</tr>
<tr>
<td>Work Experience:</td>
<td>23 years, Ernst &amp; Young</td>
</tr>
<tr>
<td></td>
<td>● Executive Director/Principal</td>
</tr>
<tr>
<td></td>
<td>● Industry expertise – public sector, real estate, retail, insurance and not-for-profit</td>
</tr>
<tr>
<td></td>
<td>8 years Director of Internal Audit/University of Hawai‘i</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Sheri Ching</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Internal Auditor</td>
</tr>
<tr>
<td>Professional Designation:</td>
<td>CPA – Hawai‘i 2003</td>
</tr>
<tr>
<td>Academic Qualifications:</td>
<td>BBA/Masters in Accounting (MAcc)</td>
</tr>
<tr>
<td>Work Experience:</td>
<td>4 years Public Accounting/PricewaterhouseCoopers</td>
</tr>
<tr>
<td></td>
<td>● Industry expertise – public sector, not-for-profit and hospitality</td>
</tr>
<tr>
<td></td>
<td>5 years Financial Accounting/Kyo-ya Hotels &amp; Resorts</td>
</tr>
<tr>
<td></td>
<td>9 years Internal Audit/University of Hawai‘i</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>David Sakamoto</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Internal Auditor</td>
</tr>
<tr>
<td>Professional Designation:</td>
<td>Certified Internal Auditor - 2008</td>
</tr>
<tr>
<td>Academic Qualification:</td>
<td>BBA</td>
</tr>
<tr>
<td>Work Experience:</td>
<td>17 years General Accounting and Business/University of Hawai‘i</td>
</tr>
<tr>
<td></td>
<td>13 years Internal Audit/University of Hawai‘i</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Bryce Iwata</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Internal Auditor</td>
</tr>
<tr>
<td>Professional Designation:</td>
<td>n/a</td>
</tr>
<tr>
<td>Academic Qualifications:</td>
<td>BBA/MAcc</td>
</tr>
<tr>
<td>Prior Experience:</td>
<td>4 years Public Accounting/Deloitte</td>
</tr>
<tr>
<td></td>
<td>1 year Financial Accounting/Bishop Insurance Agency</td>
</tr>
<tr>
<td></td>
<td>9 years Internal Audit/University of Hawai‘i</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Kristin Dong (departed July 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Internal Auditor</td>
</tr>
<tr>
<td>Professional Designation:</td>
<td>CPA</td>
</tr>
<tr>
<td>Academic Qualification:</td>
<td>BBA</td>
</tr>
<tr>
<td>Prior Experience:</td>
<td>4 years Public Accounting/Moss Adams; PKF Hawai‘i</td>
</tr>
<tr>
<td></td>
<td>2 years Internal Audit/University of Hawai‘i</td>
</tr>
</tbody>
</table>
Audit Plan

Internal Audit’s fiscal 2017 Audit Plan was approved by the Audit Committee during its meeting held on August 4, 2016. The Audit Plan was developed using a risk-based approach and considered Internal Audit’s available resources. Criteria used in selecting audit projects included providing coverage of higher risk departments/units/functions and areas of concern to the Board of Regents (BOR) and University management. The following are considered in preparing Internal Audit’s Audit Plan:

- Periodic meetings and discussions with the Audit Committee Chair and Vice Chair.
- Meetings and discussions with certain members of University management.
- Observations and findings contained in historical reports issued by Internal Audit. Certain University departments and/or functions may be reviewed as a result of:
  - audit findings noted in departments and/or functions with similar operations and/or
  - unremediated audit findings.
- Review of the various University Internal Control and Business Issues Reports issued by the University’s external auditors.
- Meetings and discussions with Accuity with respect to sensitive audit areas.
- Regulatory compliance.

A recent area of audit emphasis for the Audit Committee has been the operations of revenue generating units of the University. Accordingly, recent Audit Plans have included audits of revenue generating units.

The following are the types of engagements (including examples of fiscal 2017 engagements) generally performed by Internal Audit:

- **Financial audits and reviews** – determine the fairness, accuracy, and reliability of financial information presented in accordance with established or stated criteria. An example was the required sales audit of the H-Zone pursuant to the University’s lease agreement. Internal Audit performing these services precluded the need for UHM Athletics to engage an external audit firm to provide financial audit services.

- **Attestation engagement** – examination, review, or agreed-upon procedures on a subject matter, or an assertion about a subject matter (including financial information). An example was the review of ASUH’s policies, procedures and practices related to scholarship, registered independent organization, and study abroad scholarship awards. The ASUH Constitution requires ASUH to obtain an annual audit. Similar to the H-Zone audit, the performance of this engagement by Internal Audit precluded the need to engage an external audit firm.

- **Operational reviews** – evaluate an area, department, or functional operation with the objective of evaluating efficiency and effectiveness. Examples of operational review projects include reviews of revenue generating units such as the University of Hawai‘i at Hilo Student Housing and the University of Hawai‘i Press.
• **Compliance reviews** – assess the adherence to laws, regulations, policies and procedures. A compliance review may also include assessing compliance with the terms and conditions of contracts/agreements.

• **Follow-up audits** – performed to identify and evaluate management actions implemented in response to a prior audit. Follow-up audits are generally performed during the year following the issuance of the report to assess if management actions have been effectively implemented or if senior management has accepted the risk of not taking action.

Internal Audit consults with University personnel when questions arise with respect to generally accepted accounting principles and its application, accounting and operational process analyses and related internal control matters. Internal Audit also provides guidance and collaborates with auditees in connection with their implementation of Internal Audit recommendations. In addition, Internal Audit may perform and participate in investigation projects as a result of complaints to the BOR office and/or University management.

In addition to the services previously described, Internal Audit provides a maximum of 1,000 hours of external audit assistance to Accuity. External audit assistance provided by Internal Audit has significantly reduced Accuity’s audit fees charged to the University. Assistance provided by Internal Audit during fiscal 2017 included the following:

• Prepared audit schedules and audited certain accounts related to the Consolidated Financial Statements and University of Hawai’i at Mānoa Intercollegiate Athletics agreed-upon procedures pursuant to NCAA regulations. Audit procedures performed by Internal Audit were used and relied upon by Accuity to reduce their extent of audit work.
• Reviewed the University’s Consolidated Financial Statements for the fiscal year ended June 30, 2016. Accuity’s report date was December 15, 2016.
• Reviewed the separate agreed-upon procedures audit (required pursuant to NCAA regulations) of UHM Athletics for the fiscal year ended June 30, 2016. Accuity’s report date was December 15, 2016.
• Attended and participated in all audit status meetings with Accuity and Financial Management Office personnel.

The University’s Consolidated Financial Statements were completed and issued prior to the date requested by the Department of Accounting and General Services of the State of Hawai’i for incorporation into the State of Hawai’i’s Comprehensive Annual Financial Report.

The Director of Internal Audit and Audit Committee Chair and Vice Chair had numerous conversations and met prior to each Audit Committee meeting and throughout fiscal 2017 to discuss various University topics and matters including the following:

• status of external and internal audit engagements;
• questions and comments on reports drafted by Internal Audit or external auditors;
• findings, observations, recommendations and risks identified in connection with projects performed by Internal Audit;
• Whistleblower Hotline matters;
● agenda matters for Audit Committee meetings;
● form and content of reports to be presented to the Audit Committee; and
● other issues or concerns.

Audit Phases
Internal Audit’s audit process commences with the above described Audit Plan. Summarized below are the typical audit phases utilized by Internal Audit in connection with each audit project. An overarching Internal Audit objective is frequent and constant communication with Unit personnel on an ongoing basis. Ongoing and effective communication is critical in validating potential audit issues/findings as well as determining feasible recommendations.

1. Preliminary review:
   Internal Audit gathers and reviews information to obtain a preliminary understanding of the operation, activity or process that will be audited. A preliminary assessment of risks relevant to the audit is conducted.

2. Notification:
   The Director of Internal Audit contacts appropriate University management regarding an audit project(s) that will impact their Unit. The audit purpose and objective, scope, time period covered by the audit, etc. are also discussed.

3. Initial meeting:
   An initial meeting is scheduled to establish the tone for the audit and to discuss the audit’s scope, objectives, timing and expectations. Internal Audit will also request the auditee to describe their Unit’s operations that will be impacted by the audit as well as available resources (personnel, facilities, systems, etc.) and any other issues or concerns.

4. Planning:
   Written documentation of relevant processes and controls is requested and analyzed. Internal Audit will perform a walk-through to confirm the documented processes and controls. Subsequent to the completion of the preliminary risk assessment, an audit plan and program are developed to assist in the performance of an efficient and effective audit. Internal Audit has developed a quality assurance checklist to utilize on all engagements to ensure compliance with applicable professional authoritative literature and Internal Audit’s in-house policies.

5. Fieldwork:
   Fieldwork consists of gathering evidence and analyzing and evaluating that evidence pursuant to the audit program. Audit procedures are performed such that the most significant and high risk audit risk areas are completed first. Internal Audit utilizes Microsoft One Note to manage and electronically file audit documentation and workpapers. All engagement documentation and workpapers are reviewed by the designated supervisor(s).

6. Report draft:
   The drafting of the audit report commences during the performance of fieldwork. Internal Audit schedules a meeting with Unit management to discuss the form and content of the draft report and provides a copy of the draft report concurrently with or subsequent to this meeting. From a
timing perspective, Internal Audit generally provides the preliminary draft report to the auditee at least four (4) weeks prior to the next scheduled Audit Committee meeting. The auditee is requested to provide draft report comments by an agreed upon due date of receiving the initial draft report. Internal Audit incorporates relevant and appropriate comments received by the auditee into the report draft. A revised draft report is generally distributed to the auditee within one business day.

7. Report distribution to the Audit Committee Chair, Vice Chair and BOR Office:
Subsequent to incorporating auditee comments into the draft report, the report draft will be distributed to the Audit Committee Chair and Vice Chair for review and comment. Subsequent to review by the Audit Committee Chair and Vice Chair, the report draft will be forwarded to the BOR Office for distribution to Audit Committee members prior to the Audit Committee meeting. The report draft will be presented by the Director of Internal Audit at the Audit Committee meeting.

8. Management response:
Unit management is generally requested to provide a written response to Internal Audit’s report. The Director of Internal Audit discusses the written response with the Audit Committee Chair and Vice Chair prior to distribution to Audit Committee members. Unit management personnel are requested to attend the Audit Committee meeting to respond to possible Audit Committee member questions and comments.

9. Final report distribution:
Subsequent to the Audit Committee’s review and acceptance of the draft report, Internal Audit finalizes and distributes printed and electronic copies of the report to Unit management and appropriate senior management personnel of the University.

10. Follow-up:
Within approximately one year of audit report issuance, Internal Audit will perform a follow-up audit to assess the implementation of Internal Audit’s recommendations and Unit corrective action.

**Time Allocation**
Similar to other professionals in accounting and auditing, Internal Audit tracks time spent on each project and task. The following chart summarizes the time allocation for the fiscal year ended June 30, 2017 (actual time through April 28\textsuperscript{th} and estimate to complete through June 30\textsuperscript{th}):
Administrative time primarily includes various human resource related functions (e.g., performance of employee evaluations, student hiring, etc.) and office management functions (e.g., review of current year-to-date expenses to budget and prior year expenses, engagement scheduling, etc.). Training time includes the reading of various professional organization periodicals (Association of College and University Auditors, National Association of College and University Business Officers, Journal of Accountancy, etc.) and participating in webinars and on-line courses relating to emerging accounting, auditing and operational issues primarily affecting governmental entities and higher education institutions.

The following table and chart compares Internal Audit’s allocation of total time for the fiscal years ended June 30, 2017, 2016, and 2015:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>76%</td>
<td>73%</td>
<td>74%</td>
</tr>
<tr>
<td>Administrative</td>
<td>5%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Training</td>
<td>3%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Leave</td>
<td>11%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
**Direct Time**

Direct time represents services directly benefiting the University. The following chart summarizes the allocation of direct time by engagement type for the fiscal year ended June 30, 2017:

**Allocation of Direct Time**

- **Operational and compliance** 53%
- **Financial audits and reviews** 23%
- **Attestation** 7%
- **Consultation and investigation** 4%
- **Follow-up** 3%
- **Other** 10%

---

**Leave**

**Holiday**

**Training**

**Administrative**

**Direct**
Other time represents audit related functions, such as preparing for and attending Audit Committee meetings and Audit Committee planning meetings, as well as the preparation of documents for the Audit Committee.

The following table and chart compares Internal Audit’s allocation of direct time for the fiscal years ended June 30, 2017, 2016, and 2015:

<table>
<thead>
<tr>
<th>Operational &amp; Compliance</th>
<th>53%</th>
<th>53%</th>
<th>24%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Audits &amp; Reviews</td>
<td>23%</td>
<td>15%</td>
<td>27%</td>
</tr>
<tr>
<td>Follow-up</td>
<td>3%</td>
<td>10%</td>
<td>34%</td>
</tr>
<tr>
<td>Attestation</td>
<td>7%</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>Consultation &amp; Investigations</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Office of Internal Audit
### Summary of Audit Engagements
#### Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Findings/Conclusions &amp; Comments</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXTERNAL AUDIT ASSISTANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. University of Hawai‘i (Consolidated) financial statements</td>
<td>Audits pursuant to federal requirements. • Provide audit assistance under the direction of Accuity, LLP (Accuity). • Provide support and assistance in connection with all audit reports. • Participate in periodic status meetings with Accuity and Financial Management Office personnel. • Review and provide comments on draft reports.</td>
<td>Accuity’s report noted: • Unmodified audit opinion. • No material weaknesses in internal controls over financial reporting.</td>
<td>Complete. Accepted by the Audit Committee on December 15, 2016.</td>
</tr>
<tr>
<td>2. University of Hawai‘i (Uniform Guidance) Reports</td>
<td></td>
<td></td>
<td>Complete. Accepted by the Audit Committee on December 15, 2016.</td>
</tr>
<tr>
<td>3. UHM Athletics agreed-upon procedures (AUP) report</td>
<td>AUP pursuant to NCAA regulations. • Provide AUP assistance under the direction of Accuity. • Provide support and assistance in connection with the AUP report. • Review and provide comments on draft report.</td>
<td>Accuity’s report noted no exceptions.</td>
<td>Complete. Accepted by the Audit Committee on December 15, 2016.</td>
</tr>
<tr>
<td><strong>AUDIT COMMITTEE ASSISTANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Whistleblower Hotline</td>
<td>The University whistleblower hotline and associated website was launched on June 15, 2016. The Audit Committee will be apprised of the type, nature, status, etc. of hotlines reported received during their periodic meetings.</td>
<td>Most frequently reported complaints relate to human resource matters. Administrators continue to oversee the resolution of reported cases.</td>
<td>Continuous. Report provided for Aug. 2016, Oct. 2016, Feb. 2017, Apr. 2017, and May 2017 Audit Committee meetings.</td>
</tr>
</tbody>
</table>
### Exhibit 1

Office of Internal Audit  
Summary of Audit Engagements  
Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Findings/Conclusions &amp; Comments</th>
<th>Status</th>
</tr>
</thead>
</table>
| 5. Audit Committee Reports – Annual Report to the Board of Regents (BOR) and Hawai‘i State Legislature  
  - Type: Audit Committee Assistance  
  - Period: July 1, 2015 – June 30, 2016 | Assisting the Audit Committee prepare an annual report to the Board of Regents (BOR) and Hawai‘i State Legislature identifying 1) all instances of material weakness in internal controls and 2) all instances of fraud required by HRS §304A-321. | Annual report to the Hawaii State Legislature dated December 19, 2016 noted no instances of material weaknesses in internal controls over financial reporting and no instances of fraud or illegal acts. | • Complete.  
• Discussed at December 15, 2016 Audit Committee meeting. |
| 6. Audit Committee Reports – Annual Report to the BOR  
  - Type: Audit Committee Assistance  
  - Period: July 1, 2016 – June 30, 2017 | Assisting the Audit Committee prepare an annual report to the BOR regarding the Audit Committee’s effectiveness required by HRS §304A-321. | Annual report to the BOR notes that the Audit Committee fulfilled its HRS §304A-321 and Charter responsibilities for the fiscal year ended June 30, 2017. | • Complete.  
• To be presented at the May 2017 Audit Committee meeting. |
## Exhibit 1

### Office of Internal Audit

**Summary of Audit Engagements**

**Fiscal Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
</table>
| **7. University of Hawai‘i at Mānoa (UHM) Student Housing Services** | Review and analyze financial information and the related processes and controls to assess operational issues. | - Prepare an annual budget and analyze budgeted to actual results on a periodic basis (monthly, quarterly, semester) during the fiscal year.  
- Prepare financial reports and budget to actual analysis by property.  
- Compare operational and financial data from subsidiary information systems to financial reports and KFS.  
- Revise processes to mitigate the risk of originating additional uncollectible receivables.  
- Automate the process of corresponding with current residents re: unpaid balances.  
- For conference housing, enforce or modify full payment policy and/or obtain credit card information prior to check-in.  
- Upgrade or install separate utility meters by property and food service facility.  
- Ensure that all agreements are renegotiated timely and comply with UH policies. | Management response letter dated September 29, 2016 agreed with all findings and recommendations.  
The expected date of addressing all findings and recommendations is August 2017. | UHM Student Housing provided a management response update dated January 13, 2017 noting that implementation of the majority of recommendations were in process.  
An evaluation of corrective action status will be performed during fiscal year 2018 by Internal Audit. | Complete.  
- Audit report and original management response accepted by the Audit Committee on October 6, 2016.  
- Management response update (dtd: 1/13/17) provided to the Audit Committee on February 9, 2017. |

*Note: The table continues with similar entries for other engagements.*
### Exhibit 1

**Office of Internal Audit**  
**Summary of Audit Engagements**  
**Fiscal Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
</table>
| 7. UHM Student Housing Services (cont’d) | • Develop standards and expectations for custodial maintenance service to be provided by in-house staff.  
• Document acquisition date, location and condition of furniture to estimate a furniture replacement schedule.  
• Develop a plan to identify, prioritize and manage deferred and preventative maintenance, renovation/upgrade and capital development projects.  
• Evaluate the recordation of capital expenditures to ensure the information is useful and available to mgmt. and is in conformity with GAAP.  
• Submit the required annual reports to the BOR.  
• Consult with tax personnel the tax treatment of free housing provided to certain full-time and student employees. | | | | |
<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. University of Hawai‘i at Hilo Student Housing</td>
<td>- Type: Operational, Financial - Period: Year ended June 30, 2016</td>
<td>Review and analyze financial information and the related processes and controls to assess operational issues.</td>
<td>- Develop and implement a plan to remediate the low occupancy at Hale ʻAlahonua. - Increase communication and collaboration with UHM Student Housing to assess best practices and strengths in areas such as conference housing eligibility, service provider contract terms and the taxability of housing and meals provided to employees. - Analyze the worksheet comparing quarterly forecasted to actual revenues to expenses. - Consult with the Financial Mgmt. Office to obtain complete and accurate capital asset information. - Compare operational and financial data from subsidiary information systems to financial reports and KFS. - Obtain credit card information from conference groups prior to check-in. - Automate the process of emailing residents re: unpaid balances.</td>
<td>Management response letter dated January 27, 2017 agreed with all findings and recommendations. The expected date of addressing all findings and recommendations ranged from February 2017 – June 2018.</td>
<td>An evaluation of corrective action status will be performed during fiscal year 2018 by Internal Audit.</td>
</tr>
<tr>
<td>Engagement</td>
<td>Primary Objective(s)/Audit Scope</td>
<td>Condensed Findings/Conclusions &amp; Comments</td>
<td>Management Response/Action Plan</td>
<td>Implementation Status</td>
<td>Status</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------</td>
<td>------------------------------------------</td>
<td>---------------------------------</td>
<td>-----------------------</td>
<td>--------</td>
</tr>
<tr>
<td>8. University of Hawai‘i at Hilo Student Housing (cont’d)</td>
<td>Ensure that all agreements with third party service providers are renegotiated timely and comply with UH policies. Submit the required annual reports to the BOR. Consult with tax personnel the tax treatment of free housing and meals provided to certain full-time and student employees.</td>
<td>Management agreed with the four (4) findings and has implemented corrective action. Corrective action was deemed appropriate and reasonable by Internal Audit.</td>
<td>Management agreed with the four (4) findings and has implemented corrective action. Corrective action was deemed appropriate and reasonable by Internal Audit.</td>
<td>Internal Audit validated the implementation of corrective action related to the current year findings.</td>
<td>Complete.</td>
</tr>
<tr>
<td>9. Associated Students of the University of Hawai‘i at Mānoa (ASUH)</td>
<td>Type: Attestation Period: July 1, 2015 – June 30, 2016</td>
<td>ASUH personnel complied with written ASUH and University policies and procedures. Internal controls were operating as intended. Instances of non-compliance were noted regarding the monitoring of RIO award Post Activity Report submissions and the verification of Hawaii resident status for Study Abroad Scholarships. Amounts expended were within ASUH approved budgeted amounts.</td>
<td>Management agreed with the four (4) findings and has implemented corrective action. Corrective action was deemed appropriate and reasonable by Internal Audit.</td>
<td>Internal Audit validated the implementation of corrective action related to the current year findings.</td>
<td>Complete.</td>
</tr>
</tbody>
</table>

Internal Audit validated the implementation of corrective action related to the current year findings.
<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
</table>
| 10. Sales Audit of the H-Zone | Perform a sales audit of the H-Zone’s (located at Ward Center) Schedule of Gross Sales in accordance with the lease agreement. | • Issuance of an unmodified report in accordance with AICPA standards.  
• For the year ended 12/31/16:  
  ➢ Gross sales: $818,000  
  ➢ Percentage rent incurred: $8,800 (total rent incurred: $63,000)  
• No findings/recommendations. | N/A | N/A | • Complete.  
• Accepted by the Audit Committee on February 9, 2017. |
| 11. University of Hawai‘i Press | Review and analyze financial information and the related processes and controls to assess operational issues. | • Establish formal guidelines and/or bylaws for the Editorial Board to improve Press’ publishing process.  
• Compare and analyze budgeted financial info. to actual financial results on a periodic basis.  
• Establish gross margins by book (title) and journal and measure actual results against budget.  
• Resolve and reduce the unapplied credit memo balances.  
• Enhance and improve the inventory management process given that there were approximately 500,000 books valued at $0 as of 6/30/16.  
• Evaluate the inventory write-down methodology to validate if annual write-down percentages and the resulting inventory value is reasonable when compared to actual backlist book sales in subsequent years. | Management agreed with all findings and recommendations and will implement recommendations from June 2017 – December 2017. | An evaluation of corrective action status will be performed during fiscal year 2018 by Internal Audit. | • Complete.  
• Accepted by the Audit Committee on April 6, 2017. |
<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. University of Hawai‘i – Capital Improvement Projects and Repairs and Maintenance</td>
<td>Historical evaluations and reviews of the University of Hawai‘i at Mānoa Office of Facilities and Grounds operations performed by APPA, Accuity, and Internal Audit have identified areas for improvement. Internal Audit will review the CIP Procurement process, the project/construction management process, repair and maintenance/work order process and inventory control process.</td>
<td>Preliminary:  - Initiatives to improve the effectiveness and efficiencies in the construction procurement process and project management process commenced during fiscal 2017.  - Process improvements include the establishment of written goals and objectives.  - Previous recommendations to review outstanding work orders to ensure the accuracy and completeness of the work order database is ongoing.</td>
<td>N/A</td>
<td>N/A</td>
<td>Fieldwork is ongoing but substantially complete.  Currently drafting report.</td>
</tr>
<tr>
<td>13. University of Hawai‘i at Mānoa Outreach College</td>
<td>The University of Hawai‘i at Mānoa Outreach College (Outreach College) develops and implements year-round programs. Project objective is to review historical Outreach College financial statements and its related processes and controls in addition to evaluating financial and operational risks and opportunities.</td>
<td>Preliminary:  - Outreach College manages the following on behalf of various UHM colleges, schools and departments: 1) Credit Programs, 2) Summer Session, 3) International Programs, 4) Professional Programs, and 5) Community Programs. For the three years ended June 30, 2016:  - Annual tuition and fees recorded ranged from $28M - $32M.  - Annual administrative fees charged for services provided by Outreach College ranged from $7M - $9M.</td>
<td>N/A</td>
<td>N/A</td>
<td>Fieldwork currently in progress.</td>
</tr>
</tbody>
</table>
### Follow-Up

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
</table>
| 13. University of Hawaiʻi at Mānoa Outreach College (cont’d) | | • Annual payroll expense ranges from approx. $11M - $13M.  
• Outreach College reconciles their internal database management system to Banner and the University’s general ledger (KFS). | | | |
| • Type: Follow-up  
• Period: As of December 2016 | | • Four (4) findings and recommendations identified in the prior year.  
• Update incorporated into current year ASUH report (see no. 9 above). | | | |
| 15. Evaluation of Corrective Action Status – UHM Athletics Equipment and Apparel | Assess the implementation status of corrective action. | | | | |
| • Type: Follow-up  
• Period: As of January 2017 | | • Seven (7) findings and recommendations identified in the prior year.  
• Updated policies and procedures should be completed as soon as possible | | | |
<p>| | | | | | |
| | | | | | |</p>
<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Evaluation of Corrective Action Status – UHM Commuter Services</td>
<td>Assess the implementation status of corrective action.</td>
<td>Six (6) findings and recommendations identified in the prior year.</td>
<td>Two (2) of six (6) recommendations have been implemented as of April 2017.</td>
<td>• Three (3) recommendations will be implemented by June 30, 2017. • Remaining (1) recommendation to be implemented by the Fall 2017 semester.</td>
<td>Complete. Accepted by the Audit Committee on April 6, 2017.</td>
</tr>
<tr>
<td>17. Evaluation of Corrective Action Status – University Purchasing Card Program</td>
<td>Assess the implementation status of corrective action.</td>
<td>Three (3) findings and recommendations identified in the prior year.</td>
<td>Management has informed Internal Audit that identified risks noted in the prior year have been addressed.</td>
<td>Internal Audit in the process of validating management assertions regarding the status of corrective action.</td>
<td>Fieldwork is ongoing but substantially complete. Currently drafting report.</td>
</tr>
<tr>
<td>18. Evaluation of Corrective Action Status – KCC Chancellor’s Office Accounts at UHF</td>
<td>Assess the implementation status of corrective action.</td>
<td>Four (4) findings and recommendations identified in the prior year.</td>
<td>Management has informed Internal Audit that all recommendations have been implemented.</td>
<td>Discussions with management and UHF are ongoing to validate recommendation implementation.</td>
<td>Fieldwork currently in progress.</td>
</tr>
</tbody>
</table>
## Exhibit 1
### Office of Internal Audit
#### Summary of Audit Engagements
##### Fiscal Year Ended June 30, 2017

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Primary Objective(s)/Audit Scope</th>
<th>Condensed Findings/Conclusions &amp; Comments</th>
<th>Management Response/Action Plan</th>
<th>Implementation Status</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>19. University of Hawai‘i at Mānoa Athletics Department</strong></td>
<td>Audit areas may include ticket office operations, booster club operations, sport camp operations, etc.</td>
<td>Consultation with senior management of UHM Athletics did not identify additional areas to audit during fiscal 2017.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Type:</strong> Operational, Compliance, Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Period under audit:</strong> TBD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **20. Community College System**                                          | Audit areas may include evaluating select Community College operations for compliance with the Community College’s Financial and Operational Oversight of Revenue Generating Programs policy (RGP policy). | • Internal Audit historical reports included seven (7) – sixteen (16) recommendations in each audit report issued in connection with certain revenue generating programs at Kapi‘olani (Culinary Arts Program and Office of Continuing Education and Training) and Leeward Community Colleges (Culinary Arts Program)  
• The Community College OAVPAA issued a RGP policy.  
• The RGP policy was deemed reasonable and practicable. | The RGP policy is applicable to all Community College campuses to mitigate the risks identified in historical audit reports. | Evaluation conducted at LCC verified policy implementation and compliance.  
• Internal Audit may assess compliance with the RGP policy at other Community College campuses during fiscal year 2018. | Complete. |
| **Type:** Operational, Compliance, Financial                             |                                                                                                  |                                                                                                          |                                |                      |        |
| **Period under audit:** July 1, 2016 – December 31, 2016                  |                                                                                                  |                                                                                                          |                                |                      |        |

The University of Hawai‘i at Mānoa Athletics Department and the Community College System Office of the Associate Vice President for Administrative Affairs (OAVPAA) may request that Internal Audit provide services to certain aspects of their operations. However, the University of Hawai‘i at Mānoa Athletics Department and the Community College System Office has not yet identified the nature, timing and extent of these services. Any requested services will be presented to the Audit Committee for approval prior to Internal Audit commencing audit work.
Charter of the
Office of Internal Audit
University of Hawai‘i

Mission
The mission of the University of Hawai‘i (University) Office of Internal Audit is to assist the University’s Board of Regents and University Management (President, Senior Management Team, Council of Chancellors) in fulfilling their oversight, management, and operating responsibilities. This is accomplished through providing independent and objective assurance and consulting services conducted in a systematic and disciplined approach to evaluate, add value, and improve the University’s operations.

Organization
The Office of Internal Audit reports directly to the Committee on Independent Audit (Committee) of the Board of Regents and is supported administratively by the Vice President for Budget and Finance/Chief Financial Officer (CFO).

Authority
The Office of Internal Audit functions under the authority of the Committee and is authorized to:

- have unrestricted and timely access to University functions, books, records, information systems, data, personnel, and property as required to accomplish its mission.
- review and evaluate compliance with policies, procedures, statutes, and regulations of any University activity, program or function.
- have unrestricted access to the Committee.
- obtain the necessary assistance of personnel within the University, as well as specialists from outside the University to assist in providing its assurance and consulting services.
- allocate resources of the office, set frequencies and determine the scope of work for all assurance and consulting services.

Responsibilities
The Office of Internal Audit has a responsibility to:

- obtain input from the Committee and University Management regarding significant risks or exposures facing the University.
- discuss the adequacy of the University’s internal controls over financial reporting, including computerized information system controls and security with the Committee and the CFO.
- review and discuss the following with the Committee and the CFO, as it relates to engagements performed by external auditors:
  - audited financial statements and related footnotes;
  - reports as required pursuant to the requirements of Government Auditing Standards and Federal audit requirements (OMB Circular A-133 and Uniform Guidance);
  - other reports promulgated by the American Institute of Certified Public Accountants (AICPA), such as reports on agreed upon procedures;
  - remediation plans to address audit findings and internal control deficiencies.
Charter of the
Office of Internal Audit
University of Hawai‘i

- develop the annual external and internal audit plans and submit the plans to the Committee for review and approval.
- implement the approved annual audit plan, including, as appropriate, any special tasks or projects requested by the Committee and/or University Management based on risk or control concerns.
- provide the Committee with a periodic status on the scope, progress, results of projects included in the internal audit plan, as well as the progress and results of the external audit plan.
- perform requested consulting services to assist the Board of Regents and/or University Management in meeting their responsibilities to the University.
- assist in the investigation of alleged fraudulent activities within the University, if any, as appropriate, and notify the Committee, the Vice President for Legal Affairs/University General Counsel and the CFO of its findings and results.
- with respect to external auditors, the Director of the Office of Internal Audit shall:
  - coordinate all audit activities related to the University;
  - foster a cooperative working relationship;
  - reduce the incidence of duplication of effort; and
  - promote appropriate sharing of information.

Professional Standards and Ethics
The Office of Internal Audit has adopted the following:

Principles

- Integrity
The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
- Objectivity
Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
- Confidentiality
Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
- Competency
Internal auditors apply the knowledge, skills, and experience needed in the performance of internal auditing services.
Rules of Conduct

Integrity
- Perform work with honesty, diligence, and responsibility.
- Observe the law and make disclosures expected by the law and the profession of internal audit.
- Not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession or to the University.
- Respect and contribute to the legitimate and ethical objectives of the University.

Objectivity
- Not participate in any activity or relationship that may impair or be presumed to impair an unbiased assessment. Participation includes those activities or relationships that may be in conflict with the interests of the University.
- Not accept anything that may impair or be presumed to impair professional judgment.
- Disclose all material facts known, that if not disclosed, may distort the reporting activities under review.

Confidentiality
- Exercise prudence in the use and protection of information acquired during the performance of duties.
- Not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the University.

Competency
- Engage only in services for which auditors possess sufficient knowledge, skills, and experience.
- Continually improve the proficiency, effectiveness, and quality of services.

Reporting
The Office of Internal Audit will communicate and distribute the results of services provided by external audit organizations and the Office of Internal Audit to appropriate University personnel. This includes:

External Audits
- Receive and distribute external auditor reports to the Committee, the auditee, appropriate members of University Management and others as directed by the Committee.
- Gather and follow up on comments and questions raised by the Committee, the auditee, University Management and other University personnel regarding external reports.
- Communicate the comments and questions to the external auditors.
- Provide responses to the Committee, the auditee, University Management and other personnel regarding their comments and questions.
Charter of the
Office of Internal Audit
University of Hawai‘i

- Review proposed corrective action responses related to findings and recommendations prepared by University Management and other University personnel.

**Internal Audits**
- Provide periodic summary reports to the Committee Chairperson documenting the results of the procedures performed with respect to projects performed by the Office of Internal Audit pursuant to the internal audit plan.
- At the discretion of the Committee’s Chairperson, provide final reports and other information to the Committee Chairperson and other members of the Committee and Board of Regents.
- Distribute draft reports to the auditee for review and comments.
- Review proposed corrective action responses related to findings and recommendations prepared by the auditee and if applicable, University Management.
- Distribute final reports to the auditee and members of University Management as appropriate.
## Board Self Assessment

This Board Self Assessment is based on the 10 functions identified by the Candidate Advisory Council.

### 1. Employment, Support and Evaluation of the Chief Executive

Selecting, evaluating, supporting and (if necessary) removing the President are among the board’s most important responsibilities. The board must define clear performance expectations, conduct periodic evaluations, provide honest and constructive feedback and balance support of the president with evaluation and accountability.

<table>
<thead>
<tr>
<th></th>
<th>strongly disagree</th>
<th>disagree</th>
<th>neither agree nor disagree</th>
<th>agree</th>
<th>strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The board has developed and communicated clearly defined performance expectations to the President.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>b.</td>
<td>The board has provided the President with the necessary support and feedback that is required.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>c.</td>
<td>The board holds the President accountable for the achievement or non-achievement of the performance objectives.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

### 2. Strategic Planning

The board must be involved in strategic planning for the development of the University of Hawaii System. As part of this duty, the board defines and upholds a vision and mission that clearly reflect student and community expectations. Regents ensure that planning is conducted periodically, participate in the planning process and approve final plans.

<table>
<thead>
<tr>
<th></th>
<th>strongly disagree</th>
<th>disagree</th>
<th>neither agree nor disagree</th>
<th>agree</th>
<th>strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The board ensures that the vision and mission clearly reflects student and community expectations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>b.</td>
<td>The board ensures that strategic planning is conducted, participates in the process, and approves the final plans.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
3. Policymaking to Guide the System

The board established policies consistent with the mission statement and strategic plan to ensure the quality, integrity and ongoing improvement of student learning and other important outcomes of the university system. The board may define strategic priorities and broad goals in policy and then monitor the progress made toward those goals.

a. The board establishes policies consistent with the mission statement and strategic plan.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>disagree</td>
<td>neither agree nor disagree</td>
<td>agree</td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

4. Fiduciary Oversight

The board has a fiduciary duty to ensure the responsible development, management and utilization of financial resources in pursuit of the system’s mission. Regents approve annual budgets, review financial reports, monitor the financial condition of the system and ensure that financial audits are conducted on a regular basis. Regents also are responsible for supporting efforts to attract adequate financial resources to the system.

a. The board approves annual budget, reviews financial reports, and monitors the financial condition of the system.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>disagree</td>
<td>neither agree nor disagree</td>
<td>agree</td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

b. The Internal Audit Committee supervises and reviews an annual internal audit of the University system.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>disagree</td>
<td>neither agree nor disagree</td>
<td>agree</td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

5. Serving as Ambassadors to the Community

Regents are ambassadors of the University system to the community. They must continually work to educate the public about the work of the university system. Conversely, Regents also help interpret the community's needs and expectations for the university system's faculty and administration.

a. The board develops and implements plans for educating the public about the work of the university system.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>disagree</td>
<td>neither agree nor disagree</td>
<td>agree</td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

b. The board interprets and communicates the needs and expectations of the community to the university system's administrators and faculty.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>disagree</td>
<td>neither agree nor disagree</td>
<td>agree</td>
<td>strongly agree</td>
</tr>
</tbody>
</table>
6. Protecting the System from Undue Influence
The board is an independent policy-making body that reflects the public interest in its activities and decisions. It defends the institution from undue influence and pressure from political and special interests. The board supports the professional and academic freedom of administrators and faculty in order to foster quality learning environments that incorporate many different perspectives.

a. The board defends the institution from undue influence and pressure from political and special interests.

   |   |   |   |   |
---|---|---|---|---|
1. strongly disagree | 2. disagree | 3. neither agree nor disagree | 4. agree | 5. strongly agree

b. The board supports the professional and academic freedom of administrators and faculty that foster quality learning environments.

   |   |   |   |   |
---|---|---|---|---|
1. strongly disagree | 2. disagree | 3. neither agree nor disagree | 4. agree | 5. strongly agree

7. Setting An Example of Integrity, Inquiry and Service
The conduct of regents sets the tone for the entire system. Regents create a positive climate when they act with integrity, efficiency and transparency. Alternatively, they fail their institutions when they act in such a way that they create a stifling, negative or dysfunctional atmosphere. Regents should avoid any perception of impropriety or conflict of interest with their financial, personal and family interests. They should inform the board chair and president promptly of any such possibility.

a. The board sets the example for the entire university system by creating a climate and culture where integrity, efficiency, and transparency prevails.

   |   |   |   |   |
---|---|---|---|---|
1. strongly disagree | 2. disagree | 3. neither agree nor disagree | 4. agree | 5. strongly agree
8. Considering Community Interests

Regents are responsible for considering, balancing and integrating a wide variety of interests and needs, including community interests, in formulating policies that benefit the university system. Regents are responsible for knowing community needs and trends, maintaining relationships with communities served by the system and seeking out and considering multiple perspectives when making policy decisions.

a. Regents are knowledgeable about community (local, national, and global) needs and trends.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neither agree nor disagree</td>
<td></td>
<td></td>
<td></td>
<td>agree</td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

b. Regents develop and maintain relations with the communities (internal and external) served by the system.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neither agree nor disagree</td>
<td></td>
<td></td>
<td></td>
<td>agree</td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

c. Based on their knowledge of and relationship with their communities, Regents consider multiple perspectives when making policy decisions.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neither agree nor disagree</td>
<td></td>
<td></td>
<td></td>
<td>agree</td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

9. Acting as a Unit

The board is a corporate body and governs as a unit, with one voice. Individual regents have no power to act on their own or to direct the system’s employees or operations. As individuals, regents make no commitments on behalf of the board to constituents, nor should they criticize or work against board decisions. Regents should speak with one voice, supporting the decisions of the board once made.

a. Individual regents feel free to express and share their points of view during discussions being held on issues brought before the board.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neither agree nor disagree</td>
<td></td>
<td></td>
<td></td>
<td>agree</td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

b. Individual regents make commitments on behalf of the board to their constituents.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neither agree nor disagree</td>
<td></td>
<td></td>
<td></td>
<td>agree</td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>strongly agree</td>
</tr>
</tbody>
</table>

c. A climate of trust, openness, and respect exists within the board.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>neither agree nor disagree</td>
<td></td>
<td></td>
<td></td>
<td>agree</td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>strongly agree</td>
</tr>
</tbody>
</table>
10.. Evaluation of the Board's Performance

Regents must periodically assess their own performance as a board and the policies that govern board conduct. The board should set goals for itself and regularly evaluate progress toward those goals.

a. The performance of the board should be assessed on an annual basis.

   1  strongly disagree
   2  disagree
   3  neither agree nor disagree
   4  agree
   5  strongly agree

b. The results of the board's performance evaluation should be utilized as the basis for a board performance improvement and development plan.

   1  strongly disagree
   2  disagree
   3  neither agree nor disagree
   4  agree
   5  strongly agree

Comments:
I. Purpose

To set forth policy regarding the purposes, policy, responsibility, process and outcomes on board self-evaluation.

II. Definitions:

No policy specific or unique definitions apply.

III. Policy:

A. Purposes.

1. The purposes of a periodic self-evaluation are to enable the board to strengthen its performance, identify and reach consensus on its goals, ensure that the board has a clear grasp of its responsibilities, strengthen relationships among board members and especially with the president, and clarify expectations among board members and with the president.

B. Policy.

1. The board shall conduct a self-study of its stewardship every two years.

C. Responsibility

1. It shall be the responsibility of the president and the chairperson to plan a special workshop devoted entirely to reviewing the board’s work.

D. Process.

1. To allow for necessary planning, a workshop date and meeting site shall be agreed upon by the board at least three months in advance. At least eight hours of meeting time shall be allotted, preferably split between two
consecutive days. Ordinarily, only the regents and the president shall participate.

2. A facilitator not directly connected with the institution may be retained to help plan and conduct the workshop. He/she shall have requisite knowledge of trusteeship, institutional governance, and the conduct of the academic presidency, along with good group-facilitation skills. With his/her assistance, an appropriate written survey may be selected or developed for completion by all board members. A summary of all board member responses to the survey, without attribution, shall be provided to all board members before the workshop. These results shall be the basis for discussion.

3. The board shall not be officially convened to transact university business. Rather, the workshop is intended to explore opportunities to strengthen the board’s effective, including its relationships with the president and stakeholders.

E. Outcomes.

1. The workshop shall be planned and conducted in such a way that the board and the president can decide on explicit actions for subsequent considerations. These shall be summarized in writing within a reasonable time and distributed to all board members. The chairperson and the president shall be responsible for ensuring appropriate follow-up.

IV. Delegation of Authority:

There is no policy specific delegation of authority.

V. Contact Information:

Office of the Board of Regents, 956-8213, bor@hawaii.edu

VI. References:

- http://www.hawaii.edu/offices/bor/

Approved as to Form:

/S/
Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents

Date
The State of Hawai‘i Constitution Article X Education, Section 6, provides that the University of Hawai‘i Board of Regents shall have the power to formulate policy and to exercise control over the university through its executive officer, the president of the university, who shall be appointed by the board. Further, the board shall have exclusive jurisdiction over the internal structure, management and operation of the university. Specifically, Chapter 304A-105, Hawai‘i Revised Statutes (HRS), provides that the Board of Regents shall have management and control of the general affairs and exclusive jurisdiction over the internal structure, management and operation of the university.

In the context of Article X, Education of the state constitution and HRS Chapter 304A-105, the Regents Candidate Advisory Council believes that the Board of Regents is responsible for ensuring that the University of Hawai‘i System and its campuses and research centers are integral parts of their communities and serve the ever-changing needs of the state of Hawai‘i. Furthermore, the Board of Regents is accountable to the community for the quality, integrity and financial stability of the university system.

It is the responsibility of the board to articulate and represent the public interest and to monitor the effectiveness of the system in serving that interest. The primary responsibilities of the board include the appointment and evaluation of the president, policy development, strategic planning and oversight.

In addition to attending meetings of the board, regents are expected to participate on one or more board committees. Examples of Board of Regents Standing Committees include Academic Affairs, Finance and Facilities, Personnel and Legal Affairs, Student Affairs, University and Community Affairs, Community Colleges, Budget and Long-Range Planning and Audit.

The members of the council believe that the regents may be called upon from time to time to discharge functions that may include, but are not limited to, the following:

1. **Employment, Support and Evaluation of the Chief Executive**

Selecting, evaluating, supporting and (if necessary) removing the president are among the board’s most important responsibilities. The board must define clear performance expectations, conduct periodic evaluations, provide honest and constructive feedback and balance support of the president with evaluation and accountability.

---

1 Act 56, 2007 Session, Laws of Hawai‘i, provides that the Candidate Advisory Council (council) shall develop a description of the responsibilities and duties of members of the Board of Regents. Moreover, it is the intent of the council to use its description of various duties of the Board of Regents to assist the council in soliciting, assessing and recommending regent candidates. The council emphasizes that this list of duties represents the collective consensus of all council members and may not necessarily represent the perspective of any one member or the perspective of any constituent group that designated a representative to serve on the council. Similarly, nothing in this document should be construed to imply an endorsement by the Board of Regents as currently constituted, or administrators, faculty or students of the university or any constituent group that designated a representative to serve on the council. No statement in the council’s rules, policies and procedures should be interpreted as supplanting any inconsistent responsibilities and duties imposed on the regents by law.
2. Strategic Planning

The board must be involved in strategic planning for the development of the University of Hawai‘i System. As part of this duty, the board defines and upholds a vision and mission that clearly reflect student and community expectations. Regents ensure that planning is conducted periodically, participate in the planning process and approve final plans.

3. Policymaking to Guide the System

The board establishes policies consistent with the mission statement and strategic plan to ensure the quality, integrity and ongoing improvement of student learning and other important outcomes of the university system. The board may define strategic priorities and broad goals in policy and then monitor the progress made toward those goals.

4. Fiduciary Oversight

The board has a fiduciary duty to ensure the responsible development, management and utilization of financial resources in pursuit of the system’s mission. Regents approve annual budgets, review financial reports, monitor the financial condition of the system and ensure that financial audits are conducted on a regular basis. Regents also are responsible for supporting efforts to attract adequate financial resources to the system.

5. Serving as Ambassadors to the Community

Regents are ambassadors of the university system to the community. They must continually work to educate the public about the work of the university system. Conversely, regents also help interpret the community’s needs and expectations for the university system’s faculty and administration.

6. Protecting the System from Undue Influence

The board is an independent policy-making body that reflects the public interest in its activities and decisions. It defends the institution from undue influence and pressure from political and special interests. The board supports the professional and academic freedom of administrators and faculty in order to foster quality learning environments that incorporate many different perspectives.

7. Setting An Example of Integrity, Inquiry and Service

The conduct of regents sets the tone for the entire system. Regents create a positive climate when they act with integrity, efficiency and transparency. Alternatively, they fail their institutions when they act in such a way that they create a stifling, negative or dysfunctional atmosphere. Regents should avoid any perception of impropriety or conflict of interest with their financial, personal and family interests. They should inform the board chair and president promptly of any such possibility.

8. Considering Community Interests

Regents are responsible for considering, balancing and integrating a wide variety of interests and needs, including community interests, in formulating policies that benefit the university system. Regents are responsible for knowing community needs and trends, maintaining relationships with communities served by the system and seeking out and considering multiple perspectives when making policy decisions.
9. Acting as a Unit

The board is a corporate body and governs as a unit, with one voice. Individual regents have no power to act on their own or to direct the system’s employees or operations. As individuals, regents make no commitments on behalf of the board to constituents, nor should they criticize or work against board decisions. Regents should speak with one voice, supporting the decisions of the board once made.

10. Evaluation of the Board’s Performance

Regents must periodically assess their own performance as a board and the policies that govern board conduct. The board should set goals for itself and regularly evaluate progress toward those goals.
College Board of Trustees and University - Structure and Composition, Governance, Authority, Responsibilities, Board Committees

Independent, nonprofit, and public colleges and universities utilize a board format for their governing structure. These boards are often referred to as a board of trustees (similar terms include board of regents or board of visitors), and they act as the legal agent or "owner" of the institution. As a collective body, the trustees hold the authority and responsibility to ensure the fulfillment of an institution's mission. They are also ultimately responsible for the fiscal health of the college or university. The board of trustees' governing role is typically limited to selection of the president and policy approval, with the daily operations and management of the institution vested in the president.

Structure and Composition

An institution's charter and bylaws dictate its board size. These governing documents are informed by history, tradition, and needs of the institution. A board can range from a small handful of individuals to more than fifty people. Trustees are elected or appointed to the board for a specific term, which may be renewable. Most trustees come from the for-profit corporate world. Many institutions work diligently to assemble a diverse representation of community leaders on their board in an effort to broaden support for the institution. For some state and religiously affiliated institutions the board itself may not select all of the trustees. In the case of public institutions, the governor will usually make the appointments. For religious colleges and universities, the affiliated organization (i.e., a church governing council) will either select or approve the trustees. On occasion, independent colleges and universities will make an individual a life trustee. Life trustees typically have demonstrated an exceptional level of commitment to the institution. Other constituents who may receive a trustee position in an ex officio capacity include alumni, faculty, staff, and students. In some cases these ex officio trustees have full voting rights, while in other cases they are only a representative voice.

Governance

By law, the board of trustees is the governing body for an institution. Many states have established coordinating or consolidated boards that oversee institutional boards of public colleges and universities. A coordinating board may function in an advisory or regulatory capacity. The role of an advisory board is limited to review and recommendation, with no legal authority to approve or disapprove institutional actions, while a regulatory-type coordinating board would have program approval. Consolidated boards within a state usually take the form of one single board for all postsecondary institutions, though they may take the form of multiple boards, with each board responsible for one institutional type (e.g., two-year institutions, four-year institutions). It is not uncommon for states to utilize both coordinating and consolidated boards. On most campuses, tradition and higher-education culture dictate some level of shared governance with faculty. On some campuses, shared governance even extends to staff and students.

Authority

The authority of a board of trustees is derived from the institution's charter. The charter lays out the initial structure and composition of the board. Once the board is in place, it has the power to modify its own structure and composition as it believes necessary. Authority is given to the board as a whole rather than to individual trustees, and individual trustees have little authority and no ownership of an institution. It is
the board, in its entirety, that is recognized as the legal owner of an institution's assets. For some public and religiously affiliated institutions, there may be another board (i.e., a consolidated board) or parent organization (i.e., the church denomination) to which the institutional board is beholden. This will impact, and potentially limit, the board's range of autonomy and authority.

Responsibilities

Typically, the board chair is responsible for setting the agenda of the board. Most often this agenda is established in collaboration with the college president. Other board officers, such as the secretary or treasurer, usually have their associated roles completed by institutional staff. The board, as a group, has several basic responsibilities, including setting or reaffirming the institution's mission, acting as the legal owner of the institution, selecting a president, evaluating and supporting the president, setting board policies, and reviewing institutional performance.

Beyond these responsibilities, most boards are involved with institutional fundraising, strategic planning, and ensuring sensible management. The selection of a president can be the greatest influence a board has on an institution. Boards typically relinquish significant amounts of their power and authority to the president. The president usually takes the lead in setting an agenda for the board, and, therefore, for the institution. As an individual, a trustee is typically expected to support the institution financially, either personally or through influence. Trustees also act as ambassadors in their home community to build support for the institution.

Board Committees

Each board determines the number and type of committees they believe will serve the institution best. The following types of committees are typically found at colleges and universities: Academic Affairs oversees curriculum, new educational programs, and approves graduates; Audit is responsible for ensuring institutional financial records are appropriately reviewed by a third party; Buildings and Grounds reviews and recommends capital improvements and maintenance plans for the campus; the Committee on Trustees is charged with developing a list of potential trustees and reviewing the commitment of current trustees; Executive acts on issues of urgency that arise between full board meetings and sets the board agenda in concert with the president; Finance reviews and recommends institutional budgets; Institutional Advancement ensures appropriate plans are in place for alumni relations, fundraising, and public perception of the institution; Investment oversees the long-term assets of the institution, as well as determining how the endowment funds are invested; and Student Affairs is charged with issues concerning the out-of-classroom experience of students—this may include health centers, recreation facilities, residence halls, and student activities.
The Who, What, How, and Why's of Board Self-Assessments

Why Should Boards Engage In Self-Assessment?

- In order to identify where they are performing well as a board, and where they might improve.
- Discussion about board roles and responsibilities can strengthen communication and understanding among board members. The discussions can lead to stronger, more cohesive working groups.
- A board’s willingness to engage in self-assessment is a model for the rest of the institution. It indicates that board members take their responsibilities very seriously.
- Their interest in self-improvement sets a tone for others in the college to engage in an ongoing review of how education is delivered.

What Should We Expect From a Self-Assessment?

Well-conducted board self-assessments lead to better boards. The results include:

- a summary of board accomplishments
- a better understanding of what it means to be an effective board
- clarification of what trustees expect from each other and themselves
- improved communications among trustees and between the board and CEO
- identification of problems, potential issues, and areas to improve
- an opportunity to discuss and solve problems that may hurt board performance
- identification of strategies to enhance board performance
- renewed dedication to the board
- agreement on board roles and trustee responsibilities
- board goals and objectives for the coming year

Evaluating the performance of the board is not the same as evaluating individual trustee performance. The purpose of the evaluation is to look at the board as a whole, although a side benefit may be that individual board members gain appreciation for the roles and responsibilities of trusteeship.

How Should Boards Evaluate Themselves?

The process generally involves the use of self-assessment instruments. The results of the survey instruments then become the basis for discussion.

Who Should Be Involved In The Evaluation?

Each and every board member should participate in the self-evaluation by completing a board self-assessment instrument (if used), and be involved in the discussion.

The CEO is also an important resource. Varying levels of involvement by the CEO are appropriate, from being a full participant in the process, to contributing advice and support for the process, to providing comments on the board/CEO relationship. Most boards conduct the board and CEO evaluations in tandem, since the success of one entity depends on the effectiveness of the other.

In addition, boards may consider inviting comments from those who are part of the management team. Their perspectives can add valuable insight to the board process. However, evaluations that involve others need to be carefully designed so that the information is based on a board established criteria of effectiveness.
Should the Board and CEO Evaluations be Linked?

The board and CEO work together in leading the institution - the board governs, and the CEO leads and administers on a day-to-day basis. It is difficult to evaluate the board without reference to the CEO’s contributions, and vice versa.

No matter the process, boards should recognize that when evaluating the CEO, their support of the CEO is an important contribution to the success of the CEO. Conversely, when conducting self-assessments, the CEO’s support and advice contributes to board success.

How Often Should Boards Evaluate Themselves?

Formal self-assessments should occur annually. Getting into the habit of regular evaluations makes the process part of the board and college culture, and lessens resistance to self-assessment.

New boards, or boards with a significant number of new members, may wish to hold sessions more often as the members are learning to work together as a team.

What Criteria Should We Use?

A basic self-assessment question is: "Are we doing what we said we will do?" If the purpose of the evaluation is to answer that question the criteria used in the self-assessment process includes what the board has defined as its roles and the policies the board has for its own operations and behavior.

Another question is: "How does the board rank itself against commonly accepted standards of boardsmanship?" In this case, the criteria used may be those established by national and state associations.

In either case, some possible categories are listed below.

- Board Organization
- Community Representation
- Policy Direction
- Board-CEO Relations
- College Operations
- Monitor Institutional Performance
- Board Behavior
- Advocacy
- Board Education

How Should We Use The Results of a Board Self-Assessment?

The average ratings on a board self-assessment instrument, a summary of interviews, or key points in a group discussion identify the strengths of the board and areas for improvement.

The strengths should be celebrated and boards should congratulate themselves on their good work. The strengths are used to help the board improve.

Areas of improvement should be explored to identify the dynamics that contribute to any problems or weaknesses. Strategies to address the issues may include board retreats or workshops on a specific topic, study sessions or reading in an area where knowledge or clarification is needed.

Three to six board goals or activities for the coming year may be established, based on the evaluation and performance on prior year goals. These goals become the basis for the board’s long-range or annual agenda.
From the Hawaii State Constitution, Article X

Section 5. The University of Hawaii is hereby established as the state university and constituted a body corporate. It shall have title to all the real and personal property now or hereafter set aside or conveyed to it, which shall be held in public trust for its purposes, to be administered and disposed of as provided by law.

Section 6. There shall be a board of regents of the University of Hawaii, the members of which shall be nominated and, by and with the advice and consent of the senate, appointed by the governor from pools of qualified candidates presented to the governor by the candidate advisory council for the board of regents of the University of Hawaii, as provided by law. At least part of the membership of the board shall represent geographic subdivisions of the State. The board shall have the power to formulate policy, and to exercise control over the university through its executive officer, the president of the university, who shall be appointed by the board. The board shall also have exclusive jurisdiction over the internal structure, management, and operation of the university. This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern.

From Hawaii Revised Statutes

§26-11 University of Hawaii. (a) The University of Hawaii shall be headed by an executive board to be known as the board of regents.

The board shall consist of fifteen members. At least one member shall be a University of Hawaii student at the time of the initial appointment. This member may be reappointed for one additional term even though the member may no longer be a student at the time of reappointment. The governor shall reduce the terms of those initially appointed to each seat on the board of regents to provide, as far as practicable, for the expiration of three terms each year; provided that the term of the student member shall not be reduced.

At least twelve members, except for the student member, shall represent and reside in the specified geographic areas as follows:

(1) Two members from the county of Hawaii;
(2) Two members from the county of Maui;
(3) One member from the county of Kauai; and
(4) Seven members from the city and county of Honolulu.

The board shall have the power, in accordance with the Hawaii constitution and with law, to formulate policy and to exercise control over the university through its executive officer, the president of the university. The board shall have exclusive jurisdiction over the internal organization and management of the university.

(b) The board of regents shall appoint and may remove an executive officer to be known as the president of the University of Hawaii.
The University of Hawaii as heretofore constituted as a body corporate is continued as the University of Hawaii established by this chapter.

304A-102 Purposes of the university. The purposes of the university are to give thorough instruction and conduct research in, and disseminate knowledge of, agriculture, mechanic arts, mathematical, physical, natural, economic, political, and social sciences, languages, literature, history, philosophy, and such other branches of advanced learning as the board of regents from time to time may prescribe and to give such military instruction as the board of regents may prescribe and that the federal government requires. The standard of instruction shall be equal to that given and required in similar universities on the mainland United States. Upon the successful completion of prescribed courses, the board of regents may confer a corresponding degree upon every student who becomes entitled thereto.

§304A-103 University to be public corporation; general powers. The University of Hawaii is established as the state university and is constituted as a body corporate. The university, under the direction of the board of regents, shall have the following general powers:

(1) To adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law;

(2) To acquire in any lawful manner any property, real, personal, or mixed, tangible or intangible, or any interest therein; to hold, maintain, use, and operate that property; and to sell, lease, or otherwise dispose of that property at such time, in such manner, and to the extent deemed necessary or appropriate to carry out its purposes;

(3) To enter into and perform contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on terms it may deem appropriate, with any agency or instrumentality of the United States, with any state, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, or corporation;

(4) To determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to the university;

(5) To execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; and

(6) To take such actions as may be necessary or appropriate to carry out the powers conferred upon it by law.

§304A-104 Regents; appointment; tenure; qualifications; meetings. (a) The affairs of the university shall be under the general management and control of the board of regents. The board shall consist of fifteen members who shall be appointed by the governor from lists of qualified candidates presented to the governor by the candidate advisory council, pursuant to section 304A-104.6, and shall be confirmed by the senate; provided that if the list of qualified candidates includes fewer than three candidates at any time during the nomination and confirmation process, the governor may request that the candidate advisory council reopen recruitment for qualified candidates. Members may be removed by the governor. Except as otherwise provided by law, state officers shall be eligible for appointment and membership.
The term of each member shall be five years, except as provided for the initial appointment in section 26-11; provided that the term of the student member shall be two years. Every member may serve beyond the expiration date of the member's term of appointment until the member's successor has been appointed by the governor and confirmed by the senate in accordance with article X, section 6 of the Hawaii State Constitution. Members shall serve no more than two consecutive five-year terms; provided that the members who are initially appointed to terms of two years or less pursuant to section 26-11(a) may be reappointed to two ensuing five-year terms. If a member is to be appointed to a second term of five years, the senate shall consider the question of whether to reconfirm the member at least one hundred twenty days prior to the conclusion of a member's first five-year term; provided that if the senate is not in session within one hundred twenty days prior to the conclusion of the member's first five-year term, the member shall continue to serve until the senate convenes for the next regular session or the next special session for which the senate is authorized to consider the question of reconfirmation.

(b) In determining whether to confirm the governor's nominee to the board of regents, the senate shall consider the combination of abilities, breadth of experiences, and characteristics of the board of regents, as a whole, that will best serve the diverse interests and needs of the students of the university system and assist the university system in achieving its strategic goals and performance indicators. The senate shall consider whether the board reflects the diversity of the student population, the various counties of the State, and a broad representation of higher education-related stakeholders.

(c) At its first meeting after June 30 of each year, the board of regents shall elect a chairperson and one or more vice-chairpersons who shall serve until the adjournment of the first meeting of the board of regents after June 30 of the next year, or thereafter until their successors are elected; provided that the chairperson and vice chairpersons shall not be elected prior to the taking of office of regents whose terms shall begin on July 1 of that year. The board shall appoint a secretary, who shall not be a member of the board. The president of the university shall act as executive officer of the board. A majority of the board of regents shall constitute a quorum to conduct business, and the concurrence of a majority of all the members to which the board of regents is entitled shall be necessary to make any action of the board of regents valid. The board shall meet at least ten times annually and, from time to time, may meet in each of the counties of Hawaii, Maui, and Kauai.

(d) The governor shall notify the candidate advisory council for the board of regents of the University of Hawaii in writing within ten days of receiving notification that a member of the board of regents is resigning or has died, or is being removed by the governor.

(e) The members of the board of regents shall serve without pay but shall be entitled to their travel expenses within the State when attending meetings of the board or when actually engaged in business relating to the work of the board.

§304A-105 Powers of regents; official name. (a) The board of regents shall have management and control of the general affairs, and exclusive jurisdiction over the internal structure, management, and operation of the university. The board may:

(1) Appoint a treasurer and other officers as it deems necessary;

(2) Authorize any officer, elected or appointed by it, to approve and sign on its behalf any voucher or other document that the board may approve and sign;

(3) Delegate to the president or the president's designee the authority to render the final decision in contested case proceedings subject to chapter 91, as it deems appropriate;
(4) Purchase or otherwise acquire lands, buildings, appliances, and other property for the purposes of the university; and

(5) Expend any sums of money as, from time to time, may be placed at the disposal of the university from whatever source; provided that notwithstanding any other law to the contrary, all documents regarding expenditures and changes thereto, made by the board shall be disclosed in open meetings for the purpose of public comment; provided further that all expenditure requests, proposals, and any other budgetary documents used by the board at an open meeting shall be made available to the public at least six calendar days before the meeting.

All lands, buildings, appliances, and other property so purchased or acquired shall be and remain the property of the university to be used in perpetuity for the benefit of the university. The board, in accordance with this section and other law, shall manage the inventory, equipment, surplus property, and expenditures of the university and, subject to chapter 91, may adopt rules, further controlling and regulating the same.

(b) The board of regents shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the powers of the board set forth in section 304A-2672, and the goals of public accountability and public procurement practices, subject to chapter 103D.

(c) The board of regents may enter into concession agreements without regard to chapter 102.

(d) The official name of the board shall be the board of regents, University of Hawaii. The board shall adopt and use a common seal by which all official acts shall be authenticated.
Overview of Regents and Presidential Scholars

BOR Meeting
July 20, 2017
Dr. Hae Okimoto
• Regents and Presidential Scholars (RAPS) was established in 1987

• Both scholarships include:
  • Tuition waiver (covered by campus)
  • $2,000/semester stipend (covered by RAPS endowment fund)
  • A one-time, $2,000 travel stipend (covered by RAPS endowment fund)

• Campuses select recipients
Regents Scholars

- Awarded to 20 outstanding freshmen
- Qualifications:
  - SAT total score of at least 1,950 (old test) or 1,380 (new test) or ACT combined score of at least 29;
  - 3.5 GPA in academic subjects in HS
  - Remarkable extracurricular activities
- GPA needed to maintain their scholarship...
  - 3.0 as freshmen and sophomores
  - 3.5 as juniors and seniors
Presidential Scholars

- Awarded to 10 college juniors
- Qualifications:
  - 3.7 cumulative GPA for all college level work
  - Record of sustained academic progress
  - Evidence of superior academic achievement or creative endeavor
- GPA needed to maintain their scholarship...
  - 3.5 as juniors and seniors
Noteworthy Scholarship Designations

• Sen. Daniel K. Akaka Regents Scholarship
  • Funds one new Regents Scholar each year
  • Supports students of Native Hawaiian ancestry

• Victor Chu Scholarship
  • Funds one Regent Scholar, and one Presidential Scholar in an academic year
  • A new Regents Scholar is named every four years; a new Presidential Scholar is named every two years
  • Supports students with an interest in STEM
## RAPS Alumni by Cohort Year

<table>
<thead>
<tr>
<th>Scholar</th>
<th>Cohort Year</th>
<th>Where They Are Now…</th>
</tr>
</thead>
<tbody>
<tr>
<td>King, Oliver</td>
<td>1988</td>
<td>Asst Professor, Univ of Mass Medical School</td>
</tr>
<tr>
<td>Lepani, Katherine</td>
<td>1989</td>
<td>Senior Research Associate, School of Culture, History and Language, Australian National Univ</td>
</tr>
<tr>
<td>Nohara, Sherry</td>
<td>1991</td>
<td>Senior Attorney, US Department of Homeland Security</td>
</tr>
<tr>
<td>Jandoc, Wilma</td>
<td>1995</td>
<td>Copy Editor at Honolulu Star-Advertiser</td>
</tr>
<tr>
<td>Goshi, Darren</td>
<td>1999</td>
<td>Honeywell R&amp;D scientist</td>
</tr>
<tr>
<td>Nagata-White, Dallas</td>
<td>2004</td>
<td>Photographer / Owner, D'Amour Pacific Photography</td>
</tr>
<tr>
<td>Cheng, Henry</td>
<td>2006</td>
<td>Pursuing PhD in Bioengineering &amp; MA in Public Policy, Stanford University</td>
</tr>
<tr>
<td>Dang, Jonathan</td>
<td>2009</td>
<td>Adjunct Instructor, Red Rocks Community College, Philosophy Department</td>
</tr>
</tbody>
</table>
University of Hawai‘i Board of Regents
and
President David Lassner
cordially invite you and two guests
to a dinner honoring

2017 UH Regents and Presidential Scholars

Thursday, July 20, 2017
5:30 p.m. – Registration
6:15 p.m. – Dinner and Program

University of Hawai‘i at Mānoa
Campus Center Ballroom
2500 Campus Road
Honolulu, Hawai‘i
Aloha Attire

RSVP by July 13
808-956-9340 • events@uhfoundation.org • www.uhfoundation.org/RAPS2017

Complimentary parking in Zone 13 • Parking pass to be mailed after registering

Please indicate the names of your guests and their relationship to you.
2017 Regent Scholars

Tarah Aniya, Mililani
Jonah Bobilin, Island Pacific
Makenzie Cammack, Hawai‘i Baptist
Willy Chang, Roosevelt
Sydney Dempsey, Maui
Joshua Hu, Trinity Christian
Lian Huang, McKinley
Sarah Igarashi, Mililani
Kacie Kajihara, Kalani
Kelsey Ann Kimura, Iolani
Adrian Kresnak, Hanalani
Nathan Mashiyama, Mililani
Christina Masutani, Leilehua
Amber O'Leary, Leilehua
Jocelyn Pham, La Pietra
Noah Rodrigues, Mililani
Erica Sawczynec, Kihei Public Charter
Sophia Smith, Hawai‘i Academy
Alexandria Tyau, Maui
Eleanor Yuan, Kaiser

Note: Name followed by high school attended
2017 Presidential Scholars

Giselle Bryant, Kaua‘i CC
Nikki Dutro, Leeward CC
Asia Helfrich, Hawai‘i CC
Jacqueline Kapu, Maui College
Jaclyn Lee, UH Mānoa
Cyrus Ma, Kapi‘olani CC
Andrew Menor, UH Mānoa
Diane Ramos, Leeward CC
Alyson Shoji, Kapi‘olani CC
Naomi Wang, UH Mānoa

Note: Name followed by last campus attended
TITLE IX

“No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance.”

EVOLUTION OF TITLE IX

1972
Title IX of the Education Amendments 20 U.S.C. § 1681 et seq.

1979
HEW issues interpretation on Title IX & Intercollegiate Athletics: “3 Prong Test”

1990

1994
Equity in Athletics Disclosure Act: (EADA) Requires annual reporting about athletic programs by all institutions that participate in federal financial aid program

2001
Dear Colleague Letter issues interpretation and guidance on Title IX & Sexual harassment

2013
VAWA Reauthorized: Amended to include college campuses

1975
Title IX Regulations 34 C.F.R. Part 106

1980
US Dept. of Education established to oversee and interpret Title IX through OCR

1992
NCAA published Gender Equity study of member institutions

1994
Violence Against Women Act (VAWA) 42 U.S.C. 13701

1996
2nd UHM Gender Equity Plan (NCAA Requirement)

2011
Dear Colleague Letter issues guidance and practical examples on Title IX & Sexual Violence
Item IX.A.
Executive Session
Personnel

ITEMS TO BE DISCUSSED AT EXECUTIVE SESSION
Item IX.B.
Executive Session
Legal Matters

ITEM TO BE DISCUSSED AT EXECUTIVE SESSION
**A-1: Personnel Actions**

<table>
<thead>
<tr>
<th>Campus</th>
<th>Last Name</th>
<th>First Name &amp; Middle Initial</th>
<th>Proposed Title</th>
<th>Unit</th>
<th>Nature of Action</th>
<th>Monthly Salary</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>System</td>
<td>Straney</td>
<td>Donald</td>
<td>Vice President for Academic Planning and Policy</td>
<td>Office of the Vice President for Academic Planning and Policy</td>
<td>Reassignment</td>
<td>$20,834</td>
<td>August 1, 2017</td>
</tr>
<tr>
<td>UH Hilo</td>
<td>Sakai</td>
<td>Marcia</td>
<td>Interim Chancellor</td>
<td>Office of the Chancellor</td>
<td>Appointment</td>
<td>$20,834</td>
<td>August 1, 2017 - July 31, 2018</td>
</tr>
</tbody>
</table>

Recommendation: That the Board approve the personnel actions as recommended.

David Lassner  
President