

**Notice of Meeting
UNIVERSITY OF HAWAI'I**

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT

Members: Regents Moore (Chair), Nahale-a (Vice-Chair), Acoba, Higaki, and Wilson

Date: Thursday, October 1, 2020

Time: 10:30 a.m.

Place: Virtual Meeting

In light of the evolving COVID-19 situation, protecting the health and welfare of the community is of utmost concern. As such, this will be a virtual meeting and written testimony and oral testimony will be accepted in lieu of in-person testimony. Meetings may be monitored remotely via the livestream pilot project. See the Board of Regents website for information on accessing the livestream: www.hawaii.edu/bor. Mahalo for your consideration.

AGENDA

- I. Call Meeting to Order**
- II. Approval of Minutes of the August 6, 2020 Meeting**
- III. Public Comment Period for Agenda Items:**

All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Written testimony may be submitted via the board's website through the testimony link provided on the [Meeting Agendas, Minutes and Materials](#) page. Testimony may also be submitted via email at bor.testimony@hawaii.edu, U.S. mail, or facsimile at (808) 956-5156. All written testimony submitted are public documents. Therefore, any testimony that is submitted for use in the public meeting process is public information and will be posted on the board's website.

Those wishing to provide oral testimony for the virtual meeting may register [here](#). Given constraints with the online format of our meetings, individuals wishing to orally testify must register no later than 7:00 a.m. on the day of the meeting in order to be accommodated. It is highly recommended that written testimony be submitted in addition to registering to provide oral testimony. Oral testimony will be limited to three (3) minutes per testifier.

- IV. Agenda Items**
 - A. Review and Acceptance of Response to the Office of Internal Audit Revenue Bond Covenant and Policy Compliance Report
 - B. Review and Acceptance of Status of Corrective Action for University of Hawai'i at Hilo Student Housing Services

- C. Professional Development: Review of AICPA Toolkit for Government Organizations: Audit Committee Roles and Responsibilities, Charter Matrix, and Financial Expertise Considerations of Decision Tree
- D. Accuity University of Hawai'i Required Communications – Planning Phase
- E. Whistleblower Report
- F. Office of Risk Management Fiscal Year (FY) 2019 and FY 2020 Annual Reports

V. Adjournment

DISCLAIMER – THE FOLLOWING ARE DRAFT MINUTES AND ARE SUBJECT TO FURTHER REVIEW AND CHANGE UPON APPROVAL BY THE COMMITTEE

MINUTES

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT MEETING

AUGUST 6, 2020

Note: On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern, subsequently declaring it a pandemic on March 11, 2020. On March 16, 2020, Governor David Y. Ige issued a supplementary proclamation that temporarily suspended Chapter 92, Hawaii Revised Statutes, relating to public meetings and records, “to the extent necessary to enable boards to conduct business in person or through remote technology without holding meetings open to the public.”

I. CALL TO ORDER

Vice-Chair Alapaki Nahale-a called the meeting to order at 9:08 a.m. on Thursday, August 6, 2020. The meeting was conducted virtually with regents participating from various locations.

Committee members in attendance: Vice-Chair Alapaki Nahale-a; Regent Simeon Acoba; Regent Wayne Higaki; Regent Randy Moore; and Regent Ernest Wilson.

Others in attendance: Board Chair Benjamin Kudo; Regent Eugene Bal; Regent Jan Sullivan; Regent Michelle Tagorda; Regent Robert Westerman (ex officio committee members); President David Lassner; Vice President (VP) for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Academic Planning and Policy Donald Straney; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; UH-Mānoa (UHM) Provost Michael Bruno; UH-Hilo (UHH) Chancellor Bonnie Irwin; UH-West O‘ahu Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. ELECTION OF COMMITTEE CHAIRPERSON

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

Vice-Chair Nahale-a opened the floor for nominations. Regent Wilson nominated Regent Moore to serve as Chair and the motion was seconded by Regent Higaki. There being no other nominations, Vice-Chair Nahale-a declared the nominations closed and he requested that a roll-call vote be conducted. With all members present voting in the affirmative, Regent Moore was elected to serve as the Chair of the Committee on Independent Audit.

Chair Moore proceeded to conduct the remainder of the meeting.

III. APPROVAL OF MINUTES

Regent Wilson moved to approve the minutes of the June 4, 2020, meeting, seconded by Regent Higaki, and the motion carried, with all members present voting in the affirmative.

IV. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office did not receive any written testimony, and no individuals signed up to provide oral testimony.

V. AGENDA ITEMS

A. Committee Work Plan

Chair Moore referenced the Committee Work Plan (Work Plan) that was provided to committee members in the materials packet noting that the Board Office had prepared the Work Plan based upon what the committee has historically done, as well as work it is required to complete under State law and the board bylaws. Chair Moore stated that it was his intent to use the Work Plan as an outline to guide the work to be performed by the committee during the coming year, update the Work Plan as necessary, and use the Work Plan as a record of the committee's accomplishments at the end of the year.

B. Review of Internal Audit Work Plan for 2020-2021

Chair Moore noted that the Internal Audit Work Plan for 2020-2021 which outlined the work to be performed by the Office of Internal Audit (OIA) during the coming year was presented to, and approved by, the committee at its June 4, 2020, meeting. Issues may need to be added to OIA's Work Plan as the year progresses and the committee will appropriately address those issues should it become necessary.

C. Review and Acceptance of Office of Internal Audit (OIA) Report on the Status of Corrective Action Related to Sodexo Food Service Contracts

Glenn Shizumura, Director of OIA, reported that OIA reviewed the university's monitoring of, and Sodexo's compliance with, the terms and conditions of four separate food service contracts the university has with Sodexo to provide food services for UHM, UHH, the UHM Athletics Department, and the University of Hawaii Maui College during the year ended June 30, 2019. On March 15, 2019, OIA issued a report of its findings and recommendations. OIA identified minimal and insignificant instances of noncompliance for three of the four food service contracts. He stated that all the issues identified in the evaluation have been addressed and that all suggested corrective actions have been implemented to the satisfaction of OIA.

Internal Auditor Shizumura added that OIA also compared the terms and conditions among the four Sodexo contracts for consistency noting that monitoring the various contract terms across the four contracts requires substantial effort. OIA suggested that

the university give future consideration to the feasibility of entering into a single food services contract to drive efficiencies in contract management and monitoring.

Regent Acoba asked what issues, if any, were preventing the administration from accepting OIA's recommendation for the university to enter into a single food service contract. Internal Auditor Shizumura replied that OIA was simply suggesting that future consideration be given to consolidating all food service contracts into a single food services contract at the appropriate time. It was his understanding that each of the current Sodexo contracts were tailored towards specific needs of each of the contract signatories and that UHM was currently renegotiating its current food service contract.

VP Young added that the administration does not disagree with OIA's recommendation that a single food service contract could improve efficiencies. However, each of the four contracts currently in existence has different termination dates and each is structured in ways to meet the unique needs and dynamics of the campuses or units that hold these contracts. While establishing a single food services contract may be possible in the future, it would currently be difficult to do so given all the variables involved with the existing food services contracts.

Regent Acoba questioned whether it was the intent of the administration to pursue a single food services contract. VP Young replied that the administration will not be pursuing a single food services contract given the current situation but that this does not preclude the administration from pursuing this effort in the future when the circumstances are more optimal.

Given the statement made by VP Young, Regent Acoba asked Internal Auditor Shizumura if OIA still maintained its position regarding a single food services contract. Internal Auditor Shizumura replied in the affirmative but noted that, given the current situation, it was his opinion that the administration was taking a reasonable approach. He reiterated that OIA's recommendation was intended to be for future consideration when contracts are renegotiated.

Regent Acoba stated that he would abstain from approving the Sodexo report because the matter of a single contract or multiple contracts had not been finally resolved especially since the recommendation from the Internal Auditor was that given the extensions to the Sodexo contracts at UHM and UHH, OIA still believed that the university should reevaluate the feasibility and benefits of a single food service contract and the administration had chosen to go with separate contracts.

Regent Acoba stated that it was his recollection that Sodexo had an issue with vermin control in the past and inquired as to whether this issue had been addressed and resolved. Internal Auditor Shizumura replied that he did not recall any issues regarding vermin control with Sodexo. Regent Acoba asked if Internal Auditor Shizumura could review OIA's records and provide follow-up to the committee on this issue. Internal Auditor Shizumura stated that he would research this issue and provide an update to the committee as to whether such an issue existed.

Regent Higaki moved to accept OIA's Report on the Status of Corrective Action Related to Sodexo Food Service Contracts, seconded by Regent Wilson, and noting the abstention of Regent Acoba, the motion carried with all other members present voting in the affirmative.

D. Review and Acceptance of the OIA Report on the Implementation Status of Government Accounting Standards Board Statement No. 87 (GASB 87), Leases

Internal Auditor Shizumura reported that in June of 2017, GASB 87 was issued and replaces the current operating and capital lease categories required by historical governmental accounting rules with a single lease accounting model based on the concept that leases are a means to finance the right to use an asset. Although GASB 87 was issued in 2017, its effective date was deferred until fiscal years beginning after June 15, 2021. He stated that, for the university, GASB 87 must be implemented for the fiscal year ended June 30, 2022, with retroactive accounting application required if practicable. Accordingly, the university will be required to apply GASB 87 to leases for the year ended June 30, 2021, for presentation in the university's Consolidated Financial Statements (CFS) for the year ended June 30, 2022.

Although the university's General Accounting Office (GAO) has yet to develop a formalized written GASB 87 implementation plan, it has created an initial listing of university leases with input from various fiscal administrators. OIA's preliminary review of this list noted a number inconsistencies, errors, and incomplete information. OIA was informed that GAO did not perform a detailed review of the lease listing. OIA's recommendation is that GAO develop a formal GASB 87 implementation plan, including establishment of milestones, and develop processes and procedures to ensure that GASB 87 is adopted by the university in a timely fashion. Subsequent to the completion and issuance of the university's CFS for the year ended June 30, 2020, OIA will evaluate GAO's overall implementation status of GASB 87.

Regent Acoba questioned when OIA would re-evaluate whether the administration's list of leases is complete and accurate. Internal Auditor Shizumura responded that the audited financial statements are generally provided to the committee in December of the year for which the statements are due and OIA anticipates receiving the 2020 statements at the end of this year. Once the statements are received and approved by the committee, OIA will begin evaluating the university's progress towards implementation of GASB 87, including the accuracy of the lease listing. Regent Acoba inquired further as to the importance and necessity of having a complete and accurate listing of the university's leases. Internal Auditor Shizumura replied that GASB 87 eliminates the difference between operating leases and capital leases and that without an accurate listing of all leases entered into by the university, the university's CFS could be materially misstated.

Regent Wilson moved to accept OIA's Report on the Implementation of GASB 87, seconded by Regent Higaki, and the motion carried with all other members present voting in the affirmative.

VI. ADJOURNMENT

There being no further business, Regent Higaki moved to adjourn, seconded by Regent Wilson, and with all members present voting in the affirmative, the meeting was adjourned at 9:34 a.m.

Respectfully Submitted,

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents



20 SEP 24 18:56

August 26, 2020

TO: Glenn Shizumura
Director, Office of Internal Audit

VIA: Amy Kunz *SSK*
Associate Vice President for B&F/Controller

FROM: Kalbert K. Young *[Signature]*
Vice President for B&F/CFO

SUBJECT: Response to April 2020 Office of the Audit Revenue Bond Covenant and Policy Compliance Report

The following are responses to the Office of Internal Audit Revenue Bond Covenant and Policy Compliance Report.

Section V – Overall Conclusions and Recommendations

From Internal Audit Report

The UBS management has not yet finalized written processes and procedures with respect to the Bonds pre-issuance planning, issuance and post-issuance compliance processes. Draft process and procedures documentation commenced in 2014 and are anticipated to be completed by the end of 2020. Internal Audit was informed that the revised post-issuance compliance processes and procedures will be incorporated into a revised AP 8.560. Internal Audit's review of a draft of the AP 8.560 revision noted no procedures to monitor Bond covenant compliance which could result in an Event of Default. Accordingly, Internal Audit recommends that UBS management consider the following:

1. Processes and Procedures - finalize and adopt draft written processes and procedures for the pre-issuance planning and issuance processes.

2. Policies
 - a. Finalize a revised AP 8.560 that includes:
 - 1) Clarification of supervisory responsibility to monitor performance of UBS duties.
 - 2) Responsibility to determine whether the Bonds will be taxable or nontaxable.
 - 3) Policies and procedures to monitor Bond covenant compliance.
 - b. Review and, if necessary, revise EP 2.212 as the stated review date is August 2018

Response

Initially in 2014 the pre- and post-issuance process was being incorporated in AP 8.560. Subsequently, decision was made to have separate documents. The pre-issuance items are in the draft Revenue Bond Issuance Process document and the post-issuance items are in the draft AP revision.

1. Since 2014, the University has hired a new Director of Financial Management and had been working on a revenue bonds issuance transaction in late FY20. The revenue bond transaction is anticipated for late calendar 2020. The Revenue Bond Issuance Process draft will be updated/revised accordingly after going through the revenue bond issuance. The Revenue Bond Issuance Process document will be completed by December 2020.
2. Policies
 - a. There has been two Revenue Procedures issued by the IRS on management contracts since 2014 so the draft AP 8.560 will be revised accordingly. Internal Audit's recommendations will be considered in the review and update process to be completed by December 2020.
 - b. EP 2.212 will be reviewed and updated as necessary by December 2020.

From Internal Audit Report

BLX reporting has not indicated any post-issuance compliance or arbitrage issues. However, the BLX contract expired in December 2018 and no private use analysis procedures have been performed since contract expiration. Internal Audit recommends that UBS personnel perform procedures to gain assurance that the Bonds comply with all federal, State of Hawai'i, University resolution, Tax Certificate, and Official Statement requirements, as applicable to the respective Bond. On a prospective basis, Internal Audit believes that substantially all services provided by BLX (as described in section IV.D. *Work to be Performed by UBS*) can be performed internally by the UBS office given the compliance methodologies, tools and instruction provided by BLX. Given the potential complexities of the private business use analysis, should external assistance be required or should issues arise indicating possible noncompliance, the UBS Office should consult with OGC regarding retaining legal assistance from OGC personnel or external counsel with private business use compliance experience.

Response

Fiscal Year 2019 data collection of questionnaires and contracts for tax-exempt bond financed projects has begun to gain some assurance of compliance with private business use of tax-exempt bond financed property.

The UBS office will continue to perform section IV.D. services that they have been doing along with other listed services that can be effectively performed. Given the importance of complying with federal tax laws, private business use and arbitrage rebate analysis and compliance services should continue to be done by third party experts.

Private business use – The Financial Management Office has been working with the Office of Procurement Management to get a contract for the private business use analysis and compliance services. Invitation to Submit Proposals was sent to potential contractors, and the review committee will be reviewing the proposals that were submitted.

Arbitrage – The University along with the other State agencies with tax-exempt revenue bonds and/or certificates of participation has been participating in the in the State Budget and Finance's Arbitrage Rebate Compliance Services contracts since 2008. The State's arbitrage contracts are structured such that all arbitrage rebate calculations are conducted on an annual basis, as well as the fifth-year anniversary of each bond issue to ensure agencies are able to properly budget for potential liabilities, provide all pertinent financial/bond information to the arbitrage firm in a timely manner, and comply with the arbitrage rebate rules. The current contract covers Fiscal Years Ending June 30, 2019, 2020 and 2021 and allows for contract extension for Fiscal Years Ending June 30, 2022 and 2023.

UNIVERSITY OF HAWAII
BOARD OF REGENTS

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UNIVERSITY OF HAWAI'I
REVENUE BOND COVENANT and POLICY COMPLIANCE

April 2020



University of Hawai'i
Office of Internal Audit



UNIVERSITY
of HAWAII®
SYSTEM

April 28, 2020

To the University of Hawai'i Board of Regents
and
University of Hawai'i Associate Vice President of Budget and Finance /Controller

The University of Hawai'i (University) issues taxable and nontaxable Revenue Bonds (Bonds) pursuant to Subpart D of the Hawai'i Revised Statutes (HRS) Chapter 304A Part VI. Bonds are authorized for issuance through various resolutions issued by the University's Board of Regents (BOR). As of June 30, 2019, the University's consolidated financial statements disclose bonds payable of \$506.7 million with principal and interest paid on the Bonds for the fiscal year ended June 30, 2019 of approximately \$44.2 million. All Bonds must comply with Bond's debt covenants to prevent an Event of Default. However, the non-taxable Bonds must also comply with federal income tax regulations including private business use and arbitrage rebate requirements. The University engaged BLX Group LLC (BLX) in January 2014 to provide post-issuance compliance accounting and tax advisory services for the non-taxable Bonds. With respect to arbitrage compliance services, the University's Bonds are included in the State of Hawai'i contract with BLX. The University Bond System (UBS) office is responsible for management and monitoring of the Bonds.

Internal Audit noted that UBS management has not yet finalized written processes and procedures with respect to the Bonds pre-issuance planning, issuance and post-issuance compliance processes. Draft process and procedures documentation commenced in 2014 and are anticipated to be completed by the end of 2020. Internal Audit was informed that the revised post-issuance compliance processes and procedures will be incorporated into a revised Administrative Procedures (AP) 8.560, *Post-Issuance Tax Compliance Procedures for Tax-Exempt and Build America Bonds* (October 2010). Internal Audit's review of a draft of the AP 8.560 revision noted no procedures to monitor Bond covenant compliance which could result in an Event of Default.

BLX reporting has not indicated any post-issuance compliance or arbitrage issues. However, the BLX contract expired in December 2018 and no post-issuance compliance review has been performed since contract expiration. Accordingly, Internal Audit recommends that UBS personnel perform procedures to gain assurance that the Bonds comply with all federal, State of Hawai'i, University resolution, Tax Certificate, and Official Statement requirements, as applicable to the respective Bond. On a prospective basis, Internal Audit believes that substantially all services provided by BLX can be performed internally by the UBS office given the compliance methodologies, tools and instructions provided by BLX. Given the potential complexities of the private business use analysis, should external assistance be required or should issues arise indicating possible noncompliance, the UBS Office should consult with the Office of the University General Counsel (OGC) regarding retaining legal assistance from OGC personnel or external counsel with private business use compliance experience.

Sincerely,

Glenn Shizumura
Director

I. Background / Objectives

The University of Hawai‘i (University) issues taxable and nontaxable Revenue Bonds (Bonds) pursuant to Subpart D of the Hawai‘i Revised Statutes (HRS) Chapter 304A Part VI. Bonds are authorized for issuance through various resolutions issued by the University’s Board of Regents (BOR). The Bonds are described (use of proceeds, interest rate, covenants, maturity date, etc.) in the Official Statement (OS) which is prepared and/or reviewed by the University, State of Hawai‘i Department of Budget & Finance (State B&F), Underwriters, Underwriters counsel, and Bond counsel. The Bonds are generally issued for the purpose of financing or refinancing the costs of construction, renovation and maintenance of University Capital Improvement Projects (referred to as CIP or Bond-financed assets in this report). The determination of whether Bonds issued will be taxable, non-taxable or a combination of both is generally based on the anticipated private use of the Bond-financed assets. Bonds are secured by (1) the income derived by the University from its ownership or operation and management including the rates, rents, fees and charges imposed by the BOR for use or enjoyment of the Bond-financed assets, and (2) moneys in any special fund or revolving fund, which include, but are not limited to, the tuition and fees special fund and various other special and revolving funds.

The University’s policy with respect to the Bonds federal income tax compliance process is documented in Administrative Procedure (AP) 8.560, *Post-Issuance Tax Compliance Procedures for Tax-Exempt and Build America Bonds* (October 2010). In addition, Executive Policy (EP) 2.212, *Management of University Bond System* (October 2014) delegates management of the University Bond System (UBS) to the Vice President (VP) for Budget and Finance/Chief Financial Officer (CFO) or designee; defines roles and responsibilities of the UBS office and UBS Projects (Bond-financed assets); establishes operational and financial reporting requirements; and provides guidelines for financial and fiscal management. These are the only policies impacting the Bonds.

During 2013, Internal Audit reviewed and evaluated the University’s Revenue Bond Processes and Compliance (report dated April 2014). The audit report noted that the University was in the process of developing written Bond policies and procedures from the pre-issuance planning to post-issuance compliance process. The University engaged BLX Group LLC (BLX) in January 2014 to provide post-issuance compliance accounting and tax advisory services for non-taxable Bonds. With respect to tax arbitrage compliance services, the Bonds are included in the State of Hawai‘i contract with BLX. BLX is a wholly owned subsidiary of Orrick Herrington & Sutcliffe LLP (Orrick). Orrick has served as the University’s Bond counsel on several Bond issuances. The April 2014 report noted that services provided by BLX should effectively mitigate the University’s post-issuance compliance risk.

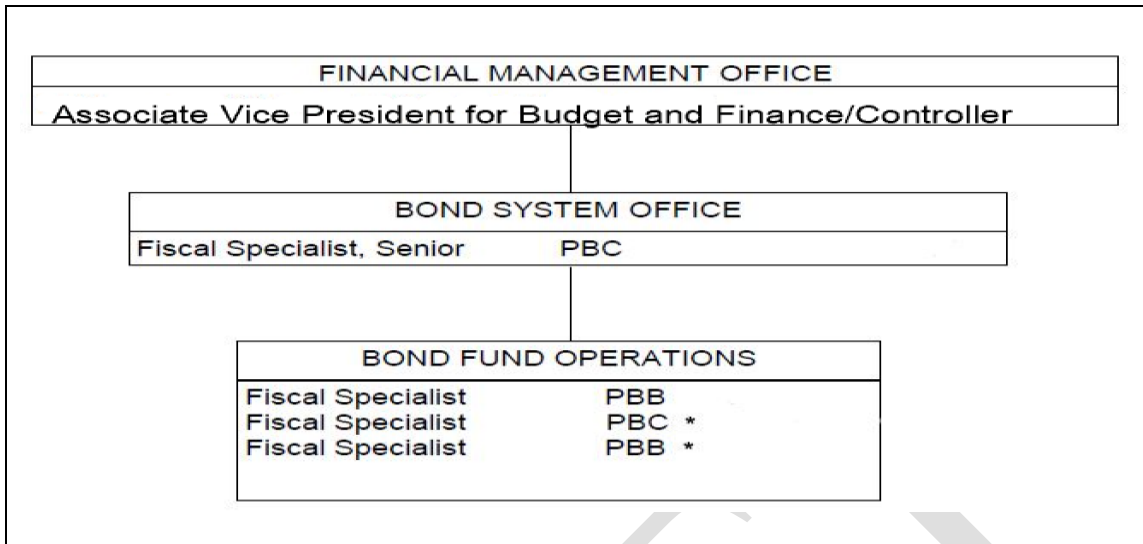
The objective of this audit is to evaluate whether processes and procedures have been developed and implemented to mitigate risks from the pre-issuance planning to post-issuance compliance process. Post-issuance non-compliance with Bond covenants could constitute an Event of Default resulting in the Bonds’ outstanding principal and interest becoming due and payable immediately. Federal tax law non-compliance could result in the loss of the Bonds’ tax-exempt status, federal tax penalties, bondholder lawsuits and reputational risk to the University.

II. UBS Office

A. UBS office

The UBS office is under the management of the Associate Vice President for Budget and Finance/Controller. UBS personnel currently consist of the Bond System Controller (also known as a Senior Fiscal Specialist) and a Bond System Accountant (also known as a Fiscal Specialist). The relevant organizational chart is as follows:

University of Hawai‘i
Revenue Bond Covenant and Policy Compliance
April 2020



*Source: Financial Management Office (FMO) Organization Chart as of September 2019.
 Internal Audit was informed by the Bond System Controller that there are no plans to fill the open positions.

The UBS office is responsible for overseeing administration and accounting activity of the Bonds. Internal Audit reviewed the Office of the VP for Budget and Finance/CFO functional statement as of July 2019 noting that the major responsibilities of the UBS office include ensuring Bond compliance with federal and State of Hawai‘i requirements; directing the University’s Bond principal and interest debt service payments; managing cash requirements and accounting of Bond proceeds; coordinating the post-issuance compliance analysis; and coordinating and implementing the reallocation of Bond proceeds between UBS Projects.

However, Internal Audit also noted UBS responsibilities included in the functional statement that may no longer be applicable and require revision such as the following:

- Coordinating annual audits
- Preparing financial statements of the UBS
- Preparing prospectus and financing models

Internal Audit noted that the last annual audit of UBS financial statements was for the year ended June 30, 2010. In addition, Underwriters for the Bonds prepare the prospectus in collaboration with the University, State B&F, Underwriter’s Counsel and Bond counsel. Internal Audit noted that UBS responsibilities noted in EP 2.212 are consistent with the functional statement except for the exclusion of preparing financial statements of the UBS and preparing prospectus and financing models. See Section IV.B. *Policies* for more information.

B. Financial Information

The University’s consolidated financial statements for the years ended June 30, 2019 and 2018 disclosed Bonds payable of \$506,655,000 and \$525,425,000, respectively. Principal and interest paid on the Bonds for the fiscal years ended June 30, 2019 and 2018 was approximately \$44,152,000 and \$44,375,000, respectively. The following summarizes Bond information as of June 30, 2019 and 2018:

University of Hawai‘i
Revenue Bond Covenant and Policy Compliance
April 2020

Table 1: University of Hawai‘i Bonds Payable (\$ in 000’s)

Description	Series	Date Issued	Authorized	2019 [1]	2018 [1]
Various acquisition and construction projects (interest rate, 2.5% to 6.0%)	2009A	April 15, 2009	\$100,000	\$2,905	\$5,690
University’s Cancer Center (interest rate, 2.5% to 6.0%)	2010A-1, 2010A-2	October 7, 2010	138,640	114,800	118,195
Various construction projects (interest rate, 2.5% to 6.0%)	2010B-1, 2010B-2	October 7, 2010	154,090	131,545	135,355
Student Housing System at UHM and Telecom System (interest rate, 2.0% to 5.0%)	2012A(R)	February 22, 2012	8,575	-	240
Hilo College of Pharmacy and Law School Expansion and Modernization (interest rate, 1.0% to 4.7%)	2015A [2]	September 24, 2015	8,575	8,040	8,220
Frear Hall Construction, Student Housing System at Mānoa, Food Service System and Student Housing System at Hilo (interest rate, 0.8% to 3.0%)	2015B(R)	September 24, 2015	47,010	47,010	47,010
Frear Hall Construction, Student Housing System at Mānoa, Food Service System and Student Housing System at Hilo (interest rate, 0.8% to 3.0%)	2015C(R) [2]	September 24, 2015	17,585	9,895	12,725
University Health & Wellness Center (interest rate, 0.8% to 2.8%)	2015D (R) [2]	September 24, 2015	25,715	14,675	19,795
University Health & Wellness Center (interest rate, 5.0%)	2015E (R)	April 20, 2016	67,400	67,400	67,400
Sinclair Library Basement Renovation (interest rate, 2.0% to 5.0%)	2017A	December 28, 2017	3,990	3,790	3,990
University Health & Wellness Center (interest rate, 3.0%)	2017B	December 28, 2017	12,040	12,040	12,040
University Health & Wellness Center (interest rate, 3.28% to 3.38%)	2017C [2]	December 28, 2017	4,110	4,110	4,110
Frear Hall Construction, Student Housing System at Mānoa, Food Service System and Student Housing System at Hilo (interest rate, 3.0%)	2017D	December 28, 2017	13,185	13,185	13,185
Frear Hall Construction, Student Housing System at Mānoa, Food Service System and Student Housing System at Hilo (interest rate, 3.28% to 3.65%)	2017E [2]	December 28, 2017	4,450	4,450	4,450
Various acquisition and construction projects (interest rate, 5.0%)	2017F	December 28, 2017	52,275	52,275	52,275
Various acquisition and construction projects (interest rate, 2.10% to 3.85%)	2017G [2]	December 28, 2017	<u>20,745</u>	<u>20,535</u>	<u>20,745</u>
Total			<u>\$678,385</u>	<u>\$506,655</u>	<u>\$525,425</u>

[1] Obtained from Fiscal Year (FY) 2018 and 2019 University of Hawai‘i Audited Consolidated Financial Statements.

[2] Bond series is taxable.

III. Work Performed

Internal Audit reviewed AP 8.560, EP 2.212, and draft Bond processes and procedures, and performed the following to evaluate compliance with these policies as well as covenants/restrictions set forth in applicable University resolutions, Tax Certificates, and Official Statements:

- A. Reviewed the draft Bond pre-issuance planning and issuance processes and procedures.
- B. Reviewed the current AP 8.560 and its proposed revisions. Internal Audit also reviewed EP 2.212.
- C. Reviewed the University’s contract with BLX and determined if all contracted services were provided for the years ended June 30, 2019 and June 30, 2018.
- D. Evaluated whether UBS, an external service provider or a combination of both should perform post-issuance compliance and arbitrage rebate analyses on a prospective basis.
- E. Reviewed implementation of historical findings and recommendations.

IV. Observations and Analysis

A. Processes and Procedures

Internal Audit noted that the pre-issuance planning and issuance (includes covenant and federal tax compliance) draft written processes and procedures include but are not limited to the following:

1. Pre-Issuance planning

Identification of Need and Use of Bond Proceeds - Each University campus has the responsibility to identify their CIP needs and submit a budget request via a Capital Project Information and Justification Sheet to the University’s Office of Project Delivery (OPD). The Capital Project Information and Justification Sheet identifies and evaluates a project’s need and existing condition, as well as the estimated construction cost. OPD evaluates the campus request and codifies the request for inclusion into the University’s budget request for submission and approval by the President and BOR. The University submits the approved budget request to the State B&F, the Governor and State of Hawai‘i Legislature (Legislature)

University CIPs approved by the Legislature are included in a bill and sent to the Governor to sign into law. The legislative bill identifies and describes the CIP, appropriated funds by service (plans, land, design, construction and/or equipment), and means of financing of the total appropriated amount (general obligation bonds, special funds, revenue bonds, etc.). A determination of taxable Bonds, non-taxable Bonds or a combination of both will be determined by the VP for Budget and Finance/CFO based on anticipated private use of Bond-financed assets.

Bond Debt Service Obligation - Debt service is the responsibility and obligation of the University campus receiving the Bond proceeds. They are responsible for calculating their respective ability to service debt in conjunction with their submittal of the Capital Project Information and Justification Sheet to OPD.

Declaration of Revenue Bond Issuance and Preliminary Approval - The VP for Budget and Finance/CFO presents the Bond financing program to the BOR Committee on Budget and Finance then submits a letter of intent to issue Bonds to the State B&F. The State B&F Director reviews the proposed Bond issuance and makes a recommendation to the Governor.

Selection of Professionals for Bond Financing Transaction – State B&F assembles a selection committee to determine the Underwriter or team of Underwriters. The VP for Budget and Finance/CFO submits a

University of Hawai‘i
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request to the Office of the University General Counsel (OGC) to engage Bond counsel. All professional services providers used for Bond issuance are selected pursuant to a competitive selection process.

The following professionals assist in the structuring and issuance of Bonds:

Financing Team – The financing team is typically made up of the following participants:

- a. University of Hawai‘i
 - 1) Office of the Vice President for Budget and Finance/CFO and FMO
 - 2) OGC
 - 3) Institutional Research and Analysis Office
- b. State of Hawai‘i
 - 1) State B&F
 - 2) Department of the Attorney General
- c. Bond counsel
- d. Underwriter
- e. Underwriter’s counsel
- f. Financial advisor/Pricing advisor

Other Participants – Other participants during the process of issuing the bonds may include but are not limited to:

- a. Board of Regents
- b. Paying agent
- c. Escrow agent
- d. Rating agencies
- e. Credit enhancers (Bond insurers)

Structuring the Bond Issue and Preparing Bond Documents - Once assembled, the Financing Team structures the Bond issuance to market the Bonds. The Financing Team determines the maturities, redemption provisions, and use of proceeds based on the Capital Project Information and Justification Sheet, security provisions, and covenants. A financing schedule is then prepared describing the tasks, activities and timing for the Bond issuance. The Underwriter, Underwriter’s counsel and Bond counsel begin preparing the following documents for the Financing Team to review and update:

- a. Preliminary Official Statement (POS) and Official Statement (OS)
- b. Supplemental resolution
- c. Certificate of determination
- d. Paying agent agreement
- e. Escrow agreement (for refunding)
- f. Bond purchase contract

Bond Rating - The University and the Underwriter develops a bond rating strategy and presentation for the rating agencies.

Marketing - The Underwriter develops a marketing strategy for the Bonds that targets both retail and institutional investors. The Underwriter will have the POS posted and the bond sale listed on municipal new issue calendars. The retail marketing plan may include retail broker meeting/conference calls, print advertisements, digital banner advertisements, etc. The marketing plan may include institutional conference calls or pre-recorded investor presentations and one-on-one meetings.

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2. Issuance

Legal Authority - Pursuant to HRS section 26-8, the State B&F is authorized to manage all State financing programs. Revenue bonds are not secured by the full faith and credit of the State. For University CIPs, the BOR votes on the issuance of Bonds. Once the BOR receives a majority of the votes, the BOR authorizes the issuance of Bonds (HRS section 304A Part VI).

Board of Regents Approval of Bond Issuance - The supplemental resolution authorizes the issuance of the Bonds and appoints the VP for Budget and Finance/CFO as the Designated Financial Officer who is delegated the power to determine and effectuate certain matters relating to the Bonds.

In addition to approving and adopting the supplemental resolution, the BOR delegates authority to the Chairperson of the BOR (or the Vice Chair in his/her absence), the Executive Administrator and Secretary of the BOR, the President, and the VP for Budget and Finance/CFO to perform all acts related to the Bond issuance.

Pricing - Once the target sale date is selected, the Underwriter monitors market conditions to advise on a sale date. Once the University and the Underwriter agree on the sale date and thus final pricing, the Bond purchase contract is executed.

Closing - After the Bonds are priced, the POS is updated with any pertinent information, which has become available including bond rating, the sale price, final maturity schedule, and interest rates. This updated document is then published as the Final OS for the Bond.

Bond counsel then prepares a closing memorandum that lists the documents that are required to be provided and executed as conditions to closing the Bond sale and identifies the responsible parties for each document. The Underwriter prepares a settlement or funds transfer memorandum that describes the purchase price of the Bonds and the amounts and locations to wire transfer the Bond proceeds at closing. The day before closing, known as “pre-closing”, the closing documents are executed and Bond counsel delivers its final opinion.

3. Post-Issuance

Internal Audit requested but was not provided with written processes and procedures related to the post-issuance (including covenant and federal tax compliance) process. Internal Audit noted that as part of the University’s agreement with BLX, BLX provided a comprehensive written template of a post-issuance compliance policy dated June 2014. Internal Audit noted that the written template was the source of the proposed revised AP 8.560. However, it is unclear to Internal Audit why AP 8.560 has not been finalized and adopted given the BLX template was provided in June 2014. Refer to Section IV.B. *Policies*.

B. Policies

AP 8.560

The Bond System Controller informed Internal Audit that as a result of Internal Audit’s April 2014 audit report, revisions to AP 8.560 began in June 2014 but were delayed due to other priorities, including the issuance of additional Bonds, coordination of BLX services, and annual financial audits. The Bond System Controller expects the revised AP 8.560 to be finalized by December 2020. Internal Audit also noted that AP 8.560 has not been revised since October 2010 and does not include a field for “Review date” noted in other APs and EPs.

AP 8.560’s stated objective is to establish requirements, guidelines and procedures for the timely systematic review, consultation and processing of all applicable post-issuance documents (e.g., contracts or agreements)

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in connection with Bond-financed assets (construction, renewal and replacement, renovation, and acquisition with Bond proceeds). The University’s procedures with respect to compliance with post-issuance requirements of federal income tax law include, but are not limited to, expenditure allocation, private business use of Bond-financed assets, and arbitrage matters.

Proposed revisions

Internal Audit reviewed the draft revised AP 8.560 and noted the following proposed revisions:

Use of bond proceeds:

States that Bond proceeds are subject to Private Business Use restrictions. Private Business Use relating to allowable tax-exempt Bond-financed assets may include, but are not limited to, leases; management or services contracts that do not meet IRS Revenue Procedure (Rev. Proc.) 97-13 Safe Harbors; research contracts that do not meet certain requirements in IRS Rev. Proc. 2007-47; sale or disposition of property; and naming rights arrangements.

Identification and correction of violations:

In the event that the use of Bond proceeds or Bond-financed assets is different (the private business amount exceeds the lesser of 10% of the bond proceeds or \$15 million) from the covenants and representations set forth in the Tax Certificate or OS, the University should contact Bond counsel in a timely manner to ensure that there is no adverse effect on the tax status of the non-taxable Bonds.

Tax compliance training:

The VP for Budget and Finance/CFO or designated staff responsible for monitoring post-issuance compliance matters will attend regular training or educational forums necessary to stay up to date with tax-exempt bond tax requirements.

Annual review:

UBS will coordinate an annual review process to investigate, monitor, assure and document compliance with tax-exempt bond and Build America Bond federal tax law requirements.

The proposed revisions to AP 8.560 were part of the post-issuance policy development services provided by BLX that were expected to be finalized and adopted as a result of Internal Audit’s April 2014 audit report. Internal Audit also noted that the policy indicates that UBS has the responsibility to perform the duties noted above. However, it does not specify who has supervisory responsibilities to monitor performance of the duties. Furthermore, the determination of whether an issuance will be taxable or nontaxable is based on the intended use of the Bond-financed asset. Internal Audit noted that this determination is included in the draft written processes and procedures, but not included in any written policy.

Debt covenant compliance

During fiscal year 2019, the University adopted GASB Statement No. 88 (GASB No. 88), Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. GASB No. 88 requires that additional essential information related to debt be disclosed in notes to the financial statements including terms specified in debt agreements related to significant events of default with finance-related consequences. In addition, the primary objective of GASB No. 88 is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. As a result of the University’s implementation of GASB No. 88, the University disclosed in its notes to the financial statements for the year ended June 30, 2019 the following:

“The Bond Resolution permits the holders of not less than 25 percent of the aggregate principal amount of outstanding revenue bonds to declare the principal of all revenue bonds then outstanding, together with all accrued and unpaid interest thereon, to be due and payable immediately upon the

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occurrence and during the continuation of an Event of Default by the University under the Bond Resolution. Events of Default include but are not limited to, the failure to pay principal when due or interest within 30 days of the date due, a breach of the terms of the Bond Resolution by the University which goes uncured for the applicable cure period, if any, or the dissolution, bankruptcy or receivership of the University.”

Internal Audit noted that both the current and proposed revised AP 8.560 do not include procedures for debt covenant compliance. The Bond System Controller informed Internal Audit that there are no formal procedures (whether written or otherwise) to monitor debt covenant compliance which could result in an Event of Default. Internal Audit believes UBS should consider implementing processes and procedures to periodically monitor debt covenant compliance due to the potential consequences (e.g., long-term debt becoming current) to the University if there is a breach of debt covenants.

EP 2.212

EP 2.212 defines the roles and responsibilities of the VP for Budget and Finance/CFO and UBS, and provides guidelines for operational and financial management with regards to post-issuance and covenant compliance activities. Internal Audit noted the policies include but are not limited to the following:

- At least every three years, the UBS office shall conduct an in-depth review to assess the adequacy of the reserves and the UBS reserve policies. Capital financing to include capital leases, loans, and tax-exempt debt issuances shall be coordinated through the UBS office
- Campus and Project Responsibilities
 - Campus Chancellors or their designee shall be responsible for oversight of the operations, fiscal affairs, financial reporting, and compliance of UBS Projects. Project managers shall submit an annual business plan approved by the campus Chancellor or their designee to the VP for Budget & Finance/CFO
 - Each UBS Project shall maintain current financial reports necessary to effectively monitor revenues, expenditures, and project performance
- Reserve Guidelines
 - The University is legally obligated to pay debt service of all Bonds
 - UBS Projects shall incorporate an annual contribution to the voluntary Repair and Replacement account equal to 50% of its depreciation expense for the preceding fiscal year

Internal Audit noted EP 2.212 has a stated review date of August 2018. According to the Bond System Controller, EP 2.212 has not been and is not currently in the process of review. In addition, Internal Audit noted no written procedures to monitor whether UBS Projects are complying with their responsibilities documented in this EP such as submitting an annual business plan and preparing current financial reports to effectively monitor project and financial performance. Furthermore, the Bond System Controller informed Internal Audit that reserve balances are periodically reviewed, but that no formal in-depth review is performed every three years to assess the adequacy of reserves and the UBS reserve policies. Additionally, Internal Audit noted the inclusion of the UBS’s responsibility to coordinate annual audits. As previously noted, the last annual audit of UBS financial statements was for the year ended June 30, 2010. Finally, Internal Audit noted inconsistencies in the UBS responsibilities listed in EP 2.212 compared to the responsibilities included in the functional statement. Overall, Internal Audit noted that EP 2.212 more accurately reflects the UBS responsibilities than the functional statement.

Conclusions/Recommendations

Revisions to AP 8.560, as well as the drafting of written Bond pre-issuance planning and issuance processes and procedures, began in June 2014 but have not been completed, reviewed and finalized. Accordingly,

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Internal Audit believes that these written policies, processes and procedures should be finalized as soon as possible. Additionally, consideration should be given to any changes (e.g. federal tax law) that may have occurred since June 2014 when BLX provided FMO with the post-issuance compliance policy template. Additionally, UBS should consider including policies/processes to annually monitor debt covenant compliance for all Bonds due to the potential consequences to the University if a breach of a debt covenant resulting in an Event of Default should occur. Finally, given EP 2.212 is past its stated review date and Internal Audit identified inconsistencies with the UBS roles and responsibilities stated in the functional statement, UBS should coordinate the review and updating of the policy.

C. BLX Group LLC (BLX)

The three-year contract between the University and BLX dated January 1, 2014 stated that BLX’s compensation was \$151,500. Subsequently, the BLX contract was modified to include the following:

- On March 29, 2015, additional services to review and analyze the potential tax consequences of the University’s sponsored research (non-qualified research funded by a third party paying for the research in which the third party is receiving a form of benefit from the research such as intellectual property rights, revenues, etc.). This additional service was billed at the following hourly rates: \$688 (Orrick Partner), \$650 (Orrick Associate), and \$502 (BLX Associate).
- On January 1, 2017, the contract’s performance period was extended from January 1, 2017 through December 31, 2018 with an additional fee of \$70,500.
- On October 1, 2018, additional private use compliance services for fiscal year 2018 were included for \$36,000.

The total BLX contract with modifications totaled \$258,000. Internal Audit noted that by the end of calendar year 2019, BLX has not issued an invoice for the remaining \$6,000. With the assistance of the Bond System Controller, Internal Audit obtained BLX invoices via KFS for the fiscal years ended June 30, 2014 through 2019, noting the following:

Table 2: BLX invoices by fiscal year

For the year ended June 30,							
Service	2014	2015	2016	2017^[1]	2018^[2]	2019^[2]	Total
Private Use	\$ 42,000	\$ 36,000	\$ 52,000	\$ -	\$ 36,500	\$ 70,000	\$ 236,500
Miscellaneous (Training & Travel, Advisory Services, etc.)	5,963	1,500	7,919	-	-	-	15,372
Total	\$ 47,963	\$ 37,500	\$ 59,919	=	\$ 36,500	\$ 70,000	\$ 251,872

[1] No invoices were issued for private use services in FY17 due to the timing of BLX issuing invoices in FY16 and FY18.

[2] FY18 invoices are for services performed during FY17. FY19 invoices are for services performed during both FY18 and FY19.

Contracted services to be provided by BLX pursuant to the January 2014 contract are described below. Arbitrage rebate analysis on the Bonds are performed by BLX pursuant to a contract with the State of Hawai‘i which is also described below.

1. Post-issuance policy development

BLX service

Develop a post-issuance compliance policy that will address the following areas: Use of Tax-Exempt Bond Financing, Tax-Exempt Bond Tax Law Compliance Requirements (including Documentation, Arbitrage and Yield Restriction, Private Use of Bond Proceeds, Identification and Correction of

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Violations, Expenditures, Final Allocation), Record Keeping Requirements, Information Return Filings, and Annual Review and Training.

Result

As previously stated in Section IV.A. *Processes and Procedures*, BLX provided a post-issuance compliance policy template in June 2014, but UBS has not yet finalized and adopted a revised post-issuance compliance policy.

2. Bond document compliance

BLX service

Assist the University to ensure compliance with its Bond documents including the creation of a checklist summarizing and organizing all of the post-issuance requirements relating to a particular Bond series by date and type of requirement.

Result

BLX provided a checklist for each Bond. Internal Audit noted that BLX provided checklists to be completed by UBS personnel for each Bond that was outstanding during fiscal years 2018 and 2019. The Bond System Controller stated that all checklists were completed with no identified instances of non-compliance.

3. Post-Issuance Responsibilities Questionnaire

BLX service

Develop a “Post-Issuance Responsibilities Questionnaire” for each Bond requesting certain information relating to University projects financed by the Bond related to private use.

Result

The Bond System Controller informed Internal Audit that questionnaires for each Bond noted that University project personnel performed all post-issuance responsibilities and that he noted no post-issuance issues.

4. Expenditure Analyses

BLX service

Review or prepare a bond proceeds expenditure analysis for each Bond. In addition, prepare a detailed list of the Bond-financed assets for each Bond and prepare an analysis regarding the amount of bond proceeds allocable to each.

Result

Expenditure analyses are prepared by the Bond System Accountant with assistance from the Bond System Controller, which BLX included into their reports.

In regards to the preparation of a detailed list of Bond-financed assets, Internal Audit noted that BLX utilized the list of Bond-financed assets prepared by UBS. Using the information provided by UBS, BLX prepared an analysis of the amount of proceeds allocable to each Bond which is also included in their reports.

5. Private Use Analysis

BLX service

For each non-taxable Bond, (1) determine the amount of private business use within the Bond-financed assets; (2) determine whether any taxable bond proceeds may be properly allocable to such use; (3) if the amount of private use exceeds allowable limits under the federal tax law, work in a timely manner with the University in order to determine appropriate courses of action and solutions; and (4) prepare a comprehensive report of findings on each Bond and provide an opinion reflecting such findings.

(Note: Private business use is the use (directly or indirectly) of the “facilities” (the facilities financed by, or the proceeds of, a tax-exempt financing) in a “trade or business” (any activity carried on by a person other than a natural person) carried on by a “nonqualified user” (any user other than a “qualified user,”). A “qualified user” is a state or local governmental unit (such as the University) or, in certain circumstances, a nonprofit, charitable organization described in Section 501(c)(3) of the Internal Revenue Code using facilities in furtherance of its tax-exempt purpose. Use of bond proceeds or Bond-financed assets by an exempt organization in an unrelated trade or business activity is also considered Private Business Use. Generally, the amount of private business use a Bond may finance is limited to the lesser of 10% of the bond proceeds or \$15 million.)

Result

BLX’s determination of the amount of private business use are based on the expenditure analyses provided by the UBS office. Pursuant to the agreements described at the beginning of Section IV.C. *BLX Group LLC*, BLX performed computations and assumptions for each fiscal year from July 1, 2012 through June 30, 2018 on which such computations are based with respect to private business use. Internal Audit noted that these computations are shown in various schedules of the reports, including taxable bond proceeds allocable to private use and a determination of the private use percentages. The Bond System Controller informed Internal Audit that BLX also reviews questionnaires and contracts/agreements and follows-up with questions or request for additional information, as needed, to determine or calculate private business use.

Internal Audit reviewed the June 30, 2018 report for all non-taxable Bond series listed in **Table 1**, and noted that on the Notes and Assumptions for the Private Use Analysis, it states, “The Issuer has also not provided adequate information to produce an analysis representative of the amount of private business use on the Bonds that has accrued for the entire tax measurement period”. Thus, the report is not a cumulative analysis over the life of the Bonds to date, and provides a calculation of private business use during only the current fiscal year.

Lastly, Internal Audit reviewed BLX reports for all non-taxable Bond series as of June 30, 2018 listed in **Table I** noting no violations or issues with regards to private use.

6. IRS Inquiry Response Assistance

BLX Service

Work with the University to respond to any IRS compliance inquiry.

Result

Internal Audit was informed that there has been one IRS compliance inquiry. Internal Audit reviewed the IRS correspondence dated November 3, 2011 stating that the IRS routinely examines municipal debt

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issuances to determine compliance with federal tax requirements and requested information related to refunding Bond series 2006A (e.g., bank/investment statements, arbitrage and private use analysis reports, and University processes). During that time, Orrick was engaged as the University’s Bond counsel and provided responses and information to those inquiries via a letter dated December 7, 2011. On a letter dated June 25, 2012, the IRS notified the University that their examination was completed and identified no violations or noncompliance with federal tax requirements. To date, BLX has not been required to assist the University to respond to any IRS compliance since they were contracted in January 2014.

7. Record Retention

BLX Service

BLX will create a sharepoint site storing all University supplied information relating to BLX services. Review the University’s current recordkeeping protocol and make recommendations regarding “best practices” relating to material post-issuance compliance records.

Result

Under BLX’s contract, the sharepoint site was not intended for long-term storage. Therefore, FMO determined that the Institute for Astronomy (IfA) sharepoint site would be used as the sharepoint site to disseminate reports and relevant data to BLX. The Bond System Controller informed Internal Audit that the sharepoint site was not intended to store other documents other than those requested by BLX. Internal Audit obtained access to the IfA sharepoint site and noted that information as of June 30, 2018 and prior years such as contract agreements, expenditure analyses, and post-issuance responsibilities questionnaires are stored on the site.

In regards to the University’s recordkeeping protocol, the Bond System Controller stated that BLX determined that the University’s recordkeeping was consistent with best practices (i.e., consistent with the requirements of Internal Revenue Code section 1.6001-1, *Records*).

8. Education and Outreach

BLX Service

Conduct one (1) full day and two (2) half day training session(s) tailored to the University’s specific needs and requirements regarding post-issuance tax law compliance. Training can be completed on site or via webinar.

Result

Internal Audit reviewed the materials for the 2014 Post-Issuance Compliance training conducted by BLX. The powerpoint presentation was a half day training conducted on site and included topics on private business use rules and measurement as well as arbitrage rebate analysis.

9. Arbitrage rebate

As previously noted, BLX performs arbitrage rebate analysis annually on the University’s non-taxable Bonds as part of their contract with the State of Hawai‘i. As of fiscal year ending 2020, the total amount paid to BLX since fiscal year 2014 under BLX’s contracts with the State of Hawai‘i was \$59,000.

BLX service

For each bond, perform calculation of arbitrage rebate payable in respect of the investment of Bond proceeds.

Result

BLX has performed an annual arbitrage rebate and yield restriction analysis on non-taxable Bonds listed in **Table I** since 2008. Internal Audit reviewed BLX reports issued for the period ended June 30, 2019 and 2018 noting that the University owed no arbitrage rebate to the federal government.

BLX contract expired:

Internal Audit noted that the BLX contract expired in December 2018. The Bond System Controller informed Internal Audit that the draft Request for Proposal (RFP) was submitted to the Office of Procurement Management (OPM) on March 13, 2020. Internal Audit was informed by the Bond System Controller that no private use analysis procedures have been performed since December 2018.

Conclusions/Recommendations

Internal Audit believes that BLX have performed the contracted services pursuant to the contract. Additionally, BLX reporting has not indicated any post-issuance compliance or arbitrage issues. However, the BLX contract expired in December 2018 and no private use analysis procedures have been performed since contract expiration. Accordingly, Internal Audit recommends that UBS personnel perform procedures to gain assurance that the University’s non-taxable Bonds do not violate private use compliance requirements as discussed further in the next section.

D. Work to be Performed by UBS

Internal Audit believes that substantially all services provided by BLX can be performed internally by the UBS office on a prospective basis given the compliance methodologies, tools and instruction provided by BLX. Should issues arise requiring legal consultation, the UBS Office should consult with OGC. Internal Audit believes that UBS personnel can perform the BLX provided services such as the following:

1. *Post-issuance policy development* – UBS should utilize and adopt BLX provided templates of written processes, procedures and policies to finalize the University’s post-issuance compliance policy.
2. *Bond document compliance* – UBS should continue utilizing the BLX checklist summary of post-issuance requirements in monitoring compliance with Bond documents.
3. *Post-issuance responsibilities questionnaire* – BLX has developed a post-issuance questionnaire for UBS to distribute. Therefore, UBS should continue utilizing and circulating the questionnaire to appropriate project personnel.
4. *Expenditure analyses* – BLX relied entirely on expenditure analyses prepared by UBS as part of their private use analysis. Internal Audit believes that UBS should continue preparing these analyses and use the information when performing computation on private use analysis.
5. *IRS inquiry response assistance* – In the event that an IRS inquiry occurs, UBS, in consultation with OGC, should be able to provide responses and information with regards to federal tax requirements as requested. Internal Audit noted that UBS maintains relevant Bond records such as bank statements, private use and arbitrage analyses, and University processes, which are accessible by UBS personnel.
6. *Record retention* – UBS currently utilizes IfA’s sharepoint to store records requested by BLX. Internal Audit believes that UBS should dedicate a UBS computer server as the Bond record repository since only UBS personnel require access.

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7. *Private use analysis* – Internal Audit believes that an analysis can be performed by UBS personnel to gain a reasonable level of comfort regarding private business use. UBS should utilize readily available information that they gathered and analyzed on behalf of BLX as well as certain BLX tools listed above such as checklists, questionnaires, expenditure analyses, etc. Given the potential complexities of this analysis, should external assistance be required or should issues arise indicating possible noncompliance, the UBS office should consult with OGC regarding retaining legal assistance from OGC personnel or external counsel with private business use compliance experience.
8. *Arbitrage Rebate Analysis* – Bond proceeds are invested in highly liquid investments and are deposited in separate accounts by issuance. Therefore, comparing the interest rate/return associated with each separate account to the interest rate of each Bond should indicate any arbitrage issues.

In order to perform the functions noted above, UBS personnel should collaborate with the University Tax Manager and participate in relevant training to stay current on post-issuance compliance and arbitrage requirements.

E. Status of Historical Recommendations

Internal Audit’s report dated April 2014 included the following recommendations. The status of these recommendations is italicized.

- Adherence to the BLX developed compliance checklist calendars will mitigate the occurrence of an “Event of Default”.
Internal Audit noted that the University utilized BLX checklist calendars in fiscal years 2018 and 2019. However, Internal Audit was informed that there are no written procedures to monitor debt covenant compliance which could result in an Event of Default. Refer to Section IV.B. Policies.
- The University’s financial management personnel should consider preparing written documentation with respect to the pre-issuance process including the roles and responsibilities of personnel in this process.
Internal Audit was informed that as of April 2020, written processes and procedures are in draft form and require additional revisions. Refer to Section IV.A. Processes and Procedures.
- The University’s financial management personnel should consider including in its post-issuance policies a requirement for the preparation of a Bond Annual Report to the BOR discussing compliance matters, rating agency information, relevant financial benchmarks and ratios, etc.
Internal Audit reviewed the BOR Committee on Budget and Finance meeting minutes from fiscal year 2015 to date and noted two presentations by the VP for Budget and Finance/CFO regarding post-issuance compliance through fiscal years 2016 and 2017, respectively. In addition, as of April 2020 the revised AP 8.560 is in draft form and has not yet been finalized.
- University senior financial management should collaborate with the BOR’s Committee on Budget and Finance to determine the format, content, and timing of the report including the incorporation of relevant BLX issued reports.
See prior comment.
- The University was in the process of hiring two personnel to assist in the performance of the post-issuance compliance services developed by BLX.
In May 2019, Internal Audit was informed that one of the two personnel hired remains employed by the UBS office. Refer to Section II.A. UBS office.

Conclusions/Recommendations

Internal Audit believes the University has not fully implemented corrective actions related to recommendations noted in Internal Audit’s April 2014 report. The University has utilized BLX developed tools such as a calendar checklist, and drafted written Bond pre-issuance planning to issuance processes and procedures. The University has also hired one additional personnel to assist with post-issuance compliance services as opposed to hiring two personnel. Internal Audit previously noted that revisions to and drafting of policies, processes and procedures should be finalized as soon as possible.

V. Overall Conclusions and Recommendations

The UBS management has not yet finalized written processes and procedures with respect to the Bonds pre-issuance planning, issuance and post-issuance compliance processes. Draft process and procedures documentation commenced in 2014 and are anticipated to be completed by the end of 2020. Internal Audit was informed that the revised post-issuance compliance processes and procedures will be incorporated into a revised AP 8.560. Internal Audit’s review of a draft of the AP 8.560 revision noted no procedures to monitor Bond covenant compliance which could result in an Event of Default. Accordingly, Internal Audit recommends that UBS management consider the following:

1. Processes and Procedures - finalize and adopt draft written processes and procedures for the pre-issuance planning and issuance processes.
2. Policies -
 - a) finalize a revised AP 8.560 that includes:
 - 1) clarification of supervisory responsibility to monitor performance of UBS duties
 - 2) responsibility to determine whether the Bonds will be taxable or nontaxable
 - 3) policies and procedures to monitor Bond covenant compliance
 - b) review and, if necessary, revise EP 2.212 as the stated review date is August 2018

BLX reporting has not indicated any post-issuance compliance or arbitrage issues. However, the BLX contract expired in December 2018 and no private use analysis procedures have been performed since contract expiration. Internal Audit recommends that UBS personnel perform procedures to gain assurance that the Bonds comply with all federal, State of Hawai‘i, University resolution, Tax Certificate, and Official Statement requirements, as applicable to the respective Bond. On a prospective basis, Internal Audit believes that substantially all services provided by BLX (as described in Section IV.D. *Work to be Performed by UBS*) can be performed internally by the UBS office given the compliance methodologies, tools and instruction provided by BLX. Given the potential complexities of the private business use analysis, should external assistance be required or should issues arise indicating possible noncompliance, the UBS office should consult with OGC regarding retaining legal assistance from OGC personnel or external counsel with private business use compliance experience.

UNIVERSITY OF HAWAII
BOARD OF REGENTS

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UNIVERSITY OF HAWAI‘I AT HILO

STUDENT HOUSING SERVICES

Status of Corrective Action

September 2020

DRAFT



University of Hawai‘i
Office of Internal Audit



September 15, 2020

To the University of Hawai'i Board of Regents
and
University of Hawai'i at Hilo Vice Chancellor for Student Affairs

The purpose of this report is to evaluate the written representation (see Attachment) of University of Hawai'i at Hilo (UHH) Student Housing Services (Housing Services) regarding the status of their corrective action plan to address improvement opportunities and mitigate risks documented in the following historical Office of Internal Audit (Internal Audit) reports:

1. UHH Housing Services (report dated December 20, 2016)
2. UHM/UHH Housing Services- Status of Corrective Action (report dated September 20, 2018)

Internal Audit reported on the status of Housing Services' corrective actions in September of 2018 (see number 2 in the above list) and determined that while Housing Services had made progress in implementing many corrective actions, several corrective actions remained in process.

Procedures performed

Internal Audit met with the UHH Vice Chancellor for Student Affairs and Housing Services personnel throughout 2020 to discuss the status of corrective actions. It was agreed that Housing Services would prepare a written update to their January 9, 2019 corrective action plan and that Internal Audit would perform audit procedures deemed necessary to evaluate and corroborate the written update.

The current corrective action status is highlighted in yellow on the Attachment. Internal Audit performed inquiries and examined relevant documents supporting and corroborating the represented corrective action statuses.

Conclusion

Internal Audit concludes that the Attachment accurately describes the current corrective action status. The following table provides additional information regarding Internal Audit's evaluation of certain corrective actions implemented subsequent to Internal Audit's September 2018 report.

Area	Issue	Status of Corrective Action	Comments
Low occupancy at Hale 'Alahonua	During the 2013 to 2016 academic years (AY), occupancy were as follows: AY 2016 (31% - 39%), AY 2015 (40% - 67%), AY 2014 (40% - 58%).	Occupancy at Hale 'Alahonua has improved from AY 2016. Occupancy for AY 2019 and 2020 are as follows: Fall 2018 (64%), Spring 2019 (53%), Fall 2019 (84%) and Spring 2020 (67 %).	Implemented
Financial results	Lack of monitoring financial results (budget vs actual) on a periodic basis	Internal Audit was provided with quarterly budget to actual financial results analysis.	Implemented

Accounts receivable	Collection of student housing receivable balances. Gross receivable balance as of June 30, 2017 was \$223,000	Balances as of June 30, 2020 and 2019 are \$246,000 and \$251,000, respectively. Housing Services is transitioning to a web-based version of the Star Rez software (Cloud Migration) that will automate collection efforts by the end of calendar year 2020.	Slight increase in balance from 2017. Housing Services continues to evaluate opportunities to improve collection of outstanding receivable balances.
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Internal Audit concludes that Housing Services has implemented or has made substantial progress in implementing all corrective actions.

Sincerely,

Glenn Shizumura
Director




UNIVERSITY
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Division of Student Affairs
Office of the Vice Chancellor for Student Affairs


September 14, 2020

MEMORANDUM

TO: Glenn Shizumura
Director, Office of Internal Audit

VIA: Dr. Bonnie Irwin 
Chancellor
University of Hawai'i at Hilo

VIA: Dr. Farrah-Marie Gomes 
Vice Chancellor for Student Affairs
University of Hawai'i at Hilo

FROM: Sherri U. Akau 
Director, University Housing and Residence Life
University of Hawai'i at Hilo

SUBJECT: Response to Office of Internal Audit Status of Corrective Action for University of Hawai'i Press and Student Housing Services dated September 2018

The following are updated responses to the Office of Internal Audit's September 2018 Status of Corrective Action for University of Hawai'i Press and Student Housing. An initial response was previously provided in January 2019.

A. Occupancy

1. Low Occupancy (UHH Hale 'Alahonua)

From Internal Audit Report:

Occupancy at the Hale 'Alahonua has increased, but UHH management is still in the process of implementing corrective actions related to improving ventilation. The planned installation of air conditioning in all Hale 'Alahonua units should increase the attractiveness of the property to students desiring on-campus housing. However, UHH management must be mindful of the costs associated with the air conditioning units (electricity, maintenance, etc.) and the recoverability and impact of these costs on the current rents charged to students.

Prior Response (January 2019):

The following tables show the most recent Hale ‘Alahonua occupancy data for a total of eight semesters starting from Fall 2015 through January 4, 2019 for the current Spring 2019 semester. Repricing that was approved on June 1, 2017 appears to be positively impacting occupancy since the four semesters following the repricing approval indicate an increase in occupancy compared to the preceding four semesters.

Fall semesters	2015	2016	<i>Repricing approved 6/1/17</i>	2017	2018
Number of beds occupied	117	148			206
Spring semesters	2016	2017		2018	2019*
Number of beds occupied	96	122		175	157

*Spring 2019 data is as of 01/04/2019

In 2017 and 2018, the Legislature appropriated \$3m in funding, for a total of \$6m for design and construction for the UHH Hale ‘Alahonua air conditioning project. This air conditioning project will include solar power in the design, with a battery/storage system at Hale ‘Alahonua, so that it will be a self-contained/net-zero system. Construction is expected to start in July 2019.

Update:

UHH Housing continues to prioritize occupancy. The following table shows the most recent Hale ‘Alahonua occupancy data for a total of ten semesters starting from fall 2015 through the current semester as of January 24, 2020. Overall, repricing approved on June 1, 2017 has had a positive impact on occupancy compared to the semesters that preceded the 2017-2018 academic year.

FALL SEMESTERS	2015	2016		2017	2018	2019
Number of Beds Occupied	117	148		206	189	248
			REPRICING APPROVED 06/2017			
SPRING SEMESTERS	2016	2017		2018	2019	2020
Number of Beds Occupied	96	122		175	157	197*

*spring 2020 data as of 02/29/2020 prior to COVID-19 disruption

The Legislature previously appropriated a total of \$6m for design and construction for the Hale ‘Alahonua air conditioning project. The original construction start date of July 2019 was postponed. Construction has since commenced on February 26, 2020 and is expected to be completed in Summer 2021.

Responsible Person:
Director of Housing

Expected Completion Date:
August 31, 2021

B. Financial

1. Budget to Actual Analysis (UHM and UHH)

From Internal Audit Report:

Corrective action is still in process. UHH Housing Services prepares a quarterly budget to actual analysis that is provided to senior management for review. However, UHH Housing Services could not provide a description or evidence of management actions, if any, that are taken as a result of this financial review.

Leading practices and procedures for internal controls related to financial recordkeeping include the reconciliation of subsidiary systems (books of original entry) to the general ledger. The stated lack of financial information in StarRez precludes the performance of this standard procedure. Internal Audit recommends that UHH Housing Services management review the current features and functionality of StarRez to ensure that all features and functions are utilized to its maximum capabilities. If it is determined that the current version of StarRez is not meeting UHH Housing Services' operational and financial objectives and requirements, UHH Housing Services should evaluate acquiring other StarRez features/modules (specifically related to financial information), and determine whether the benefits (i.e., management of financial information) outweigh the costs.

Prior Response (January 2019):

UHH Housing continues to prepare a quarterly budget to actual analysis that is provided to the Vice Chancellor for Student Affairs for review. A new report template that documents possible reasons for variances of more than 10% has been developed. This report has been completed for the periods of July 1 – September 30, 2018 and October 1 – December 31, 2018.

UHH Housing has reviewed the current features and functionality of StarRez and is in the process of determining whether and to what extent the current version of StarRez is meeting UHH Housing's operational and financial objectives and requirements. As recommended by the Internal Auditor, UHH Housing will evaluate need and feasibility of acquiring other StarRez features/modules (specifically related to financial information).

Update:

UHH Housing continues to prepare a quarterly budget to actual analysis that is provided to the Vice Chancellor for Student Affairs for review. A new report template that documents possible reasons for variances of more than 10% was developed prior to the initial response provided in January 2019. This report continues to be completed and discussed with the Vice Chancellor each quarter. These reports have been completed for each of the four quarters in FY20.

UHH Housing continues to review the current features and functionality of StarRez and is in the process of determining whether and to what extent the current version of StarRez is meeting UHH Housing's operational and financial objectives and requirements. UHH Housing staff met with our StarRez representative on campus on March 13, 2020 and also had follow-up meetings via Zoom on April 27, 2020 and May 14, 2020. On July 10, 2020, UHH Housing staff met with our StarRez representative to begin discussions about UHH's StarRez web-based Cloud Migration plan.

Responsible Person:
Director of Housing

Expected Completion Date:
December 31, 2020

2. Accounts Receivable (UHM and UHH)

From Internal Audit Report:

Corrective action is in process. UHH Housing Services is unable to automate the process in StarRez for e-mailing letters to residents with unpaid balances. The hiring of a collections specialist has the potential to improve collections of unpaid student accounts.

Prior Response (January 2019):

UHH Housing believes we are doing all that we possibly can to maximize collections of unpaid housing balances of current residents. We monitor balances for rental and meal plans on a regular basis. We continually contact students with outstanding balances via email and letters requiring signature with return receipt and have them come to the office to discuss their situation and provide them with options to consider. We even terminate rental contracts as needed. UHH Housing is also looking at methods using StarRez to implement automatic emails as requested by the auditor. These collection efforts are in addition to those of the System Bursar's Office. As revealed in a recent system-wide audit, the UHH Housing accounts receivable challenges are nested in the larger accounts receivable difficulties of the University of Hawai'i system.

Update:

UHH Housing continues to monitor balances for rental and meal plans on a regular basis. We contact students with outstanding balances via email and letters requiring signature with return receipt. We have them come to the office to discuss their situation and provide them with options to consider. The frequency of this outreach depends on individual student's situation, and can range from multiple times a week to every other week based on what needs to be resolved and how much time the student may need to complete action items on their end (i.e., waiting for next pay check, asking family for help, applying for financial aid or personal loan, etc.). When deemed appropriate, we also terminate rental contracts.

UHH Housing is looking at additional methods for using StarRez to implement automatic emails as recommended by Internal Audit. Currently, StarRez is used to send out billing statements and financial obligation email notifications to students. However, this is not through an automated process. There is possibility of automating notification to students through StarRez with a transition from UHH Housing's Client to web-based Cloud Migration. Additionally, the web-based Cloud version will be more accessible and will help to enhance services and processes within the UHH Housing operations. On July 10, 2020, UHH Housing staff met with our StarRez representative to begin discussions about UHH's StarRez Cloud Migration plan and approach. UHH Housing is expected to begin the Client to Cloud Migration process in October 2020.

Responsible Person:
Director of Housing

Expected Completion Date:
December 31, 2020

C. Operational

2. Housing Services Agreements (UHM and UHH)

From Internal Audit Report:

Corrective action is still in process. Management should install water meters in all dining facilities so that water and the related sewer costs are included in the analysis to determine whether additional amounts may be recovered from Sodexo under the terms of the contract. Furthermore, the analysis should include all contractual payments received from Sodexo. Contractual payments include all rebates reported in the audited Schedules of Gross Sales and Rebates.

Prior Response (January 2019):

UHH Housing, in collaboration with Facilities and Planning, is looking into installation of a separate water meter for the Hale Kehau resident dining hall. Currently, the resident dining hall is not assessed sewer fees.

Update:

UHH Housing, in collaboration with Facilities and Planning, is on track to have a separate water meter installed toward the end of this calendar year. This project was scheduled to go out for bid in March/April 2020, but was disrupted by COVID-19. A consultant recently came to campus to review the project scope. Based on that visit, a new timeline is being developed. To minimize interruption to Hale Kehau cafeteria operations, the project start date may be delayed to December 2020 after the Fall 2020 semester ends.

Current analyses include all contractual payments received from Sodexo, inclusive of all rebates reported in the audited Schedules of Gross Sales and Rebates.

Responsible Person:

Director of Housing

Expected Completion Date:

December 31, 2020

D. Compliance and Collaboration

3. Collaboration between UHM and UHH Housing Services management

From Internal Audit Report:

Corrective action in process. UHM and UHH Housing Services should increase its collaboration whereby the sharing of best practices will leverage their respective strengths for the benefit of both student residents and the University.

Prior Response (January 2019):

UHH Housing concurs with the principle that it should be collaborating with UHM Student Housing and asserts that we do collaborate on many issues. UHH and UHM Housing Services have consulted for many years on topics such as assignment practices and software, pest control practices, food service and special need services, and fully intends to continue this consultative and collaborative processes. We will continue to strengthen this collaboration and partnership.

Update:

UHH Housing continues to strengthen our collaborative efforts and partnership with UHM Housing Services. As previously indicated, UHH and UHM Housing have consulted for many years. Most recently, UHH and UHM Housing collaborated on the following items:

- Comparing business practices related to collection of housing rates and meal plan charges to understand how new TouchNet features allow students to attribute payments to specific line item charges
- Discussing implications and implementation of recently amended State of Hawai'i Department of Health Hawai'i Administrative Rules and compilation of chapters 11-157, which now requires one meningococcal vaccine for first-time students living in a resident hall on campus
- Discussing current practices relating to gender-inclusive housing at UHM and how that might be implemented at UHH
- Consulting with UH System Data Governance office to determine based on FERPA, exactly what student data UHH and UHM are legally able to provide for Census purposes
- Discussing and aligning COVID-19 response for Spring 2020 (mid-semester check-outs, refunds, etc.) and preparation for Fall 2020 (quarantine, social distancing, cleaning procedures, etc.)

UHH Housing and UHM Housing Services fully intend to continue engaging in consultative processes to strengthen these collaborations and partnerships.

Responsible Person:

Director of Housing

Completion Date:

Completed on August 31, 2020 with commitment to ongoing collaboration in the future



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UNIVERSITY OF HAWAI'I

Committee of Independent Audit Presentation
AICPA Audit Committee Tool Kit

October 2016

Audit Committee Administration

- Audit Committee Roles and Responsibilities
- Audit Committee Charter Matrix
- Audit Committee Financial Expertise Considerations of Decision Tree

Audit Committee Roles and Responsibilities

QUALITY. INTEGRITY. INSIGHT.

Audit Committee Roles and Responsibilities

The audit committee assists the governing body in its oversight of

- integrity of the organization's financial statements;
- internal control including internal control over financial reporting;
- independent auditor's qualifications, independence, and performance;
- internal audit function's qualifications, independence, and performance;
- the organization's risk management and overall governance process; and
- the organization's ethics and compliance program, which includes legal and regulatory requirements.

Audit Committee Process and Procedures

- Develop an audit committee charter and obtain approval from the governing body.
- Conduct an annual review of the audit committee charter.
- Set an agenda for the audit committee meetings based on the audit committee charter and other relevant issues.
- Ensure meeting minutes are prepared and approved by the audit committee.
- Provide audit committee reporting responsibilities to the governing body.
- Educate the other governing body members on the understanding of financial statements, financial statements risks, and internal control over financial reporting.
- Prepare an annual audit committee report.
- Conduct an annual self-assessment of effectiveness and efficiency of the audit committee.
- Conduct regularly scheduled and documented meetings with the independent external auditor, chief audit executive (leader of the internal audit function), as well as the general counsel, head of the governing body, senior management (for example, the CEO and CFO), and others as needed. These meetings are generally conducted in an executive session at the conclusion of each regularly scheduled meeting.
- Consider the development of an annual calendar based on the audit committee charter.

Oversight of the Financial Reporting Process

- Review critical accounting policies, practices, judgments, estimates, significant issues, significant transactions, adjustments, unusual items, complex issues, and business arrangements.
- Review annual and interim financial statements including management's discussion and analysis and budgetary comparisons for structural compatibility and period to period consistency.
- Review annual audited financial statements including any federal Office of Management and Budget (OMB) reports.
- Obtain explanations from management on all significant variances.
- Question management and the independent auditor about significant financial reporting issues.
- Review comparative data from other comparative government entities to perform reasonableness tests of the entity's results.
- Facilitate the resolution of disagreements between management and the independent auditor regarding financial reporting issues.
- Determine when a subject matter expert is required and hire advisers when needed.
- Review management letters containing the independent auditor's recommendations and management's responses to those recommendations.

Oversight of the Financial Reporting Process

- Determine that adequate procedures are in place for reviewing the government entity's disclosure of financial information extracted or derived from its financial statements and assess periodically the adequacy of these procedures.
- Understand complex accounting and reporting topics and how management addresses them.
- Understand significant judgments and estimates used by management and their effect on the financial statements, such as fair-value accounting and related assumptions.
- Review new accounting and reporting requirements, and assess how pending financial reporting and regulatory developments may affect the organization.
- Discuss succession planning for the CFO and other key staff.

Oversight of Financial Reporting

- Oversee the adequacy of the entity's system of internal controls.
- Determine if the entity has adopted an internal control framework, such as the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) *Internal Control—Integrated Framework* (released May 14, 2013) and the Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (revised September 10, 2014) or "Green Book," in the establishment of their system of internal control.
- Review the development and the implementation of a sub-certification process over internal control and compliance with related laws, regulations, or other requirements. The use of the COSO Framework is not a requirement in federal, state, or local government; though, using it is a best practice. The use of the GAO's Green Book, however, is a requirement for the federal government. Although not required in state and local government, using the Green Book is a best practice because it is specifically tailored to a government environment.

Oversight of the Independent Auditor

- Review the audit plan and the scope of audit to be conducted by the independent auditor.
- Provide pre-approval of all audits, permitted non-audit services, and proposed fees.
- Appoint or replace the independent auditor, including the periodic rotation of the audit partner.
- Conduct evaluations of the independent auditor. Meet periodically with legal, IT, actuarial, and other specialists.
- This may not apply if the independent auditor is mandated by law or regulation to perform audits for external purposes and may be overseen by an OIG or similar entity.

Oversight of the Internal Audit Function

- Approve the internal audit department charter.
- Ensure that the internal audit department follows the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, and maintains an effective quality assessment and improvement program.
- Concur in the appointment of the chief audit executive (CAE).
- Review the internal audit department's planning and risk assessment process.
- Review and approve the internal audit department's annual (or periodic) audit plan and scope of audits to be conducted.
- Conduct evaluations of the chief audit executive.
- Ensure that the chief audit executive reports functionally to the audit committee and administratively to senior management such as the head of the governing body.
- Discuss succession planning for the CAE and other key staff.
- This may not apply if the CAE is an elected official.

Oversight of Risk Management

- Oversee the system of risk assessment and risk management as determined by the governing body. The audit committee should be focused primarily on financial risk. Compliance or regulatory risks as well as single audit and any other engagements performed by the external auditor may also be reviewed by the audit committee.
- Oversee and respond to enterprise risk management activities.
- Periodically reassess the list of top enterprise risks, determining who in the senior leadership team is responsible for each risk.

Oversight of Ethics and Compliance

- Oversee the system for compliance with legal and regulatory requirements (for example, OMB circulars, budgeting, HHS regulations, and the like).
- Ensure that management exhibits ethical behavior and reported violations receive action.
- Ensure that a code of conduct has been developed, reviewed, and updated as needed, and that all employees are given the code of conduct, understand it, and receive training on a regular basis.
- Ensure that a chief ethics and compliance officer or equivalent has been appointed and has sufficient personnel and resources commensurate with the entity's needs.
- Review the government entity's procedures for reporting problems, including whistleblower hotline and other communication methods.
- Establish a process for audit committee special investigations, including but not limited to whistleblower allegation, anti-fraud plan compliance, discovery of error, and illegal acts.
- Ensure that the chief ethics and compliance officer or equivalent has direct access to the governing body or one of its committees (or similar bodies).

Audit Committee Charter Matrix

QUALITY. INTEGRITY. INSIGHT.

Committee Membership

- The audit committee shall consist of no fewer than 3 members, each of who should be independent;
- One member shall be designated as a financial expert;
- The members of the audit committee shall be appointed annually by the governing body;
- Audit committee members may be replaced by the governing body at any time;
- The governing body shall designate the chairperson of the audit committee.

Functions of the Audit Committee

- Retain and renew the appointment of an independent auditor to conduct the audit.
- Review with the independent auditor the scope and planning of the audit prior to its commencement.
- Upon completion of the audit, review and discuss the following with the independent auditor:
 - Any material risks and weaknesses in internal controls identified by the independent auditor
 - Any restrictions placed on the independent auditor's scope of the activities or access to requested information
 - Any significant disagreements between the independent auditor and management
 - The adequacy of the entity's interim and annual accounting and financial reporting process
 - Any recommendations made

Functions of the Audit Committee (continued)

- Assess the performance and independence of the independent auditor on an annual basis.
- Solicit observations on staff skills, qualifications and performance related to audited functions.
- Report to the governing body on the committee's activities, and recommend the results of audit findings for approval.
- Oversee corrective actions implemented to address issues identified in the required communication and management letter.

Audit Committee Financial Expert Decision Tree

Typical Attributes of Financial Expertise

- An understanding of generally accepted accounting principles, generally accepted auditing standards, and financial statements
- The ability to assess the general application of such principles and standards in connection with the accounting for estimates, accruals, and reserves
- Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the government entity's financial statements or experience actively supervising (that is, direct involvement with) one or more people engaged in such activities
- An understanding of internal controls and procedures for financial reporting
- An understanding of audit committee functions (roles and responsibilities)
- A general understanding of the financial issues and specific knowledge of the government sector (for example, federal, state, or local government)
- A general knowledge of any current relative concerns or regulatory issues surrounding the government entity's specific sector
- An understanding of the past 3–5 years of the government entity's financial history

Questions to Ask in Assessing Financial Expertise

- Do laws or regulations governing the government entity include certain requirements of audit committees regarding independence, oversight governance, committee activities, or other criteria?
- Have one or more individuals completed a program of learning in accounting or auditing?
- Do one or more individuals have experience as a chief or principal financial officer principal accounting officer, controller, public accountant, or auditor?
- Do one or more individuals have experience with government accounting standards?
- Do one or more individuals have experience in position(s) that involve the performance of similar functions?
- Have one or more individuals gained experience by actively supervising a person or people performing one or more of these functions?
- Do one or more individuals have experience overseeing or assessing the performance of companies, or public accountants with respect to the preparation, auditing, or evaluation of financial statements?
- Do one or more individuals have other relevant financial experience?
- Do one or more individuals have experience serving on audit committees of other government entities?



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Required Communications

Planning Phase

September 2020

FY 2020 University of Hawai'i Audits

- **OMB Uniform Guidance Audit**
 - Federal compliance audit
- **Financial statement audit and supplemental schedules**
 - University of Hawaii Foundation (audited by KPMG)
- **Manoa and Hilo Intercollegiate Athletics**
 - NCAA Agreed-upon procedures (for Div I-A and Div II programs)

Engagement Team

Position on this Engagement	Name	Years in Current Role
Engagement Quality Review Partner	Cory Kubota	2
Engagement Leader	Jamie Asato	2
Lead Engagement Manager	Joshua Sakamoto	2
Federal Compliance and Athletics Manger	Ryan Horiuchi	8
Field Team Leader	Maya Hananoki	3

Our Responsibilities under U.S. Generally Accepted Auditing Standards – (Contract No. C180086)

- To express an opinion on the fair presentation of the University's consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP).
- To express an opinion on compliance with requirements applicable to each of the University's major federal programs in accordance with OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.
- To assess the University's internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs.
- To assess the University's internal control over financial reporting, compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters based on the audit of the University's consolidated financial statements.
- To report our observations and recommendations to improve internal control over financial reporting and business operations (management letter).

Audit Scope

- An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested.
- Our audits will include obtaining an understanding of the University and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the University. We will communicate our significant findings at the conclusion of the audits. We will also communicate any internal control related matters that are required to be communicated under professional standards.
- The audit does not relieve management or those charged with governance of their responsibilities for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP or the responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Audit Timing and Status

- **OMB Uniform Guidance Audit (Federal Compliance Audit)**
 - 10 major programs identified to date for 2020 (8 in FY 2019)
 - Fieldwork commenced in July 2020
 - Anticipated addendum to the 2020 Compliance Supplement in September or October to provide guidance on the new CARES Act major program for CFDA 84.425E Educational Stabilization Fund
 - Anticipated presentation of Federal compliance report in early 2021
- **Financial Audits (Financial Statements and Athletics AUP)**
 - Fieldwork commenced in late August 2020
 - Change in component unit presentation on the financial statements for FY 2020
 - Anticipated presentation of financial statements, supplemental bond and campus schedules, Athletics AUP and management letter at the December 3, 2020 Audit Committee meeting

Potential Audit Issues & Status Update of Prior Year Findings

- **OMB Uniform Guidance Audit (Federal Compliance Audit)**
 - R&D findings
 - Recurring SFA compliance findings
- **Financial Audits (Financial Statements and Athletics AUP)**
 - Investment policy and procurement compliance findings
 - Mānoa Intercollegiate Athletics fiscal deficit

Inquiries

- Any instances of fraud, alleged or perpetrated, that would have a material impact on the University's financial statements?
- Any instances of material noncompliance with Federal, State, or other regulatory agencies?



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University of Hawaii
Whistleblower Summary Report
As of September 24, 2020

**June 15, 2016 (inception) -
September 24, 2020**

<u>Unit</u>	<u>Total</u>	<u>Open</u>	<u>Closed</u>
System	33	0	33
UH Manoa	206	13	193
UH Hilo	113	3	110
UH West Oahu	10	2	8
Maui College	16	1	15
Kapiolani CC	70	2	68
Leeward CC	7	1	6
Honolulu CC	16	1	15
Windward CC	17	1	16
Hawaii CC	35	3	32
Kauai CC	5	0	5
	<u>528</u>	<u>27</u>	<u>501</u>

July 1, 2020 - Sept. 24, 2020

<u>Total</u>	<u>Open</u>	<u>Closed</u>	
System	0	0	0
UH Manoa	15	9	6
UH Hilo	4	3	1
UH West Oahu	3	2	1
Maui College	2	1	1
Kapiolani CC	1	1	0
Leeward CC	1	1	0
Honolulu CC	2	0	2
Windward CC	0	0	0
Hawaii CC	6	2	4
Kauai CC	0	0	0
	<u>34</u>	<u>19</u>	<u>15</u>

July 1, 2019 - June 30, 2020

<u>Total</u>	<u>Open</u>	<u>Closed</u>	
System	6	0	6
UH Manoa	43	4	39
UH Hilo	12	0	12
UH West Oahu	1	0	1
Maui College	4	0	4
Kapiolani CC	19	1	18
Leeward CC	0	0	0
Honolulu CC	4	1	3
Windward CC	3	0	3
Hawaii CC	6	1	5
Kauai CC	1	0	1
	<u>99</u>	<u>7</u>	<u>92</u>

July 1, 2018 - June 30, 2019

<u>Total</u>	<u>Open</u>	<u>Closed</u>	
System	9	0	9
UH Manoa	45	0	45
UH Hilo	50	0	50
UH West Oahu	2	0	2
Maui College	4	0	4
Kapiolani CC	7	0	7
Leeward CC	3	0	3
Honolulu CC	1	0	1
Windward CC	5	1	4
Hawaii CC	7	0	7
Kauai CC	1	0	1
	<u>134</u>	<u>1</u>	<u>133</u>

**June 15, 2016 (inception) - June
30, 2018**

<u>Total</u>	<u>Open</u>	<u>Closed</u>	
System	18	0	18
UH Manoa	103	0	103
UH Hilo	47	0	47
UH West Oahu	4	0	4
Maui College	6	0	6
Kapiolani CC	43	0	43
Leeward CC	3	0	3
Honolulu CC	9	0	9
Windward CC	9	0	9
Hawaii CC	16	0	16
Kauai CC	3	0	3
	<u>261</u>	<u>0</u>	<u>261</u>

University of Hawaii
Whistleblower Tracking Report
June 15, 2016 - September 24, 2020

<u>Case #</u>	<u>Campus</u>	<u>Classification</u>	<u>Submitted by</u>	<u>Date Opened</u>	<u>Date Closed</u>	<u>Description</u>
Open cases						
Days open: less than 30 days						
537	UH - Manoa	Health and Safety	Non-employee	09/24/20	-	Non-compliance with COVID-19 rules.
536	UH - West Oahu	Health and Safety	Non-employee	09/23/20	-	Homeless on campus.
535	Maui College	Health and Safety	Non-employee	09/17/20	-	Non-compliance with COVID-19 rules.
534	UH - Manoa	Employment and HR	Employee	09/12/20	-	Casual hire employee laid off.
533	UH - Manoa	Employment and HR	Employee	09/12/20	-	Redundant administrator job description.
532	UH - Manoa	Employment and HR	Employee	09/11/20	-	Poor leadership by supervisor.
529	Kapiolani CC	Employment and HR	Employee	09/05/20	-	Employee will not assist fellow employee.
528	Leeward CC	Employment and HR	Employee	09/03/20	-	Approval pending for "Work from Home" request.
526	UH - Hilo	Health and Safety	Non-employee	09/01/20	-	Non-compliance with COVID-19 rules.
525	UH - Manoa	Employment and HR	Employee	08/31/20	-	Approved "Work from Home" requests not returned to employee.
524	UH - Manoa	Student Affairs	Non-employee	08/31/20	-	Academic grievance.
521	UH - Manoa	Employment and HR	Employee	08/31/20	-	Vacant position not filled as promised
520	UH - Manoa	Employment and HR	Non-employee	08/31/20	-	Inappropriate behavior by faculty.
Days open: 31 - 60 days						
514	UH - Hilo	Student Affairs	Non-employee	08/20/20	-	Hold placed on student acct preventing enrollment
513	UH - Hilo	Employment and HR	Employee	08/19/20	-	Hiring unqualified personnel.
512	UH - West Oahu	Employment and HR	Employee	08/10/20	-	Faculty also employed off campus.
Days open: 61 - 90 days						
508	UH - Manoa	Health and Safety	Non-employee	07/20/20	-	Lack of transparency
507	Hawaii CC	Financial	Non-employee	07/13/20	-	Idential to Case #505
505	Hawaii CC	Financial	Employee	07/05/20	-	Misrepresentation of information to obtain financial aid
Days open: Over 91 days						
502	Hawaii CC	Employment and HR	Employee	06/19/20	-	Elimination of employee position
499	UH - Manoa	Employment and HR	Employee	06/07/20	-	Conflict of interest. Addtl info requested.
497	Honolulu CC	Employment and HR	Employee	06/03/20	-	Inappropriate faculty promotion.
492	UH - Manoa	Employment and HR	Employee	04/20/20	-	Poor behavior by Graduate Director.
475	Kapiolani CC	Employment and HR	Employee	02/12/20	-	Employees not working.
464	UH - Manoa	Property/Facilities	Employee	01/13/20	-	Inappropriate purchase of equipment.
447	UH - Manoa	Employment and HR	Employee	11/04/19	-	Inappropriate behavior by faculty. Investigation ongoing.
367	Windward CC	Employment and HR	Non-employee	02/08/19	-	Workplace complaints. Title IX Office investigating.

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Closed cases						
531	Honolulu CC	Employment and HR	Employee	09/09/20	09/11/20	Faculty contract not renewed. Investigated, no violation.
530	Hawaii CC	Health and Safety	Non-employee	09/09/20	09/15/20	Non-compliance with COVID-19 rules. Investigated, resolved.
527	UH - Manoa	Employment and HR	Employee	09/02/20	09/17/20	Untimely approval of timesheet. Investigated, action taken.
523	Honolulu CC	Student Affairs	Non-employee	08/31/20	09/08/20	Unfair policy to obtain resident status. Investigated, no violation.
522	UH - Manoa	Health and Safety	Non-employee	08/31/20	09/18/20	Non-compliance with COVID-19 rules. Investigated, action taken.
519	UH - Manoa	Other	Non-employee	08/31/20	09/01/20	Students snap chat account. Not University related. Closed.
518	UH - Manoa	Health and Safety	Employee	08/31/20	09/18/20	Non-compliance with COVID-19 rules. Investigated, action taken.
517	Hawaii CC	Employment and HR	Employee	08/31/20	09/02/20	Incorrect instructor teaching listed course. Investigated, no violation.
516	UH - Manoa	Health and Safety	Non-employee	08/31/20	08/31/20	Non-compliance with COVID-19 rules. Investigated, action taken.
515	UH - Manoa	Health and Safety	Non-employee	08/24/20	09/18/20	Non-compliance with COVID-19 rules. Investigated, action taken.
511	System	Information Technology	Non-employee	07/29/20	09/09/20	Inappropriate e-mail. Investigated, action taken.
510	UH - West Oahu	Student Affairs	Non-employee	07/23/20	09/21/20	Academic grievance. Investigated, resolved.
509	UH - Hilo	Employment and HR	Employee	07/20/20	08/19/20	Exclusionary and discriminatory behavior. Investigated, action taken.
506	Hawaii CC	Employment and HR	Non-employee	07/11/20	08/31/20	Lack of confidentiality. No violation.
504	Hawaii CC	Employment and HR	Non-employee	07/04/20	07/13/20	Lack of confidentiality. No violation.
503	UH - Manoa	Property/Facilities	Employee	06/26/20	07/14/20	Misuse of property. Investigated and resolved.
501	Hawaii CC	Student Affairs	Non-employee	06/13/20	08/30/20	Security not performing a thorough investigation. No violation.
500	System	Information Technology	Non-employee	06/13/20	09/08/20	Use of copyrighted video. Addtl info requested but not provided.
498	UH - Hilo	Other	Non-employee	06/05/20	07/01/20	Inappropriate Instagram posting Investigated and resolved.
496	UH - Manoa	Student Affairs	Non-employee	05/09/20	05/22/20	Insufficient time for final exam. Case referred to dept chair.
495	UH - Manoa	Health and Safety	Employee	04/29/20	06/23/20	Mandatory lab class during COVID. Investigated and resolved
494	UH - Manoa	Employment and HR	Non-employee	04/23/20	06/29/20	Outside employment. Misuse assets. Investigated and resolved.
493	UH - Manoa	Health and Safety	Non-employee	04/22/20	05/22/20	Guest in dorms during COVID pandemic. Investigated, action taken.
491	Honolulu CC	Employment and HR	Non-employee	04/17/20	05/27/20	Unqualified instructor. Addtl info requested but not provided.
490	Maui College	Employment and HR	Employee	04/15/20	05/17/20	Faculty not paid agreed upon amt. Investigated and resolved.
489	UH - Manoa	Student Affairs	Employee	04/03/20	04/22/20	Academic grievance forwarded to Department Chair.
488	Windward CC	Employment and HR	Employee	04/02/20	05/07/20	Outside employment. Investigated, no violation.
487	System	Health and Safety	Employee	03/19/20	04/03/20	Working during COVID 19 s/n/b "essential".\Referred to UH FAQ.
486	UH - Hilo	Health and Safety	Employee	03/16/20	04/23/20	Lack of transparency re: COVID 19. Investigated, resolved.
485	Kapiolani CC	Employment and HR	Employee	03/05/20	04/24/20	Unauthorized decisions by staff personnel. Investigated, no violation.
484	UH - Manoa	Employment and HR	Employee	03/05/20	04/14/20	Inappropriate hiring practices. Investigated, action taken.
483	UH - Manoa	Other	Non-employee	03/05/20	03/13/20	Falsified anonymous letter. Investigated in 2010. Case closed.
482	Hawaii CC	Employment and HR	Employee	03/02/20	03/25/20	Inappropriate hiring practices. Investigated, no violation
481	Hawaii CC	Property/Facilities	Non-employee	03/02/20	08/31/20	Improper use of University vehicle. Investigated, no violation.
480	UH - Manoa	Information Technology	Employee	03/01/20	03/23/20	Unauthorized access to personal info. Addtl info requested, not recd.
479	UH - Manoa	Student Affairs	Non-employee	02/22/20	04/28/20	Unruly dorm roommates. Investigated and resolved.
478	Kapiolani CC	Other	Employee	02/21/20	02/24/20	Identical to case #471.
477	Kapiolani CC	Other	Employee	02/21/20	02/24/20	Identical to case #471.
476	UH - Hilo	Employment and HR	Employee	02/12/20	03/17/20	Employee discussing confidential info. Investigated, resolved.

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474	UH - Manoa	Information Technology	Employee	02/12/20	02/19/20	Inappropriate e-mail. Investigated, no violation.
473	Kapiolani CC	Other	Employee	02/11/20	02/24/20	Identical to case #471.
472	Honolulu CC	Employment and HR	Employee	02/11/20	08/31/20	Unprofessional behavior at dept mtg. Investigated, no violation.
471	Kapiolani CC	Other	Employee	02/07/20	02/24/20	Faculty disagrees with Staff Council decision. No violation.
470	Kapiolani CC	Employment and HR	Employee	02/06/20	05/07/20	Employees not working. Investigated, nio violation.
469	Maui College	Property/Facilities	Employee	01/31/20	03/05/20	Improper disposal of furniture. Investigated, no violation.
468	Kapiolani CC	Employment and HR	Employee	01/30/20	03/05/20	Abuse of leave system. Addtl info requested, not provided.
467	Hawaii CC	Employment and HR	Employee	01/21/20	05/06/20	Poor behavior from co-workers. Addtl info requested, not provided.
466	UH - West Oahu	Financial	Employee	01/16/20	09/05/20	Student classified as resident vs non-resident. Investigated, resolved
465	UH - Hilo	Student Affairs	Non-employee	01/15/20	02/12/20	Unfair treatment of students. Investigated, action taken.
463	UH - Hilo	Student Affairs	Non-employee	01/13/20	02/04/20	Dorm resident is not student. Investigated and resolved.
462	Kapiolani CC	Employment and HR	Employee	01/06/20	07/13/20	Inappropriate outside employment. Investigated, no violation.
461	UH - Manoa	Health and Safety	Non-employee	01/06/20	01/07/20	Smoking on campus. Resolved.
460	UH - Hilo	Employment and HR	Employee	12/29/19	12/30/19	Identical to case #459.
459	UH - Hilo	Employment and HR	Employee	12/18/19	01/12/20	Employee selling food at campus parking lot. Investigated, resolved.
458	UH - Manoa	Employment and HR	Non-employee	12/18/19	02/12/20	Reporter did not describe complaint. Closed for lack of info.
457	Kapiolani CC	Employment and HR	Employee	12/15/19	-	Screening committee misconduct. Investigated, resolved.
456	UH - Manoa	Employment and HR	Employee	12/08/19	04/22/20	Best candidate not hired. Investigated, appropriate action taken.
455	Windward CC	Student Affairs	Non-employee	12/04/19	12/13/19	Identical to case #452.
454	UH - Manoa	Student Affairs	Non-employee	12/02/19	08/25/20	Academic grievance. Investigated and action taken.
453	UH - Manoa	Employment and HR	Employee	12/02/19	01/16/20	Unprofessional supervisors. Investigated and action taken.
452	Windward CC	Student Affairs	Non-employee	12/01/19	12/13/19	Disclosure of confidential student info. Investigated, no violation.
451	Honolulu CC	Health and Safety	Employee	11/17/19	12/31/19	Hazardous materials. Investigated, no violation.
450	UH - Manoa	Financial	Employee	11/18/19	12/03/19	Use of vendor approved lists. Addtl info requested but not received.
449	UH - Manoa	Student Affairs	Non-employee	11/16/19	11/19/19	Cheating on exam. Investigated and resolved.
448	UH - Hilo	Employment and HR	Employee	11/12/19	12/16/19	Employees are not working. Investigated and action taken.
446	UH - Manoa	Student Affairs	Non-employee	10/24/19	11/08/19	Identical to case 444.
445	UH - Manoa	Student Affairs	Non-employee	10/24/19	10/24/19	Identical to case 444.
444	UH - Manoa	Student Affairs	Non-employee	10/19/19	10/24/19	Foreign student illegally working in Hawaii. Resolved.
443	UH - Manoa	Research	Employee	10/18/19	01/16/20	Inappropriate travel. Investigated and no violation.
442	UH - Manoa	Student Affairs	Non-employee	10/17/19	10/24/19	Smoking in dorms. Investigated and resolved.
441	System	Financial	Employee	10/16/19	10/17/19	Misuse of parking pass. Investigated and resolved.
440	UH - Manoa	Student Affairs	Non-employee	10/14/19	10/24/19	Student not attending class. Addtl info requested but not rec'd.
439	UH - Manoa	Employment and HR	Non-employee	10/11/19	11/04/19	Title IX matter. Addtl info requested but not rec'd
438	System	Health and Safety	Employee	10/08/19	11/12/19	Ladder not compliant with OSHA. Resolved.
437	UH - Manoa	Employment and HR	Employee	10/04/19	01/07/20	Uncompensated student employee. Investigated and no violation
436	UH - Manoa	Health and Safety	Employee	10/04/19	10/06/19	Mold in showers. Investigated and remediated.
435	Kapiolani CC	Employment and HR	Employee	10/04/19	02/24/20	Inappropriate comments by faculty. Investigated and no violation.
434	UH - Hilo	Other	Employee	09/25/19	09/25/19	Reporter commends job performed by janitors.
433	UH - Manoa	Health and Safety	Non-employee	09/20/19	09/25/19	Knives in dorm room. Investigated and resolved.
432	UH - Manoa	Employment and HR	Non-employee	09/16/19	09/18/19	Employee not using earphones in library

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431	Kapiolani CC	Research	Employee	09/11/19	09/17/19	Misuse of grant funds. Investigated and no violation.
430	UH - Manoa	Student Affairs	Non-employee	09/09/19	09/10/19	Foreign student did not register for courses.
429	UH - Manoa	Employment and HR	Employee	09/06/19	09/21/19	Employee not working. Investigated and no violation.
428	UH - Manoa	Other	Employee	09/06/19	09/13/19	Facility non-compliance (identical to case 427)
427	UH - Manoa	Other	Employee	09/06/19	09/13/19	Facility non-compliance. Non-compliance matters addressed.
426	UH - Hilo	Health and Safety	Employee	09/05/19	09/06/19	Smoking on campus
425	Kauai CC	Health and Safety	Non-employee	09/03/19	10/15/19	Drugs on campus. Investigated and resolved.
424	UH - Manoa	Other	Non-employee	08/31/19	09/30/19	Disclosure of private information. Addtl info requested, not provided.
423	Kapiolani CC	Employment and HR	Employee	08/30/19	08/30/19	HIPAA allegation. No violation.
422	Kapiolani CC	Employment and HR	Employee	08/28/19	09/30/19	Gift to employee. Insufficient info to support allegation.
421	System	Other	Employee	08/28/19	09/25/19	Scheduled periodic meetings revised to "as needed". No violation.
420	Maui College	Student Affairs	Non-employee	08/27/19	10/01/19	Title IX matter forwarded to Title IX coordinator and resolved.
419	UH - Hilo	Employment and HR	Employee	08/27/19	09/17/19	Promotion deferred. Investigated and resolved.
418	Maui College	Employment and HR	Employee	08/27/19	09/27/19	Supervisor rude to employees. Allegation addressed and resolved.
417	Kapiolani CC	Health and Safety	Employee	08/27/19	09/30/19	Smoking on campus
416	Kapiolani CC	Employment and HR	Employee	08/27/19	10/03/19	Identical to case 413
415	UH - Manoa	Student Affairs	Non-employee	08/27/19	09/18/19	Title IX issue when student was enrolled at a different school.
414	Kapiolani CC	Employment and HR	Employee	08/27/19	01/06/20	Full time employee has outside employment. No violation.
413	Kapiolani CC	Employment and HR	Employee	08/27/19	10/03/19	Employees not working scheduled time. Investigated and action taken.
412	UH - Manoa	Health and Safety	Employee	08/22/19	09/12/19	Improper storage of chemicals. No violation.
411	UH - Manoa	Employment and HR	Employee	08/09/19	09/14/19	Employee not working 8 hrs. Investigated and no violation.
410	Kapiolani CC	Research	Employee	08/02/19	08/06/19	Misuse of funds. No violation.
409	System	Employment and HR	Employee	07/03/19	02/18/20	Hiring practices. No violation.
408	UH - Hilo	Employment and HR	Employee	07/13/19	08/20/19	Security guard targeting employee. Investigated and resolved.
407	UH - Manoa	Other	Non-employee	07/13/19	07/15/19	Complaint does not involve the University.
406	Hawaii CC	Employment and HR	Non-employee	07/10/19	08/05/19	Supervisor difficult to work with. Investigated and no violation.
405	UH - Manoa	Property/Facilities	Employee	07/03/19	10/17/19	Inappropriate use of University vehicle. Investigated and action taken.
404	UH - Manoa	Health and Safety	Employee	06/29/19	01/08/20	Harrassment. Investigated, action taken.
403	UH - Hilo	Property/Facilities	Non-employee	05/31/19	05/31/19	Facility rental fee. Investigated and resolved.
402	UH - Manoa	Other	Employee	05/11/19	09/29/19	Employee accountability/competence. Addtl info requested, not recd.
401	UH - Hilo	Property/Facilities	Non-employee	05/07/19	05/22/19	Transferred equipment to a different office. Investigated and resolved.
400	UH - Manoa	Employment and HR	Employee	05/06/19	01/23/20	Conflict of interest. No violation.
399	UH - Manoa	Employment and HR	Employee	05/06/19	07/03/19	Inaccurate reporting. Investigated and resolved.
398	UH - Hilo	Employment and HR	Employee	05/05/19	05/23/19	Identical to case 397.
397	UH - Hilo	Employment and HR	Employee	05/05/19	05/08/19	Conflict of interest. Investigated and no conflict.
396	UH - Manoa	Employment and HR	Employee	05/02/19	01/08/20	Disrespectful supervisor. Investigated and resolved.
395	Leeward CC	Employment and HR	Non-employee	05/01/19	05/16/19	Inappropriate survey. Investigated and no policy violation.
394	Windward CC	Health and Safety	Non-employee	04/24/19	10/04/19	Smoking on campus.
393	UH - Manoa	Health and Safety	Employee	04/08/19	04/10/19	Smoking on campus.
392	UH - Manoa	Employment and HR	Non-employee	04/04/19	05/07/19	Similar to case #390. Investigated and resolved.
391	Windward CC	Health and Safety	Non-employee	04/03/19	10/04/19	Smoking on campus.

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390	UH - Manoa	Employment and HR	Non-employee	04/03/19	05/02/19	Inappropriate comments by faculty. Addtl info. reqstd but not recd
389	UH - Hilo	Employment and HR	Employee	03/29/19	07/25/19	Favortism exhibited by supervisor. Investigated and no violation.
388	UH - Manoa	Health and Safety	Non-employee	03/28/19	04/04/19	Smoking on campus.
387	UH - Manoa	Employment and HR	Employee	03/27/19	05/01/19	Service animal. No violation.
386	UH - Hilo	Property/Facilities	Employee	03/25/19	07/25/19	Frequency of work related text messages on personal cell phone
385	UH - Hilo	Employment and HR	Non-employee	03/22/19	05/31/19	Inadequate leadership. Investigated and resolved.
384	Honolulu CC	Employment and HR	Employee	03/19/19	03/28/19	Faculty complaint.
383	UH - Manoa	Employment and HR	Employee	03/18/19	04/13/19	Employee not working 8 hrs. Investigated and resolved.
382	System	Information Technology	Employee	03/14/19	03/21/19	Inappropriate University e-mails.
381	UH - Manoa	Employment and HR	Employee	03/07/19	04/01/19	Employee absent from work
380	UH - Manoa	Other	Non-employee	03/06/19	03/19/19	Calls to UH Alumni requesting donations. No violation.
379	System	Employment and HR	Employee	03/05/19	05/07/19	Employee working two separate positions. No violation.
378	Kauai CC	Employment and HR	Non-employee	02/28/19	10/15/19	Faculty unresponsive to e-mails. No violation.
377	UH - Hilo	Employment and HR	Employee	02/28/19	05/31/19	Poor computer support. Investigated and resolved.
376	UH - Hilo	Employment and HR	Employee	02/28/19	05/31/19	Employee not working 8 hrs. Investigated and resolved.
375	UH - Hilo	Student affairs	Non-employee	02/27/19	04/11/19	False allegations against student. Forwarded to Office of EEO.
374	UH - Manoa	Other	Employee	02/25/19	02/26/19	Non-payment of scholarship check. Resolved with check prep.
373	Kapiolani CC	Employment and HR	Non-employee	02/25/19	12/31/19	Employee working on personal projects. Investigated and resolved.
372	UH - Manoa	Student affairs	Employee	02/15/19	05/13/19	Inappropriate actions by student. Addtl info requested but not recd
371	UH - Manoa	Student affairs	Employee	02/14/19	02/19/19	Unfair sanctions. No violation
370	UH - Manoa	Other	Employee	02/14/19	02/19/19	Property confiscated. No violation.
369	UH - Manoa	Information Technology	Employee	02/13/19	02/19/19	Technology equipment compromised
368	UH - Manoa	Health and Safety	Non-employee	02/08/19	02/11/19	Smoking on campus. Resolved
366	UH - Hilo	Other	Non-employee	02/07/19	03/07/19	Inappropriate Facebook post. Investigated and resolved.
365	Maui College	Student affairs	Non-employee	02/06/19	02/13/19	Identical to Case #363.
364	UH - Hilo	Employment and HR	Employee	02/06/19	04/11/19	Inappropriate faculty behavior. Investigated and resolved.
363	Maui College	Student affairs	Non-employee	02/04/19	02/13/19	Treatment of student. No violation.
362	UH - West Oahu	Student affairs	Non-employee	01/26/19	02/25/19	Revocation of financial aid. Investigated and resolved.
361	UH - Manoa	Student affairs	Employee	01/23/19	02/26/19	Inappropriate faculty behavior. Investigated and resolved.
360	UH - Hilo	Property/Facilities	Non-employee	01/18/19	05/31/19	Facility use form no longer available on-line. Investigated and resolved.
359	UH - Hilo	Health and Safety	Employee	01/17/19	01/23/19	Security personnel not performing duties. Investigated and resolved.
358	Kapiolani CC	Employment and HR	Employee	01/17/19	04/17/19	Faculty working at another job. No violation.
357	UH - Hilo	Employment and HR	Non-employee	01/16/19	05/31/19	Faculty treatment of student. Investigated and resolved.
356	UH - Hilo	Employment and HR	Non-employee	01/15/19	02/20/19	Lack of classes. Investigated and resolved.
355	Hawaii CC	Employment and HR	Non-employee	01/08/19	10/03/19	Service animal. Investigated and resolved.
354	Kapiolani CC	Employment and HR	Employee	01/07/19	01/09/19	Unfair faculty course assignments. No policy violation.
353	Kapiolani CC	Employment and HR	Employee	01/07/19	02/28/19	Poor behavior by employee. No violation.
352	UH - Hilo	Employment and HR	Non-employee	12/24/18	05/31/19	Office closing early. Investigated and resolved.
351	UH - Hilo	Athletics	Non-employee	12/12/18	04/11/19	Sports camps. Investigated and resolved.
350	UH - Manoa	Health and Safety	Employee	12/07/18	10/21/19	Unsafe behavior toward employee. Investigated and resolved.
349	UH - Manoa	Employment and HR	Employee	12/06/18	09/10/19	Employee discrimination. Investigated and resolved.

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348	UH - Hilo	Research	Employee	12/04/18	01/23/19	Research integrity. Investigated and action taken.
347	UH - Hilo	Other	Non-employee	12/03/18	01/14/19	Signage not displayed. Addtl informaton requested but not received.
346	UH - Hilo	Health and Safety	Non-employee	12/02/18	12/27/18	Inappropriate advice from Health Services employee.
345	UH - Hilo	Property/Facilities	Non-employee	12/01/18	01/14/19	Inadequate facilities. Investigated and resolved.
344	Kapiolani CC	Employment and HR	Employee	11/30/18	08/31/20	Identical to case #343
343	Kapiolani CC	Employment and HR	Employee	11/30/18	08/31/20	Employee discrimination. Investigated and closed.
342	Kapiolani CC	Employment and HR	Employee	11/29/18	12/10/18	Outdated personnel policies to be updated.
341	Hawaii CC	Student affairs	Non-employee	11/29/18	10/03/19	Student reprimanded. No violation.
340	UH - Hilo	Property/Facilities	Non-employee	11/28/18	01/14/19	Change in facility rental fee. Investigated and resolved.
339	UH - Manoa	Financial	Non-employee	11/27/18	01/07/19	Non-payment of invoice. Payment made and case closed.
338	UH - Hilo	Employment and HR	Non-employee	11/21/18	01/14/19	Employees not working. Investigated and action taken.
337	UH - Hilo	Health and Safety	Non-employee	11/18/18	12/27/18	Improperly located smoke detectors and students smoking.
336	UH - Hilo	Health and Safety	Non-employee	11/17/18	12/27/18	Inappropriate advice from Health Services employee.
335	UH - Manoa	Property/Facilities	Employee	11/16/18	11/30/18	Dump truck parked inappropriately. Addtl info requested.
334	UH - Manoa	Other	Non-employee	11/12/18	02/16/19	Inappropriate use of internet. Investigated and resolved.
333	UH - Hilo	Athletics	Non-employee	11/12/18	04/11/19	Mgt of sports camps, meal allowances. Investigated and resolved.
332	UH - Hilo	Other	Non-employee	11/11/18	11/27/18	Poor program management reviewed and resolved.
331	UH - Hilo	Property/Facilities	Non-employee	11/09/18	01/14/19	Change in facility rental fee. Resolved
330	UH - Hilo	Property/Facilities	Non-employee	11/06/18	11/27/18	Signage not displayed. Plan for displaying sign in development stage.
329	UH - Hilo	Property/Facilities	Non-employee	11/04/18	01/14/19	Lack of response for facility rental. Resolved.
328	UH - Manoa	Health and Safety	Non-employee	10/26/18	11/19/18	Smoking on campus. Contacted Office of Public Safety. Resolved.
327	UH - Hilo	Student Affairs	Non-employee	10/18/18	11/26/18	Faculty was unprofessional to student. Reviewed and action taken.
326	UH - Manoa	Employment and HR	Non-employee	10/17/18	02/16/19	Faculty complaint. Investigated and resolved.
325	UH - Manoa	Student Affairs	Non-employee	10/12/18	10/12/18	Confidentiality of student homework. Referred to Dept Chair.
324	Maui College	Employment and HR	Employee	10/11/18	04/17/19	Staff vacation. Investigated and resolved.
323	UH - Hilo	Employment and HR	Employee	10/09/18	12/04/18	Management decisions. Reviewed and action taken.
322	Windward CC	Employment and HR	Employee	09/30/18	11/14/18	Lack of privacy. Reviewed and action taken.
321	System	Employment and HR	Non-employee	09/26/18	10/25/18	Inappropriate hiring of employee. Investigated and no violation.
320	UH - Manoa	Other	Employee	09/25/18	09/27/18	Health of Waikiki Aquarium marine animals
319	UH - Hilo	Health and Safety	Employee	09/19/18	10/23/18	Employees riding in bed of truck.
318	System	Employment and HR	Employee	09/19/18	09/25/18	Identical to case #312.
317	Maui College	Employment and HR	Employee	09/18/18	11/29/18	Supervisor is unprofessional. No violation.
316	System	Employment and HR	Employee	09/18/18	09/25/18	Identical to case #312.
315	UH - Manoa	Other	Non-employee	09/18/18	09/18/18	Receiving e-mails from unknown hawaii.edu address.
314	System	Employment and HR	Employee	09/17/18	09/25/18	Identical to case #312.
313	Hawaii CC	Employment and HR	Employee	09/15/18	12/11/18	Lack of confidentiality. No violation.
312	System	Employment and HR	Employee	09/14/18	09/25/18	Lack of transparency in hiring of personnel. No violation.
311	UH - Manoa	Employment and HR	Employee	09/14/18	02/15/19	Employee accountability/competence. Addtl info requested, not recd
310	UH - Hilo	Health and Safety	Non-employee	09/13/18	10/23/18	Identical to case #298.
309	UH - Hilo	Health and Safety	Non-employee	09/12/18	10/23/18	Identical to case #298.
308	UH - Hilo	Health and Safety	Non-employee	09/12/18	10/23/18	Identical to case #298.

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307	UH - Hilo	Health and Safety	Non-employee	09/12/18	10/23/18	Identical to case #298.
306	UH - Hilo	Health and Safety	Non-employee	09/12/18	10/23/18	Identical to case #298.
305	Hawaii CC	Employment and HR	Employee	09/12/18	09/14/18	Conflict of interest. Investigated and no conflict.
304	Hawaii CC	Employment and HR	Employee	09/12/18	04/22/19	Conflict of interest. Investigated and no conflict.
303	UH - Manoa	Financial	Employee	09/11/18	01/07/20	Improper fees. Investigated and resolved.
302	UH - Hilo	Health and Safety	Non-employee	09/10/18	10/23/18	Identical to case #298.
301	UH - Hilo	Health and Safety	Non-employee	09/10/18	10/23/18	Identical to case #298.
300	UH - Hilo	Health and Safety	Non-employee	09/10/18	10/23/18	Identical to case #298.
299	UH - Hilo	Health and Safety	Non-employee	09/10/18	10/23/18	Identical to case #298.
298	UH - Hilo	Health and Safety	Non-employee	09/10/18	10/23/18	Door not opened during campus lockdown.
297	UH - Hilo	Health and Safety	Employee	09/10/18	09/11/18	Locking of doors during campus lockdown
296	Windward CC	Research	Employee	09/10/18	04/29/19	Use of grant funds.
295	UH - Hilo	Employment and HR	Employee	09/09/18	09/11/18	Employee promotion
294	UH - Manoa	Research	Non-employee	09/07/18	05/02/19	Use of grant funds. Addtl info requested but not provided.
293	UH - Manoa	Employment and HR	Employee	09/06/18	03/01/19	Improper doc. of vacation/sick leave. Investigated and resolved.
292	Hawaii CC	Employment and HR	Employee	09/05/18	09/07/18	Alleged conflict of interest. Investigated and no conflict.
291	UH - Hilo	Employment and HR	Employee	09/05/18	10/10/18	Inappropriate hiring of employee
290	UH - Manoa	Employment and HR	Non-employee	09/04/18	03/01/19	Faculty behavior. Investigated and resolved.
289	UH - West Oahu	Employment and HR	Employee	09/04/18	10/31/18	Distribution of cultural information. No violation.
288	System	Health and Safety	Employee	08/30/18	09/06/18	Smoking on campus
287	Leeward CC	Employment and HR	Non-employee	08/27/18	11/14/18	Faculty behavior. No violation by faculty.
286	UH - Manoa	Health and Safety	Non-employee	08/27/18	09/04/18	Student providing possibly tainted food.
285	Leeward CC	Health and Safety	Non-employee	08/27/18	09/17/18	Smoking on campus
284	UH - Manoa	Other	Non-employee	08/27/18	11/13/18	Videoring student. Reviewed and action taken.
283	UH - Hilo	Property/Facilities	Non-employee	08/23/18	01/14/19	Facility rental quote not provided. Investigated and resolved
282	UH - Manoa	Health and Safety	Non-employee	08/21/18	08/27/18	Smoking on campus
281	Hawaii CC	Other	Employee	08/20/18	09/04/18	Campus club requesting donations
280	System	Other	Employee	08/20/18	09/25/18	Faculty policy inquiry. Addtl info requested but not provided.
279	UH - Manoa	Other	Employee	08/10/18	08/13/18	Disposition of cancelled meal plan. Investigated and no violation.
278	UH - Hilo	Property/Facilities	Non-employee	07/28/18	09/12/18	Sharing of student facility.
277	UH - Manoa	Employment & HR	Employee	07/24/18	09/07/18	Lack of confidentiality
276	UH - Manoa	Other	Employee	07/23/18	08/10/18	Unfair treatment of vendors. Addtl info requested but not provided
275	UH - Manoa	Employment & HR	Employee	07/21/18	08/09/18	Falsifying information. Office of VC AA resolved matter.
274	UH - Manoa	Employment & HR	Employee	07/21/18	07/28/18	Conflict of interest. Office of VCAA resolved matter.
273	UH - Manoa	Employment & HR	Employee	07/20/18	11/13/18	Staff not working 8 hr days. Addtl info requested but not provided
272	UH - Manoa	Health and Safety	Employee	07/18/18	08/03/18	Inappropriate and untimely vacuuming.
271	UH - Hilo	Employment & HR	Employee	07/13/18	09/12/18	Identical to case #263.
270	Hawaii CC	Employment & HR	Employee	06/22/18	08/02/18	Title IX. Complaint withdrawn by reporter.
269	Hawaii CC	Student Affairs	Employee	06/22/18	07/11/18	Students sharing hotel room. No violation.
268	UH - Hilo	Other	Non-employee	06/19/18	11/27/18	Signage not displayed. Plan for displaying sign in development stage.

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267	UH - Hilo	Employment & HR	Employee	06/12/18	07/22/18	Inappropriate travel investigated and action taken.
266	System	Employment & HR	Employee	06/08/18	07/27/18	Treatment of subordinates.
265	UH - Hilo	Student Affairs	Non-employee	06/05/18	10/15/18	Treatment of students. Appropriate action taken.
264	UH - Manoa	Employment & HR	Employee	05/22/18	07/14/18	Employees working inefficiently. Internal procedures revised.
263	UH - Hilo	Employment & HR	Non-employee	05/21/18	09/12/18	Office periodically opens late.
262	UH - Hilo	Employment & HR	Non-employee	05/19/18	07/22/18	Poor behavior of staff. Action taken.
261	Leeward CC	Employment & HR	Employee	05/18/18	06/27/18	Conflict of interest investigated and action taken.
260	UH - Manoa	Student Affairs	Non-employee	05/17/18	05/18/18	Social media postings by student not enrolled at UH.
259	UH - Manoa	Employment & HR	Non-employee	05/15/18	07/21/18	Inappropriate travel investigated and action taken.
258	UH - Hilo	Other	Employee	05/14/18	06/19/18	Untimely e-mail responses. Reviewed and action taken.
257	Windward CC	Employment & HR	Employee	05/09/18	04/17/19	Staff behavior. No violation
256	UH - Hilo	Employment & HR	Employee	05/02/18	06/19/18	Faculty behavior. Action taken.
255	Kapiolani CC	Employment & HR	Employee	04/30/18	05/01/18	Lack of confidentiality. No violation.
254	Kapiolani CC	Employment & HR	Employee	04/30/18	06/27/18	Staff competency investigated. No violation.
253	System	Health and Safety	Non-employee	04/29/18	05/10/18	Soil issue. No violation.
252	UH - Hilo	Employment & HR	Non-employee	04/26/18	04/30/18	Inappropriate letter of recommendation. No violation.
251	System	Employment & HR	Employee	04/24/18	07/30/18	Poor behavior of staff. Action taken.
250	Hawaii CC	Health and Safety	Employee	04/20/18	05/15/18	Alcohol complaint investigated and action taken.
249	UH - Manoa	Employment & HR	Employee	04/19/18	06/06/18	Poor behavior of staff. Addtl info. requested but not provided.
248	UH - Manoa	Employment & HR	Employee	04/18/18	06/06/18	Staff utilizing UH resources. Action taken.
247	System	Information Technology	Non-employee	04/16/18	04/18/18	Inappropriate use of UH network investigated. No violation.
246	UH - Manoa	Employment & HR	Employee	04/08/18	05/16/18	Faculty not performing job investigated and action taken.
245	UH - Manoa	Employment & HR	Employee	04/02/18	06/06/18	Employee service awards complaint reviewed and resolved.
244	UH - Manoa	Health and Safety	Employee	03/31/18	07/02/18	Alcohol complaint investigated and resolved.
243	System	Employment & HR	Employee	03/22/18	06/13/18	Compensation inquiry. Addtl info. requested but not provided.
242	UH - Manoa	Health and Safety	Non-employee	03/21/18	04/02/18	Complaint against volunteer investigated. No violation.
241	Kapiolani CC	Employment & HR	Employee	03/20/18	04/02/18	Faculty textbook purchase. No violation.
240	Windward CC	Employment & HR	Employee	03/18/18	03/22/18	Outside employment. No violation.
239	UH - West Oahu	Employment & HR	Employee	03/16/18	04/26/18	Staff disagreement. Action taken.
238	UH - Hilo	Other	Non-employee	03/16/18	04/11/18	Costs for faculty living off island investigated and action taken.
237	UH - Hilo	Employment & HR	Non-employee	03/16/18	04/11/18	Faculty competency.
236	UH - Manoa	Employment & HR	Employee	03/14/18	03/27/18	Faculty complaint. Addtl info. requested but not provided.
235	UH - Hilo	Employment & HR	Employee	03/09/18	04/12/18	Against the appointment of an interim dean.
234	UH - Manoa	Employment & HR	Non-employee	03/02/18	03/20/18	Faculty complaint. Action taken.
233	UH - Manoa	Employment & HR	Employee	03/02/18	04/05/18	Hiring practice. Addtl info. requested but not provided.
232	UH - Manoa	Other	Employee	03/01/18	03/01/18	Process to distribute documents.
231	UH - Manoa	Health and Safety	Employee	02/23/18	02/23/18	Identical to case #230.
230	UH - Manoa	Health and Safety	Employee	02/23/18	02/23/18	Individual smoking on campus. Forwarded to Public Safety.
229	Hawaii CC	Employment & HR	Employee	02/22/18	04/22/19	Inappropriate employee communication. No violation.
228	UH - Manoa	Other	Employee	02/22/18	03/12/18	Flag presentation at facility.
227	UH - Manoa	Employment & HR	Employee	02/20/18	02/24/18	No report submitted.

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226	UH - Manoa	Other	Employee	02/14/18	03/08/18	Protocol non-compliance at the Warrior Rec Center.
225	UH - Manoa	Employment & HR	Employee	02/10/18	03/30/18	Faculty not performing job duties investigated and action taken.
224	UH - Hilo	Employment & HR	Non-employee	02/01/18	02/12/18	Untimely meeting notification.
223	UH - Hilo	Student Affairs	Non-employee	01/31/18	02/06/18	Identical to case 221.
222	UH - Hilo	Student Affairs	Non-employee	01/30/18	02/06/18	Identical to case 221.
221	UH - Hilo	Student Affairs	Non-employee	01/30/18	02/06/18	Guinea pig in dorm room reviewed and resolved.
220	UH - Manoa	Employment & HR	Non-employee	01/29/18	03/27/18	Faculty comment investigated and action taken.
219	UH - Manoa	Student Affairs	Employee	01/29/18	03/08/18	Non-compliance with policies and regulations reviewed and resolved.
218	UH - Manoa	Athletics	Employee	01/23/18	02/13/18	Non-compliance with policies and regulations reviewed and resolved.
217	Hawaii CC	Employment & HR	Employee	01/20/18	01/22/18	Conflict of interest reviewed. No violation.
216	System	Employment & HR	Employee	01/17/18	03/07/18	Staff not performing job investigated and action taken.
215	UH - Manoa	Health and Safety	Non-employee	01/17/18	01/17/18	Identical to case #213.
214	UH - Manoa	Health and Safety	Non-employee	01/16/18	01/17/18	Identical to case #213.
213	UH - Manoa	Health and Safety	Non-employee	01/16/18	01/16/18	Crowded classroom resolved by moving to a larger class.
212	UH - Manoa	Employment & HR	Employee	01/15/18	02/24/18	Staff not performing job. Addtl info. requested but not provided.
211	UH - Hilo	Employment & HR	Employee	01/13/18	02/11/18	Lack of confidentiality investigated and action taken.
210	Windward CC	Other	Non-employee	01/13/18	01/19/18	Inappropriate Facebook post.
209	UH - Manoa	Student Affairs	Non-employee	01/13/18	04/12/18	Alcohol and drug complaint. Investigated and resolved.
208	UH - Hilo	Athletics	Non-employee	01/12/18	02/14/18	Student athletes meal allowance investigated and resolved.
207	UH - Manoa	Research	Non-employee	01/12/18	01/16/18	Non-compliance with policies, laws and regulations.
206	UH - Manoa	Health and Safety	Employee	01/12/18	01/16/18	Smoking on campus. Forwarded to Public Safety.
205	UH - West Oahu	Health and Safety	Non-employee	01/12/18	02/05/18	Smoking on campus. No violation.
204	UH - Hilo	Employment & HR	Employee	01/10/18	02/12/18	Inattentive staff investigated and action taken.
203	Hawaii CC	Employment & HR	Non-employee	01/08/18	03/22/18	Title IX. Addtl info. requested but not provided.
202	Kapiolani CC	Health and Safety	Employee	01/02/18	01/08/18	Caution tape blocking flooded stairwell. Campus addressed matter
201	Hawaii CC	Employment & HR	Employee	12/27/17	07/31/18	Required certification investigated and corrected.
200	UH - Hilo	Employment & HR	Employee	12/20/17	01/03/18	Staff certification. Addtl info requested but not provided
199	UH - Manoa	Student Affairs	Non-employee	12/14/17	12/22/17	Student cheated on exam. Forwarded to Office of Judicial Affairs.
198	Honolulu CC	Employment & HR	Non-employee	12/12/17	12/12/17	Inappropriate Facebook post.
197	Kapiolani CC	Health and Safety	Employee	12/04/17	12/08/17	Equipment stored in hallways. Reviewed and resolved.
196	Kapiolani CC	Employment & HR	Employee	12/04/17	01/10/18	Conflict of interest. No violation.
195	UH - Manoa	Other	Employee	12/03/17	01/16/18	Addtl info. requested from reporter. Addtl info not provided.
194	Hawaii CC	Employment & HR	Employee	11/27/17	01/16/18	Identical to case #190.
193	UH - Hilo	Employment & HR	Employee	11/26/17	12/26/17	Competency of staff personnel.
192	Windward CC	Employment & HR	Non-employee	11/23/17	08/31/20	Title IX. Investigation completed and closed.
191	System	Employment & HR	Non-employee	11/19/17	01/12/18	Addtl info. requested from reporter. Addtl info not provided.
190	Hawaii CC	Employment & HR	Employee	11/18/17	01/16/18	Inequitable work shifts. Reviewed and resolved.
189	Kapiolani CC	Employment & HR	Employee	11/01/17	11/13/17	Policy violation allegation investigated. No violation.
188	UH - Hilo	Employment & HR	Non-employee	10/31/17	11/21/17	Identical to case #185.
187	UH - Hilo	Employment & HR	Non-employee	10/31/17	11/21/17	Identical to case #185.
186	UH - Hilo	Employment & HR	Non-employee	10/31/17	11/21/17	Identical to case #185.

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185	UH - Hilo	Employment & HR	Non-employee	10/31/17	11/21/17	Competency of staff personnel.
184	UH - Hilo	Employment & HR	Non-employee	10/23/17	12/26/17	Staff personnel trips investigated and action taken.
183	System	Other	Employee	10/18/17	01/11/18	Non-compliance with laws/regs. Addtl info requested not provided.
182	UH - Manoa	Financial	Employee	10/17/17	12/06/18	Non-compliance with University policies. Reviewed and resolved.
181	Windward CC	Employment & HR	Employee	10/12/17	01/09/18	Title IX. Addtl info. requested. Addtl info not provided.
180	UH - Manoa	Student Affairs	Non-employee	10/11/17	10/17/17	Academic grievance forwarded to departmental personnel.
179	UH - Hilo	Employment & HR	Non-employee	10/10/17	10/20/17	Staff not working 8 hr days investigated and action taken.
178	UH - Manoa	Student Affairs	Non-employee	10/09/17	10/18/17	Identical to case #177.
177	UH - Manoa	Student Affairs	Non-employee	10/09/17	10/18/17	Academic grievance forwarded to departmental personnel.
176	Honolulu CC	Information Technology	Employee	10/09/17	11/28/17	Addtl info. requested from reporter. Addtl info not provided.
175	UH - Manoa	Employment & HR	Employee	10/03/17	11/30/17	Service animal.
174	Kapiolani CC	Employment & HR	Employee	09/14/17	11/14/17	Conflict of interest reviewed. No violation.
173	UH - Manoa	Financial	Employee	09/13/17	10/17/17	Addtl info. requested from reporter. Addtl info not provided.
172	Kapiolani CC	Employment & HR	Employee	09/13/17	11/14/17	Conflict of interest reviewed. No violation.
171	System	Employment & HR	Employee	09/11/17	09/13/17	Conflict of interest reviewed and resolved.
170	UH - Manoa	Employment & HR	Non-employee	09/09/17	10/02/17	Addtl info. requested from reporter. Addtl info not provided.
169	Honolulu CC	Employment & HR	Employee	09/05/17	10/19/17	Addtl info. requested from reporter. Addtl info not provided.
168	UH - Manoa	Other	Non-employee	09/03/17	09/05/17	Faculty comments investigated and action taken.
167	Kapiolani CC	Student Affairs	Non-employee	09/01/17	09/06/17	Free speech. Forwarded to departmental personnel.
166	UH - Manoa	Health and Safety	Employee	09/01/17	09/08/17	Smoking allegation forwarded to departmental personnel.
165	UH - Manoa	Employment & HR	Employee	09/01/17	10/25/17	Staff not performing job investigated and action taken.
164	Windward CC	Employment & HR	Employee	08/25/17	09/13/17	Outside employment of staff investigated. No violation.
163	UH - Manoa	Student Affairs	Employee	08/23/17	09/11/17	Academic grievance reviewed and resolved.
162	UH - Hilo	Employment & HR	Non-employee	08/21/17	09/14/17	Employee late to work investigated and action taken.
161	UH - Manoa	Other	Non-employee	08/19/17	08/21/17	No violation.
160	Maui College	Employment & HR	Non-employee	08/18/17	08/21/17	Staff behavior investigated and action taken.
159	UH - Hilo	Employment & HR	Employee	08/18/17	10/02/17	Staff behavior investigated and action taken.
158	System	Employment & HR	Employee	08/16/17	09/13/17	Hiring practice investigated. No violation.
157	UH - Manoa	Student Affairs	Non-employee	08/16/17	08/17/17	Academic grievance forwarded to departmental personnel.
156	Windward CC	Employment & HR	Employee	08/15/17	08/21/17	Conflict of interest. No violation.
155	Windward CC	Employment & HR	Employee	08/15/17	09/12/17	Staff comments investigated. No violation.
154	UH - Manoa	Employment & HR	Employee	08/08/17	08/31/17	Addtl info. requested from reporter. Addtl info not provided.
153	System	Employment & HR	Employee	08/07/17	09/10/17	Conflict of interest reviewed and resolved.
152	System	Other	Employee	07/28/17	09/04/17	Expense reimbursement policy investigated. No violation.
151	UH - Manoa	Other	Non-employee	07/28/17	07/28/17	Argument at faculty housing
150	UH - Manoa	Employment & HR	Employee	07/05/17	10/19/17	Full time faculty working part time.
149	Hawaii CC	Employment & HR	Employee	07/03/17	11/29/17	Conflict of interest investigated and action taken.
148	UH - Manoa	Student Affairs	Non-employee	07/03/17	07/28/17	Academic dishonesty. Forwarded to Office of Judicial Affairs.
147	UH - Manoa	Employment & HR	Employee	07/01/17	10/19/17	Addtl info. requested from reporter. Addtl info not provided.
146	Kapiolani CC	Other	Employee	06/20/17	07/07/17	Misuse of facilities. Matter resolved.
145	Kapiolani CC	Student Affairs	Employee	06/13/17	07/05/17	HR matter investigated. No violation.

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144	Kapiolani CC	Employment & HR	Employee	06/09/17	07/05/17	HR matter investigated. No violation.
143	UH - Manoa	Employment & HR	Employee	06/09/17	02/02/18	HR allegation reviewed and resolved
142	Kapiolani CC	Other	Non-employee	05/23/17	12/11/17	Academic grievance. Reviewed with action taken.
141	UH - Manoa	Employment & HR	Non-employee	05/23/17	05/23/17	Allegation is identical to #133.
140	UH - Manoa	Employment & HR	Employee	05/22/17	09/11/17	Hiring policy investigated with appropriate action taken.
139	UH - Manoa	Employment & HR	Non-employee	05/21/17	05/22/17	Allegation is identical to #133.
138	UH - Hilo	Employment & HR	Non-employee	05/21/17	05/21/17	Allegation is identical to #133.
137	UH - Manoa	Employment & HR	Non-employee	05/20/17	05/22/17	Allegation is identical to #133.
136	UH - Manoa	Employment & HR	Non-employee	05/20/17	05/22/17	Allegation is identical to #133.
135	UH - Manoa	Employment & HR	Non-employee	05/19/17	05/22/17	Allegation is identical to #133.
134	UH - Manoa	Employment & HR	Non-employee	05/19/17	05/19/17	Allegation is identical to #133.
133	UH - Manoa	Employment & HR	Non-employee	05/18/17	05/19/17	Free speech. Reviewed by administration and resolved.
132	Kapiolani CC	Other	Employee	05/17/17	07/19/17	HR allegation reviewed and resolved
131	UH - Manoa	Employment & HR	Non-employee	05/15/17	05/18/17	Professor misrepresentation. Forwarded to appropriate office.
130	System	Health & Safety	Non-employee	05/12/17	05/22/17	Improper use of University vehicle. Investigated and determined that vehicle is not owned by the University.
129	Honolulu CC	Employment & HR	Employee	05/10/17	05/15/17	Conflict of interest. No violation.
128	Kapiolani CC	Health and Safety	Non-employee	05/03/17	09/07/17	HR allegation reviewed and resolved
127	UH - Manoa	Hiring policy	Non-employee	05/02/17	09/11/17	Hiring policy investigated. No violation.
126	UH - Manoa	Hiring policy	Non-employee	05/02/17	09/11/17	Hiring policy investigated. No violation.
125	Honolulu CC	Employment & HR	Employee	05/01/17	06/27/17	HR matter. Addtl info. requested from reporter but not provided.
124	UH - Manoa	Student Affairs	Employee	04/27/17	05/06/17	HR allegation reviewed and resolved
123	UH - Hilo	Employment & HR	Employee	04/20/17	06/20/17	Procurement of goods/services reviewed and resolved.
122	UH - Manoa	Student Affairs	Non-employee	04/14/17	09/05/17	Bird in dorm room investigated and resolved.
121	UH - Manoa	Student Affairs	Non-employee	04/13/17	09/01/17	Title IX
120	UH - Manoa	Health & Safety	Non-employee	04/12/17	09/05/17	Title IX
119	Kapiolani CC	Student Affairs	Employee	04/11/17	04/23/17	Former employee has campus keys. Reviewed by admin and resolved
118	Kapiolani CC	Other	Employee	04/11/17	04/16/17	Former employee on campus. Reviewed by admin and resolved.
117	UH - Manoa	Other	Employee	04/05/17	05/18/17	HR matter. Addtl info. requested from reporter but not provided.
116	Kapiolani CC	Employment & HR	Non-employee	03/24/17	03/28/17	Culinary operations. Matter resolved.
115	Kapiolani CC	Employment & HR	Employee	03/21/17	03/31/17	Casual hiring policy. No violation.
114	Kapiolani CC	Other	Employee	03/20/17	04/05/17	Hiring policy investigated. No violation.
113	Kapiolani CC	Employment & HR	Employee	03/20/17	05/14/18	HR matter investigated. No violation.
112	Kapiolani CC	Student Affairs	Non-employee	03/15/17	03/05/18	Academic grievance. Investigation completed and resolved.
111	UH - Manoa	Student Affairs	Employee	03/14/17	04/20/17	Vague allegation. Addtl info. requested. None rec'd.
110	UH - Manoa	Health & Safety	Non-employee	03/11/17	03/18/17	Academic grievance.
109	UH - Hilo	Health & Safety	Employee	03/10/17	04/25/17	Casual hiring policy. Addtl info. requested. None rec'd.
108	Kapiolani CC	Employment & HR	Employee	03/09/17	04/20/17	HR matter investigated. No violation.
107	UH - West Oahu	Health & Safety	Non-employee	03/03/17	03/06/17	Health center hours of operation. Signage at health center updated.
106	Kapiolani CC	Health & Safety	Employee	03/02/17	03/01/17	Former empl loitering on campus. Reviewed by admin and resolved

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Case #	Campus	Classification	Submitted by	Date Opened	Date Closed	Description
105	System	Other	Employee	03/01/17	04/04/17	Employee grievance investigated. No violation.
104	UH - Manoa	Employment & HR	Employee	02/28/17	03/18/17	HR allegation reviewed and resolved
103	UH - Manoa	Other	Non-employee	02/17/17	02/23/17	Free speech. Reviewed by administration and resolved.
102	UH - Hilo	Employment & HR	Employee	02/17/17	03/15/17	HR allegation reviewed and resolved
101	Kapiolani CC	Employment & HR	Employee	02/16/17	03/12/17	HR allegation reviewed and resolved
100	Kapiolani CC	Health & Safety	Employee	02/16/17	02/17/17	Policy violation allegation investigated. No violation.
99	Kapiolani CC	Employment & HR	Employee	02/16/17	02/20/17	HR allegation reviewed and resolved
98	UH - Manoa	Health & Safety	Employee	02/15/17	02/21/17	Inappropriate use of e-mail allegation investigated. No violation.
97	Hawaii CC	Employment & HR	Employee	02/15/17	03/09/17	Improper paint disposal allegation investigated. No violation.
96	Kauai CC	Financial	Employee	02/13/17	03/07/17	HR allegation reviewed and resolved
95	UH - Manoa	Employment & HR	Employee	02/10/17	02/13/17	Inappropriate use of parking pass. Forwarded to appropriate dept.
94	Kapiolani CC	Student Affairs	Employee	02/10/17	03/21/17	Addtl info. requested from reporter. Addtl info not provided.
93	Kapiolani CC	Employment & HR	Employee	02/10/17	04/18/17	HR matter investigated. No violation.
92	Kauai CC	Financial	Employee	02/10/17	03/31/17	Service animals. Investigated and resolved.
91	Kapiolani CC	Other	Employee	02/10/17	03/05/17	Outdated policies allegation reviewed and resolved.
90	Kapiolani CC	Employment & HR	Employee	02/09/17	02/20/17	HR allegation reviewed and resolved
89	UH - Manoa	Athletics	Non-employee	02/08/17	02/08/17	Academic grievance.
88	Leeward CC	Student Affairs	Employee	02/06/17	03/09/17	HR allegation reviewed and resolved
87	UH - Hilo	Employment & HR	Non-employee	02/05/17	02/08/17	Academic grievance
86	Kapiolani CC	Employment & HR	Non-employee	01/26/17	07/10/17	HR matter investigated. No violation.
85	Kapiolani CC	Property Facilities & Equipment	Non-employee	01/20/17	08/09/17	Poor classroom condition resolved to complainant satisfaction.
84	UH - Manoa	Employment & HR	Employee	01/17/17	01/18/17	HR allegation forwarded to departmental personnel.
83	Hawaii CC	Employment & HR	Employee	01/17/17	02/03/17	Free speech. Reviewed by administration and resolved.
82	Maui College	Other	Non-employee	01/15/17	02/03/17	Financial aid. Reviewed by administration and resolved.
81	UH - Hilo	Employment & HR	Non-employee	01/11/17	01/25/17	HR allegation reviewed and resolved
80	UH - Manoa	Employment & HR	Non-employee	01/11/17	01/12/17	Academic grievance
79	Kauai CC	Employment & HR	Non-employee	01/10/17	01/10/17	HR allegation reviewed and resolved
78	UH - Manoa	Other	Non-employee	01/09/17	01/10/17	Loud music
77	Kapiolani CC	Student Affairs	Employee	01/09/17	09/25/17	HR matter under investigation
76	UH - Hilo	Employment & HR	Employee	01/08/17	02/03/17	HR allegation reviewed and resolved
75	UH - Hilo	Property Facilities & Equipment	Non-employee	01/08/17	02/01/17	Federal reg. non-compliance. Reviewed by admin and resolved
74	Kapiolani CC	Research	Employee	01/06/17	01/24/17	Former empl loitering on campus. Reviewed by admin and resolved
73	Kapiolani CC	Health & Safety	Employee	01/05/17	03/29/17	HR allegation reviewed and resolved
72	UH - Hilo	Employment & HR	Employee	12/26/16	01/25/17	HR allegation reviewed and resolved
71	UH - Hilo	Financial	Employee	12/26/16	01/25/17	Compliance with UHF policies. Reviewed by admin and resolved.
70	UH - Manoa	Other	Non-employee	12/25/16	01/03/17	Addtl info. requested from reporter. Addtl info not provided.
69	UH - Manoa	Other	Employee	12/23/16	01/05/17	HR allegation reviewed and resolved
68	UH - Manoa	Employment & HR	Non-employee	12/15/16	12/16/16	Allegation withdrawn by reporter
67	UH - Manoa	Employment & HR	Employee	12/08/16	12/15/16	Use of handicap parking pass
66	UH - Manoa	Employment & HR	Employee	11/17/16	12/28/16	Addtl info. requested from reporter. Addtl info not provided.

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65	UH - Hilo	Other	Employee	11/09/16	05/10/17	HR allegation reviewed and resolved
64	UH - Manoa	Employment & HR	Employee	11/09/16	11/09/16	No-smoking policy
63	Hawaii CC	Employment & HR	Non-employee	10/30/16	12/04/16	Addtl info. requested from reporter. Addtl info not provided.
62	UH - Hilo	Employment & HR	Employee	10/28/16	12/17/16	HR allegation reviewed and resolved
61	Honolulu CC	Employment & HR	Non-employee	10/26/16	10/26/16	HR allegation reviewed and resolved
60	Hawaii CC	Employment & HR	Non-employee	10/24/16	11/30/16	Addtl info. requested from reporter. Addtl info not provided.
59	Maui College	Property, Facilities & Equipment	Employee	10/24/16	12/06/16	HR allegation reviewed and resolved
58	Honolulu CC	Other	Employee	10/21/16	12/08/16	HR allegation reviewed and resolved
57	Maui College	Employment & HR	Employee	10/21/16	12/06/16	HR allegation reviewed and resolved
56	Maui College	Health & Safety	Employee	10/21/16	12/06/16	HR allegation reviewed and resolved
55	Maui College	Student Affairs	Employee	10/21/16	12/06/16	HR allegation reviewed and resolved
54	UH - Hilo	Employment & HR	Employee	10/20/16	12/01/16	HR allegation reviewed and resolved
53	Honolulu CC	Employment & HR	Employee	10/19/16	12/06/16	Health insurance. Reviewed by administration and resolved.
52	UH - Manoa	Employment & HR	Non-employee	10/18/16	10/20/16	Unreconciled account balances. Reviewed and resolved by admin.
51	UH - Manoa	Other	Employee	10/16/16	12/28/16	Addtl info. requested from reporter. Addtl info not provided.
50	UH - Hilo	Health & Safety	Non-employee	10/12/16	12/01/16	HR allegation reviewed and resolved
49	UH - Manoa	Other	Employee	09/20/16	09/29/16	Cluttered stairwell
48	UH - Manoa	Employment & HR	Employee	09/20/16	10/07/16	HR allegation reviewed and resolved
47	Windward CC	Information Technology	Non-employee	09/01/16	09/19/16	Addtl info. requested from reporter. Addtl info not provided.
46	UH - Hilo	Property, Facilities & Equipment	Non-employee	08/29/16	10/28/16	Free speech. Reviewed by administration and resolved.
45	UH - Hilo	Employment & HR	Employee	08/27/16	09/18/16	HR allegation reviewed and resolved
44	UH - Manoa	Employment & HR	Non-employee	08/24/16	09/08/16	Alcohol complaint
43	Hawaii CC	Employment & HR	Employee	08/24/16	09/27/16	HR allegation reviewed and resolved
42	UH - Manoa	Employment & HR	Employee	08/22/16	11/22/16	HR allegation reviewed and resolved
41	UH - Manoa	Employment & HR	Employee	08/19/16	10/03/16	Addtl info. requested from reporter. Addtl info not provided.
40	UH - Manoa	Employment & HR	Non-employee	08/18/16	09/29/16	HR allegation reviewed and resolved
39	UH - Manoa	Employment & HR	Employee	08/17/16	09/29/16	HR allegation reviewed and resolved
38	UH - Manoa	Student Affairs	Non-employee	08/16/16	01/11/17	HR allegation reviewed and resolved
37	UH - Manoa	Employment & HR	Non-employee	08/08/16	08/20/16	Allegation withdrawn by reporter
36	System	Employment & HR	Employee	08/04/16	09/26/16	Addtl info. requested from reporter. Addtl info not provided.
35	System	Other	Employee	07/27/16	08/26/16	HR allegation reviewed and resolved
34	UH - Manoa	Employment & HR	Employee	07/19/16	09/01/16	Use of general funds. Reviewed by administration and resolved.
33	Honolulu CC	Employment & HR	Employee	07/14/16	09/19/16	Addtl info. requested from reporter. Addtl info not provided.
32	UH - Manoa	Research	Non-employee	07/14/16	07/18/16	Parking safety allegation reviewed by administration. No violation.
31	System	Employment & HR	Employee	07/12/16	08/04/16	HR allegation reviewed and resolved
30	UH - Manoa	Other	Non-employee	07/11/16	07/14/16	HR allegation reviewed and resolved
29	UH - Manoa	HR matter under investigation	Non-employee	07/11/16	07/18/16	Title IX
28	UH - Hilo	Other	Non-employee	07/05/16	07/06/16	HR allegation reviewed and resolved
27	UH - Hilo	Health & Safety	Non-employee	07/01/16	09/18/16	HR allegation reviewed and resolved

University of Hawaii
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26	UH - Manoa	Health & Safety	Employee	06/30/16	06/30/16	Dirty parking facility
25	Kapiolani CC	Employment & HR	Employee	06/27/16	08/03/16	HR allegation reviewed and resolved
24	UH - West Oahu	Student Affairs	Employee	06/21/16	08/30/16	HR allegation reviewed and resolved
23	Kapiolani CC	Student Affairs	Employee	06/19/16	06/27/16	HR allegation reviewed and resolved
22	Kapiolani CC	Employment & HR	Employee	06/17/16	04/19/16	HR allegation reviewed and resolved
21	Kapiolani CC	Employment & HR	Employee	06/16/16	04/27/18	HR allegation reviewed and resolved
20	UH - Manoa	Employment & HR	Employee	06/16/16	09/01/16	HR allegation reviewed and resolved
19	UH - Manoa	Student Affairs	Employee	06/16/16	07/01/16	Allegation does not involve the University
18	UH - Hilo	Employment & HR	Non-employee	06/16/16	08/29/16	HR allegation reviewed and resolved
17	System	Property Facilities & Equipment	Employee	06/16/16	07/20/16	Addtl info. requested from reporter. Addtl info not provided.
16	UH - Manoa	Other	Employee	06/15/16	07/14/16	HR allegation reviewed and resolved
15	Leeward CC	Property Facilities & Equipment	Employee	06/15/16	06/30/16	HR allegation reviewed and resolved
14	Kapiolani CC	Student Affairs	Employee	06/15/16	06/16/16	Allegation was previously reported, resolved and closed.
13	Kapiolani CC	Other	Employee	06/15/16	06/15/16	Information request.
12	UH - Manoa	Employment & HR	Employee	06/15/16	08/09/16	Addtl info. requested from reporter. Addtl info not provided.
11	Hawaii CC	Health & Safety	Non-employee	06/15/16	02/22/17	HR allegation reviewed and resolved
10	UH - Manoa	Employment & HR	Employee	06/15/16	06/15/16	Mold. Resolved by Work Coord Ctr and Envir Hlth & Safety Office

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

UNIVERSITY OF HAWAI'I OFFICE OF RISK MANAGEMENT FY 2019 & FY 2020 ANNUAL REPORTS

Independent Audit Committee
October 1, 2020



UNIVERSITY
of HAWAI'I®
SYSTEM

I. INTRODUCTION

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

II. UNIVERSITY PROFILE

The University of Hawai‘i System was founded in 1907 and has experienced steady development over the past century. In fiscal year 2020, the University issued over 10,500 degrees or certificates and supported over 47,000 students. It also managed an employee base of over 8,000 FTE and possessed over 800 motor vehicles in its fleet.

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

The University also maintains numerous off-campus facilities and oversees research programs in all counties. In fiscal year 2020, the University received over \$450 million in extramural research funds. Programs and facilities range from marine biology research conducted at the Waikīkī Aquarium and Coconut Island in Kāne‘ohe Bay, to astronomical research conducted at the summits of Mauna Kea and Haleakalā.

III. RISK FINANCING PROGRAM

Generally speaking, the University has a combined program of self-insurance and excess insurance to cover its losses and liabilities in the areas of general liability (including automobile insurance), management liability, crime, cyber, and property insurance on the University’s real and personal property. The University purchases insurance policies directly to cover some of these exposures, and also has access to insurance coverages and limits under certain insurance policies maintained by the Department of Accounting and General Services, State of Hawai‘i’s (DAGS) Risk Management Office. As of September 1, 2019, the primary insurer of the University’s general liability and management liability risks is United Educators (UE). UE provides insurance and risk management services to more than 1,600 schools, colleges, and

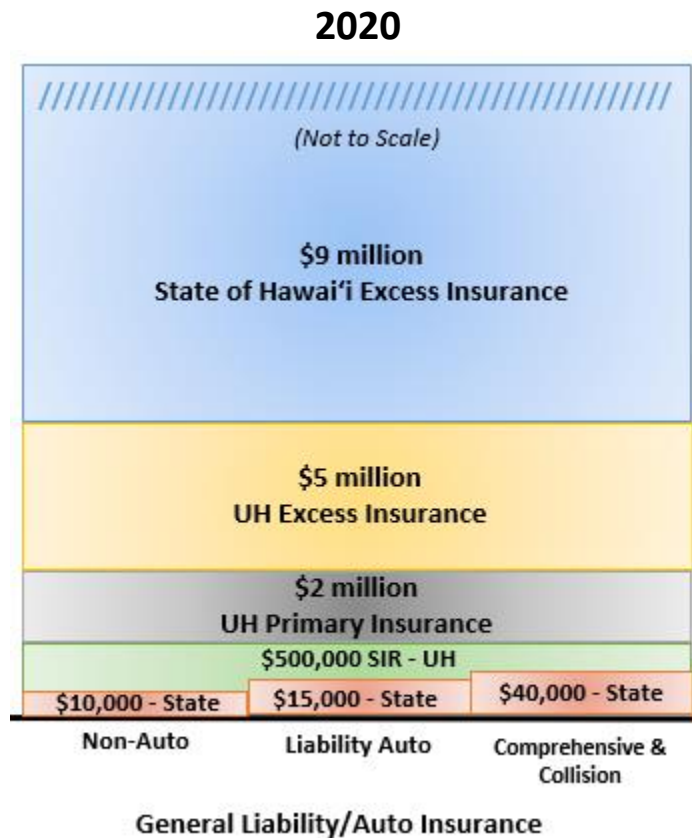


universities throughout the United States and is considered an industry leading insurer for higher education risks. The University secures various types of coverages and limits based on market availability and pricing and general terms and conditions of the policies, and also uses benchmarking tools to evaluate what universities of a similar size in other states are purchasing.

This report updates the previous Office of Risk Management Report presented on August 2, 2018 and presents the various coverages and loss experience for the last five fiscal years within the University’s risk financing structure, based on the date of loss and reflects only payments made as of June 30, 2020.

A. General Liability Program

Overall, the University’s general liability program covers claims made by third parties for various exposures, including: bodily injury, property damage, products and completed operations, personal and advertising injury, incidental medical malpractice injury, and automobile accidents. In general, the University has combined insurance coverage of up to \$16 million through various platforms, including participation in the Department of Accounting and General Services, State of Hawai‘i’s (DAGS) general liability program, as illustrated below.



The majority of general liability claims fall within the DAGS policy limits, the bulk of which are automobile-related claims. Over the last five fiscal years from FY 2016 through FY 2020, DAGS processed and approved 27% of 96 tort claims and 57% of 307 auto claims.



Auto Claims Summary

	FY16	FY17	FY18	FY19	FY20
Total Paid by State of Hawai'i	\$108,749	\$79,193	\$44,901	\$110,807	\$54,839
Total Paid by UH – SIR	\$0	\$0	\$0	\$0	\$0
Total Paid by UH Primary Insurance	\$0	\$0	\$0	\$0	\$0
Total Paid by State of HI Excess	\$0	\$0	\$0	\$0	\$0
Number of Claims Filed (1st Party / 3rd Party)	49/26	36/27	26/21	46/30	34/12
Number of Claims Paid (1st Party / 3rd Party)	30/15	19/20	13/6	34/16	17/6

For auto claims, payments ranged from \$46 to \$16,922 for a straight average amount of \$2,264 per approved claim. Auto claims include first party claims for collision or property damage and third party claims for property damage and bodily injury. From FY 2016 to 2020, no claims exceeded the State's primary coverage.

Tort Claims Summary

	FY16	FY17	FY18	FY19	FY20
Total Paid by State of Hawai'i	\$15,083	\$8,288	\$0	\$8,481	\$63
Total Paid by UH – SIR	\$324,769	\$0	\$17,706	\$86	\$0
Total Paid by UH Primary Insurance	\$0	\$0	\$0	\$0	\$0
Total Paid by State of HI Excess	\$0	\$0	\$0	\$0	\$0
Number of Claims Filed	30	24	12	34	13
Number of Claims Paid	10	6	2	12	1

DAGS processed payments on 26 tort claims, with payments ranging from \$19 to \$10,000, for a straight average amount of \$1,228 per approved claim. The University also processed five tort claims, which ranged in cost from \$86 to \$297,072, for a straight average amount of \$68,512 per claim. In total, settlements and judgments comprised 3% of the payments made by the University, with legal fees and other costs comprising 97%.

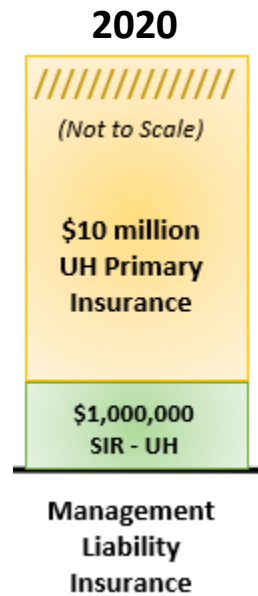


B. Management Liability Program

Overall, the University's management liability program covers claims made by third parties for various exposures, including: employment-related misrepresentation, discrimination, sexual harassment, retaliation, education-related claims and claims of breach of duty by officers or directors.

The University has acquired coverage of up to \$10 million, with a \$1,000,000 self-insured retention.

From FY 2016 through FY 2020, RMSF expenditures were made on eight (8) management liability claims, as detailed in the table below.



Management Liability Claims Summary

	FY16	FY17	FY18	FY19	FY20
Total Paid by UH – SIR	\$66,714	\$19,322	\$0	\$10,617	\$0
Total Paid by UH Primary Insurance	\$0	\$0	\$0	\$0	\$0
Total Paid by State of HI Excess	\$0	\$0	\$0	\$0	\$0
Number of Claims Filed	15	17	10	15	12
Number of Claims Paid	3	2	0	3	0

These claims ranged in cost from \$66 to \$56,604, for a straight average amount of \$12,082. Of these claims, all were within the University's self-insurance retention. In total, settlements and judgments comprised 58% of the payments made by the University, with legal fees and other costs comprising 42% of all claim costs.



C. Property Coverage

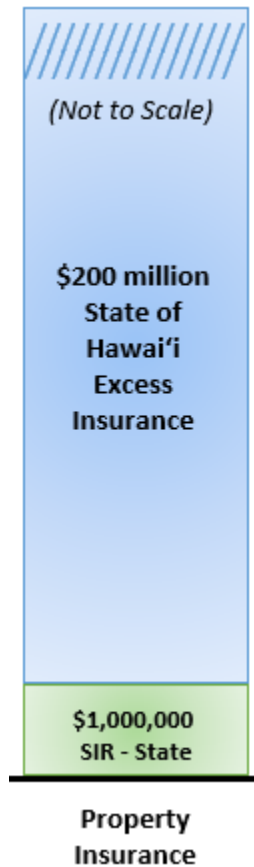
The University's property program covers damage to its own assets, primarily buildings and equipment. As a participant in the State of Hawai'i's property insurance program, the University is afforded coverage up to \$200 million, as illustrated to the right. DAGS is also responsible for the self-insured retention of \$1 million. All property claims are processed by DAGS and the University is reimbursed subject to a \$5,000 deductible for preventable losses.

Over the last five fiscal years from FY 2016 through FY 2020, the University made a total of 53 claims for property damage and 28% of the claims were approved. Payments ranged from \$115 to \$1,000,000 for a straight average amount of \$82,146 per claim.

Property Claims Summary

	FY16	FY17	FY18	FY19	FY20
Total Paid by State of HI - SIR	\$1,016,210	\$90,723	\$115	\$121,164	\$3,972
Total Paid by State of HI Insurance	\$0	\$0	\$0	\$0	\$0
Number of Claims Filed	6	8	12	16	11
Number of Claims Paid	2	4	1	7	1

2020



D. Crime Liability

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

2020



E. Cyber Liability

Effective December 1, 2017, the University is covered up to \$50 million as a participant in the State of Hawai'i's cyber liability program, as illustrated to the right. The program covers claims made against the University by third parties for damages resulting from data breach, such as reimbursement of funds lost due to a financial information hack or reimbursements to credit reporting services due to a breach. It also covers claims made by the University for damage to its systems caused by hacking. Currently, the University has not made any claims under this policy.

F. Excluded Liability

The University also self-insures claims for various exposures that are excluded from coverage by the University's and the State of Hawai'i's insurance policies, including breach of contract, wrongful discharge and collective bargaining matters (including grievances). From FY 2016 through FY 2020, the University processed a total of 5 excluded claims. These claims ranged in cost from \$4,178 to \$69,300, for a straight average amount of \$17,798. In total, settlements and judgments comprised 83% of the payments made by the University, with legal fees and other costs comprising 17%.

2020



Excluded Claims Summary

	FY16	FY17	FY18	FY19	FY20
Total Paid by UH	\$69,300	\$8,000	\$4,178	\$7,509	\$0
Number of Claims Paid	1	1	2	1	0

G. Other Expenditures

The Office of Risk Management also covers obtaining legal advice and other expert services on non-claim-related matters.

Other Expenditures Summary

	FY16	FY17	FY18	FY19	FY20
Total Paid by UH	\$509,241	\$0	\$22,811	\$543,749	\$574,005

IV. Conclusion

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

