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

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT

Members: Regents Akitake (Chair), Lee (Vice-Chair), Abercrombie, Higaki, and Paloma

Date: Thursday, April 4, 2024

Time: 9:00 a.m.

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

See the Board of Regents website to access the live broadcast of the meeting and related updates: www.hawaii.edu/bor

AGENDA

- I. Call Meeting to Order**
- II. Approval of Minutes of the December 7, 2023 Meeting**
- III. Public Comment Period for Agenda Items:**

Individuals who are unable to provide testimony at this time will be allowed an opportunity to testify when specific agenda items are called.

All written testimony on agenda items received after posting of this agenda and up to 48 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board at the beginning of the meeting. 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 at 2444 Dole Street, Bachman 103, Honolulu, HI 96822, or facsimile at (808) 956-5156.

Those wishing to provide oral testimony virtually may register [here](#). Given the constraints with the format of hybrid meetings, individuals wishing to orally testify virtually must register no later than 7:30 a.m. on the day of the meeting in order to be accommodated. Registration for in-person oral testimony on agenda items will also be provided at the meeting location 15 minutes prior to the meeting and closed at the posted meeting time. 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.

Although remote oral testimony is being permitted, this is a regular meeting and not a remote meeting by interactive conference technology under Section 92-3.7, Hawai'i Revised Statutes (HRS). Therefore, the meeting will continue

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notwithstanding loss of audiovisual communication with remote testifiers or loss of the public broadcast of the meeting.

All written testimony submitted are public documents. Therefore, any testimony that is submitted orally or in writing, electronically or in person, for use in the public meeting process is public information and will be posted on the board's website.

IV. Agenda Items

- A. Review and Acceptance of the University of Hawai'i Systemwide Financial Reserves Status of Corrective Actions Report
- B. Review and Acceptance of the Waikiki Aquarium Status of Corrective Actions Report
- C. Review and Acceptance of the University of Hawai'i at Mānoa (UHM) Student Housing Report
- D. Enterprise Risk Management Report
- E. Discussion on Audit Topics for Fiscal Year 2025
- F. Audit Project Status Update
- G. Whistleblower Report

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****DECEMBER 7, 2023**

A video recording of this meeting may be viewed at the Board of Regents website as follows:

[Meeting Video](#)

I. CALL TO ORDER

Chair Lauren Akitake called the meeting to order at 2:03 p.m. on Thursday, December 7, 2023, at the University of Hawai'i (UH) at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai'i 96822, with regents participating from various locations.

Committee members in attendance: Chair Lauren Akitake; Vice-Chair Gabriel Lee; Regent Neil Abercrombie; Regent Diane Paloma; and Regent Wayne Higaki.

Others in attendance: Board Chair Alapaki Nahale-a; Regent William Haning; Regent Laurel Loo; Regent Abigail Mawae; Regent Laurie Tochiki; Regent Ernest Wilson (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Legal Affairs/UH General Counsel Carrie Okinaga; 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-Hilo (UHH) Chancellor Bonnie Irwin; UH-West O'ahu Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Yvonne Lau; and others as noted.

II. APPROVAL OF MINUTES

Chair Akitake inquired if there were any corrections to the minutes of the October 5, 2023, committee meeting which had been distributed. Hearing none, the minutes were approved.

III. PUBLIC COMMENT PERIOD

Board Secretary Lau announced that the Board Office did not receive any written testimony, and that an individual signed up to provide oral testimony.

Dustin Migues provided oral comments on his denial of financial aid from UH.

IV. AGENDA ITEMS

A. Review and Acceptance of the University of Hawai'i Audit Reports as of June 30, 2023, including:

1. External Auditor Required Communications**2. Audited Financial and Compliance Reports****3. Corrective Action Responses for the Federal Compliance Findings**

Ryan Horiuchi, a principal with Accuity, stated that, in addition to auditing the university's consolidated financial statements, Accuity conducts what is known as a single audit, which is a federally required audit performed on non-federal entities that expend \$750,000 or more in federal awards during the entity's fiscal year and consist of both financial and compliance reviews regarding federal rules and regulations. He reported on several aspects contained within the single audit highlighting that, in fiscal year (FY) 2023, the university had 11 major federal programs which expended a total of \$672 million in federal funds, and that five compliance findings, two of which were repeat findings, pertaining to issues related to the student financial aid cluster were discovered. However, it was emphasized that the none of the compliance findings were deemed to be significant deficiencies or material weaknesses. As such, Accuity was prepared to issue what is known as a "clean" or unmodified opinion on the university's compliance with the requirements of its major federal programs.

Erin Takamine, an audit partner with Accuity LLP, reviewed Accuity's audit of the university's consolidated financial statements, stating that this matter is presented to the committee each year to satisfy annual audit requirements and expectations. She noted that, for the FY ended June 30, 2023, total assets of the university increased by \$233 million while total liabilities decreased by \$89 million. She also provided a synopsis of the main elements contained within the financial statements reviewing increases and decreases in cash and investment revenues; pension and other post-employment benefit (OPEB) liabilities; deferred inflows and outflows of resources related to OPEB; and operating, as well as non-operating, revenues and expenses. She also went over several required communications pertaining to the conduct of an audit under generally accepted auditing standards within the United States that are intended to ensure the committee receives information on the scope and results of the audit.

Referencing the five deficiencies discovered by Accuity related to student financial aid, Chair Akitake asked if the administration could provide further information on this matter. VP Young explained that the root cause for these issues largely relate to timing in terms of meeting the milestones contained within federal compliance deadlines and the inability of the university to meet these milestones due to things like a lack of staffing and resource for student financial aid offices across the university 10-campus system. He also mentioned that the administration is seeking out ways to address some of these issues and improve upon the situation.

Regent Abercrombie moved to accept the University of Hawai'i audited financial reports for the year ended June 30, 2023, seconded by Vice-Chair Lee, and the motion carried with all members present voting in the affirmative.

**B. Review and Acceptance of the University of Hawai'i at Mānoa (UHM)
Intercollegiate Athletics Audit Reports for the Year Ended June 30, 2023**

Mr. Horiuchi provided an overview of Accuity's report on agreed-upon engagement procedures to ensure that the UHM Athletic Department's (UHM Athletics) statement of revenues and expenses for the year ended June 30, 2023, was compliant with the National Collegiate Athletic Association (NCAA) bylaws and noted that no material misstatements were detected. Accuity also did not identify any internal control matters or operational deficiencies that would merit communications with the board or the university. Additionally, it was highlighted that Accuity would not be engaging UHM Athletics to evaluate whether the Football Actual Attendance Summary for the 2023 Football season is in compliance with NCAA Bylaw 20.10.9.3.2 due to the recent elimination of this bylaw requirement and that the deficiency in Pell Grant reporting noted in last year's UHM Athletics's Internal Control and Business Issues Report has been resolved.

Regent Abercrombie asked if future audits of UHM Athletics will take into account the new financial realities with regard to intercollegiate athletics on account of the impacts from issues such as the transfer portal or Name, Image, Likeness (NIL) compensation. Mr. Horiuchi replied that Accuity would take these matters into account if the NCAA included such issues within its bylaws.

Regent Haning sought clarification on the meaning of NIL. Craig Angelos, UHM Athletics Director (AD), replied that NIL refers to a student-athlete's ability to capitalize on anything that identifies them, including the ability to engage in third-party sponsorships and endorsements for use of their name, image, and likeness.

Regent Abercrombie and AD Angelos engaged in discussions about recent changes in the intercollegiate athletics' landscape, such as conference realignments, NIL compensation, the transfer portal, and the formation of NIL collectives, and the financial impacts this will have on UHM Athletics as well as college sports in general.

Regent Wilson requested an update about the departure of 10 schools from the PAC-12 Conference (PAC-12) due to conference realignments and the impacts this could have on UHM Athletics. AD Angelos replied that the Mountain West Conference (MWC), of which UHM Athletics is a football only member, recently entered into a scheduling agreement with the two remaining PAC-12 schools, Oregon State University (OSU) and Washington State University (WSU), whereby both schools will add six games against MWC schools to their football schedules for each of the next two seasons. He also noted media reports that scenarios involving the reconstitution of the PAC-12 into the PAC-8 with OSU and WSU inviting six schools to join the conference, as well as one in which the MWC would expand to a 14-team conference with the inclusion of OSU and WSU are being contemplated. President Lassner added that the MWC Commissioner and member institutions have remained in constant communication on this topic with current discussions appearing to indicate a preference for the MWC to remain unified when considering a potential merger of the PAC-12 and MWC. He also emphasized that the MWC remains the most stable and intact conference in the country at this point-in-time with respect to the conference realignments occurring across the country.

Regent Abercrombie moved to accept the UHM Intercollegiate Athletics Audit Reports for the Year Ended June 30, 2023, seconded by Vice-Chair Lee, and the motion carried with all members present voting in the affirmative.

C. Review and Acceptance of the University of Hawai'i at Hilo (UHH) Intercollegiate Athletics Audit Reports for the Year Ended June 30, 2023

Mr. Horiuchi provided an overview of Accuity's report on agreed-upon engagement procedures to ensure that the UHH Athletic Department's (UHH Athletics) statement of revenues and expenses for the year ended June 30, 2023, was compliant with NCAA bylaws. He noted that the previous instance of UHH Athletics establishing agreed-upon engagement procedures was in 2020 as NCAA Division II programs are only required to establish such procedures every three years. It was reported that Accuity did not detect any material misstatements in UHH Athletics' statement of revenues and expenses for the year ended June 30, 2023, and did not identify any internal control matters or operational deficiencies that would merit communications with the board or the university.

Regent Abercrombie moved to accept the UHH Intercollegiate Athletics Audit Reports for the Year Ended June 30, 2023, seconded by Vice-Chair Lee, and the motion carried with all members present voting in the affirmative.

D. Review and Acceptance of the Annual Report to the Legislature on Material Weaknesses and Fraud

Glenn Shizumura, Director of the Office of Internal Audit (OIA), explained that OIA prepared a report on material weaknesses and fraud in accordance with statutory requirements. He noted that this report is submitted to the Legislature each year prior to the convening of the legislative session, that the contents of the report were based upon Accuity's audit of the university's financial and compliance reports, and that there were no findings of material weaknesses, fraud, or illegal acts. Upon its approval, the report will be sent to the Legislature on behalf of the committee.

Regent Abercrombie moved to accept the annual report to the Legislature on material weaknesses and fraud, seconded by Vice-Chair Lee, and the motion carried with all members present voting in the affirmative.

E. Review and Acceptance of University Health Services Mānoa – Review and Evaluation

Internal Auditor Shizumura provided a summary of an initial audit of University Health Services Mānoa (UHSM) stating that the audit reviewed and evaluated the operational and financial aspects of UHSM in addition to assessing compliance with applicable federal and State laws and university policies. Despite being in compliance with all applicable laws and policies, OIA has identified a few risks and challenges facing UHSM including issues involving access to electronic health records containing protected health information, the lack of separation of duties with respect to cash collections and recordation in the university's Kuali Financial System (KFS), proper reflection of sales and services revenue in KFS when cash is received rather than when

earned, and billing practices concerning services provided by a UHSM physician to Leeward Community College via a memorandum of understanding. It was also noted that OIA has recommended actions to mitigate the abovementioned issues and will be providing a report on the status of corrective action to the committee in the future.

Regent Haning asked if OIA's review discovered any adverse consequences resulting from the noted health information access issues. Internal Auditor Shizumura replied that OIA did not find any adverse impacts from the health information access concerns raised in its report during its evaluation of UHSM.

Regent Abercrombie moved to accept OIA's review and evaluation of UHSM, seconded by Vice-Chair Lee, and the motion carried with all members present voting in the affirmative.

F. Report on the Corrective Action Plan for Warrior Recreation Center (WRC)

Internal Auditor Shizumura reported on the status of corrective actions taken to address a recommendation made in a report titled "*University of Hawai'i at Mānoa Review of the Warrior Recreation Center*" regarding the preparation of stand-alone financial statements for the WRC noting that the administration has implemented the suggested corrective actions to the satisfaction of OIA.

Regent Abercrombie inquired as to whether his understanding that the WRC has established accounting procedures to prevent a recurrence of the financial statement concerns noted in OIA's original report was correct. Internal Auditor Shizumura responded in the affirmative.

Chair Akitake thanked the administration and management of the WRC, particularly Dr. Teresa Crichfield and Aileen Kozai, for their work on implementing the recommended corrective actions.

G. Enterprise Risk Management (ERM): Update on Cyber Security Risk

VP Yoshimi briefed the committee on cyber security risks facing UH, emphasizing that this issue is not unique to the university. He stressed that, while cyber security has always been a priority for the university, a rise in frequency and significance of information technology (IT) threats experienced by a broad spectrum of entities, including institutes of higher education, has resulted in this risk exposure being recently elevated on the university's ERM heat map. He also went over the costs and global impacts of cybercrime; discussed the constant threat cybercrime presents to the university's IT assets and systems; reviewed, in general, recent IT system cyberattacks experienced by the university as well as the university's response to these attacks; and spoke about steps being taken to address and respond to IT security concerns and protect the assets and interests of the university.

Discussions occurred between Regent Abercrombie and VP Yoshimi about the methodology by which cyberattacks are detected; the processes for remediating IT system security breaches; the sufficiency of the university's IT personnel, equipment, and financial resources to address this matter; instances where the university has been blackmailed; the notification of security and appropriate law enforcement agencies when

a cyberattack occurs; the arrest and prosecution of individuals involved in these illegal activities; and the international nature of cyberattacks.

Board Chair Nahale-a commented on the complex nature of cybersecurity, applauded the efforts of the university for addressing this issue given its limited resources, and stressed the importance for regents and the administration to clearly express the university's asset and financial requirements in this, as well as other areas of importance critical to the success of the institution which in turn leads to success for the state. VP Yoshimi thanked Chair Nahale-a for his comments, praised the university's IT team for their work, and noted that investing in long-term IT workforce development is one key to addressing the issue of cyber security not only at the university but worldwide.

Regent Abercrombie asked if a report on the precise financial and personnel resources needed to tackle IT security issues at the university can be provided to regents in the future. VP Yoshimi responded in the affirmative stating that the administration is already working to determine both the immediate and future investments needed to address IT security concerns at the university for the purposes of making an appropriation request for the next fiscal biennium.

V. EXECUTIVE SESSION (closed to the public)

Vice-Chair Lee moved to convene into executive session, seconded by Regent Abercrombie, and with all members present voting in the affirmative, the committee approved convening in executive session to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities, and to consider matters related to public safety or security, pursuant to Section 92-2.5 (a)(4) and (6), Hawai'i Revised Statutes.

The meeting recessed at 3:29 p.m.

Chair Akitake called the meeting back to order at 3:48 p.m. and announced that the committee met in executive session to discuss matters as stated on the agenda.

VI. AGENDA ITEMS (continued)

A. Audit Project Status Update

Internal Auditor Shizumura provided a status update on the projects and audits outlined in the approved Internal Audit Work Plan for Fiscal Year 2023-2024 and presented a chart indicating new and ongoing carryover projects as well as their current status, highlighting the addition of a project involving the review of UHM Student Housing which was requested by the committee at its October 5, 2023, meeting.

B. Whistleblower Report

Internal Auditor Shizumura provided an overview of the whistleblower summary and tracking reports and reviewed some of the specific information contained within these

reports noting that incidents involving employment or human resources-related issues constituted the majority of whistleblower cases for the current reporting period.

VII. ADJOURNMENT

There being no further business, Chair Akitake adjourned the meeting at 3:51 p.m.

Respectfully Submitted,

Yvonne Lau
Executive Administrator and Secretary
of the Board of Regents

UNIVERSITY OF HAWAII
FINANCIAL RESERVES REVIEW

Status of Corrective Actions

March 2024



University of Hawai'i
Office of Internal Audit



UNIVERSITY
of HAWAI'I®
SYSTEM

March 20, 2024

To the University of Hawai'i Board of Regents
and
University of Hawai'i Vice President for Budget and Finance/Chief Financial Officer

In April 2023, the University of Hawai'i (University) Office of Internal Audit (Internal Audit) issued a report titled *University of Hawai'i, Financial Reserves* dated March 9, 2023. This report and the University's response, dated March 23, 2023 were reviewed and accepted by the University's Board of Regents' (BOR) Committee on Independent Audit (Audit Committee) on April 6, 2023.

In connection with this *Financial Reserves* audit, Internal Audit determined that the University has the following financial reserve policies:

- Board of Regents Policy (RP), RP 8.203 *Reserve Policy*
- Executive Policy (EP) EP 8.210 *Systemwide Financial Reserves*.

Internal Audit's review of RP 8.203 and EP 8.210 identified vagueness and inconsistencies with the use of certain words/terms including unencumbered balance and unencumbered cash. Accordingly, Internal Audit determined that the readability and usefulness of these policies can be enhanced if these word/terms are clarified and/or defined within the respective policy.

In addition, Internal Audit's research of financial reserves policies of other higher education institutions noted inclusion of additional reserve categories such as IT infrastructure reserves and debt service reserves. Accordingly, Internal Audit recommended that the University consider identifying and defining additional reserve categories in University policy and reallocate excess financial reserves to these additional reserve categories.

At a BOR Committee on Institutional Success meeting on March 7, 2023, The University's controller presented revised versions of RP 8.203 and EP 8.210. The Committee on Institutional Success approved RP 8.203 as BOR approval was not needed for EP 8.210. Internal Audit has read the revised RP 8.203 and EP 8.210 and has determined that corrective actions to address Internal Audit's identified risks have been implemented.

Sincerely,

Glenn Shizumura
Director

I. Background

Higher education institutions maintain financial reserves to mitigate the risk of unanticipated decreases in operating (e.g., tuition, auxiliary enterprises, etc.) and non-operating (e.g., State of Hawai‘i appropriations) revenues, unbudgeted increases in operating expenses, one-time unexpected disbursements related to essential capital asset projects (e.g., athletic facility expansion), ongoing deferred maintenance needs, emergency repair and maintenance expenses, etc. The maintenance of adequate financial reserves is a cash management strategy that ensures the stability of the higher education institution’s mission, programs, employment and operations. In addition, adequate financial reserves may assist in mitigating significant increases in tuition while maintaining current level of services as well as indicate the credit worthiness of the higher education institution for bond rating purposes.

The University’s financial reserve policies consist of Board of Regents Policy (RP), RP 8.203 *Reserve Policy* and Executive Policy (EP) EP 8.210 *Systemwide Financial Reserves*. As described in the report titled *University of Hawai‘i, Financial Reserves* dated March 9, 2023, Internal Audit noted that the University complied with these policies as of June 30, 2022. However, Internal Audit’s review of these policies identified vagueness and inconsistencies with the use of certain words/terms. These words/terms included expenditures, recurring and non-recurring expenditures, and unencumbered cash vs unencumbered balances. Internal Audit also determined that the readability and usefulness of the policies can be enhanced if these word/terms are clarified or defined within the respective policy. Clarification would also assist in the proper and consistent application of these policies.

Internal Audit’s March 9, 2023 report also recommended that the University consider identifying and defining additional reserve categories consistent with other higher education institutions.

II. Corrective Action Status

Internal Audit’s March 9, 2023 report included the conclusions and recommendations described below.

A. Conclusions and recommendations

1. Reserve types and targets

The University’s financial reserves significantly exceed University policy requirements for coverage of annual operating expenses. However, the Repair & Replacement (R&R) reserves only relate to University Bond System (UBS) Project capital assets and the debt service reserves are less than one year of debt service.

Internal Audit recommended that the University consider creating a capital maintenance and renewal reserve for non-UBS project capital assets in addition to IT infrastructure reserves. In addition, increasing the debt service reserve would be prudent. Reallocation of excess financial reserves to these reserve categories should be considered.

2. Reserve policies

Internal Audit believes the readability and usefulness of the policies can be enhanced if these word/terms are clarified or defined within the respective policy. A definition and consistent use of unencumbered balance or cash is critical given that the University’s financial reserve calculation must comply with this definition. The University currently uses Unencumbered Fund Balance for financial reserves purposes. Accordingly, University policy should be revised to define financial reserves and possibly its calculation. The University should also consider revising its reserve policies to establish target reserves for capital maintenance and renewal reserve for non-UBS project capital assets and IT infrastructure reserves. With respect to debt service reserves, the University should enhance EP 2.212 to require a certain level of debt service reserves

University of Hawai‘i
Financial Reserves Review – Status of Corrective Actions
March 2024

B. Corrective action status

Internal Audits’ corrective action status evaluation is described below.

1. Reserve types and targets

The revised EP 8.210 created an additional *Debt Service Reserve* category to set aside amounts to meet future revenue bond debt service payments. In addition, the revised EP 8.210 now includes *Mandatory Reserves* (funds set aside to meet legal or statutory requirements, covenants or other contractual obligations) and *Operating Reserves* (funds set aside to ensure the University is prepared to address financial shortfalls or emergencies, including requirements for accreditation). Previously, *Mandatory Reserves* and *Operating Reserves* were included in RP 8.203. The reclassification of these reserves from RP 8.203 to EP 8.210 with revised and improved definitions eliminates the previous policy vagueness and inconsistencies. The current EP 8.210 also specifically notes that *Operating Reserves* can be used to meet needs associated with planned non-recurring expenses such as repairs and maintenance or start-up costs for new programs.

Corrective action implemented.

2. Reserve policies

The revised RP 8.203 and EP 8.210 eliminates the previously identified vagueness and inconsistencies with the use of certain words/terms noted in these policies. The revised EP 8.210 also now defines *unencumbered cash* as cash balances less contract and purchase order encumbrances. The previous policies used both unencumbered cash and unencumbered balance with no clear definition of either.

Corrective action implemented.

III. Revised Policy Compliance

EP 8.210 requires that the University’s Mānoa campus, Hilo campus, West O‘ahu campus, Community Colleges, and Systemwide Support (collectively “Major Units”) maintain Operating Reserves of unencumbered cash from non-general funds equivalent to 16 percent of the average general operating expenditures over the last three fiscal years. Up to five percent of each Major Unit’s Operating Reserve will be maintained as Systemwide Support. The University’s Vice President for Budget and Finance/Chief Financial Officer (CFO) believes that each Major Unit currently meets or exceeds the 16 percent Operating Reserve requirement. However, the CFO is uncertain as to whether every Major Unit would currently be judged as having sufficient unencumbered cash for each non-general fund (certain revolving and special funds) to meet the five percent requirement in the revised policies. The policies permit the CFO to work with the Major Units in developing a plan for reserve balances if balances are not in compliance with the stated policy thresholds.

EP 8.210 defines Debt Service Reserves as funds set aside to meet future revenue bond debt service requirements. The University’s audited financial statements as of June 30, 2023 disclose future maturities of revenue bonds of approximately \$557 million (\$416 million of principal and \$141 million of interest). The CFO believes the University currently meets the Debt Service Reserve requirement with sufficient funds marked specifically for debt service at a level that conforms to the new policy thresholds.

The CFO is required to report compliance with EP 8.210 to the Board of Regents annually. The CFO anticipates reporting the University’s compliance with EP 8.210 during the last quarter of this calendar year.

UNIVERSITY OF HAWAI‘I AT MĀNOA

WAIKĪKĪ AQUARIUM

Status of Corrective Actions – Follow up

March 2024



University of Hawai'i
Office of Internal Audit



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SYSTEM

March 13, 2024

To the University of Hawai'i Board of Regents
and
The University of Hawai'i at Mānoa Provost

In May 2021, the University of Hawai'i Office of Internal Audit (Internal Audit) issued a report titled *University of Hawai'i at Mānoa Review of the Waikīkī Aquarium* dated January 29, 2021. In connection with the audit, Internal Audit identified various financial, operational and compliance risks and challenges. This report and the Waikīkī Aquarium's (Aquarium) response, dated April 28, 2021 were reviewed and accepted by the University of Hawai'i Board of Regents' Committee on Independent Audit (Audit Committee) on May 6, 2021.

In March 2022 and May 2023, Internal Audit prepared Status of Corrective Action reports noting that the Aquarium had not yet addressed all risks and challenges described in the January 29, 2021 report. At the September 7, 2023 Committee on Independent Audit (Audit Committee) meeting, the University of Hawai'i (University) at Mānoa (UHM) Provost committed to the implementation of all corrective actions by December 22, 2023. The UHM Provost issued memorandums dated November 29, 2023, January 29, 2024 and March 13, 2024 to the Audit Committee Chair and Internal Audit documenting their progress with respect to corrective action implementation.

As summarized in **Table 1** of the accompanying report, corrective actions remain pending for five (5) of the 15 identified risks. Internal Audit believes that UHM senior leadership must actively manage and monitor the Aquarium's implementation of corrective actions on a monthly basis.

Sincerely,

Glenn Shizumura
Director

University of Hawai‘i at Mānoa
Waikīkī Aquarium Status of Corrective Actions
March 2024

I. Background

Founded in 1904 and administered by the University of Hawai‘i (University) at Mānoa (UHM) since 1919, the Waikīkī Aquarium (Aquarium) is located on the shoreline of Waikīkī Beach across from Kapi‘olani Park. According to the Aquarium website, the Aquarium has in excess of 500 exhibits displaying more than 3,500 marine specimens. The Aquarium’s exhibits, education programs, and research focus on the unique aquatic life of Hawai‘i and the tropical Pacific. As a result of the COVID-19 pandemic, the Aquarium closed during March 2020, re-opened in late June 2020, closed for a second time in late August 2020 and re-opened again on July 1, 2021.

As noted in the *University of Hawai‘i at Mānoa Review of the Waikīkī Aquarium* report issued by the Office of Internal Audit (Internal Audit) dated January 2021, Internal Audit identified various financial, operational and compliance risks and challenges including the performance of incompatible financial duties by Aquarium personnel, the lack of comparing and reconciling financial information from Aquarium financial systems to the University’s Kualī Financial System (KFS), inconsistent preparation of accurate and complete financial results, non-compliance with various University policies and procedures and uncertainties regarding the resolution of the Aquarium’s wastewater discharge system.

In March 2022, Internal Audit issued a Status of Corrective Action report noting that the Aquarium had addressed certain risks and challenges including the segregation of incompatible duties, comparing and reconciling financial information from Aquarium financial systems to the University’s KFS and preparation of accurate and complete financial results. However, the risks and challenges associated with the implementation of procedures to gift shop inventory adjustments, recordation of third-party vendor payments on behalf of the Aquarium and ensuring compliance with University policies and procedures were either not implemented or were in process of resolution. In November 2022 and again in December 2022, Internal Audit informed Aquarium personnel that audit procedures in connection with this audit would commence in January 2023. Internal Audit issued a report dated May 2023 noting that corrective actions were not implemented for eight (8) of the 15 identified risks.

At the September 7, 2023 Committee on Independent Audit (Audit Committee) meeting, the University of Hawai‘i (University) at Mānoa (UHM) Provost committed to the implementation of all corrective actions documented in the Aquarium’s written response dated April 28, 2021 to Internal Audit’s *University of Hawai‘i at Mānoa Review of the Waikīkī Aquarium* report dated January 2021 by December 22, 2023. From September 2023 to January 2024 Internal Audit was provided with various documents to address corrective action implementation. In addition, the UHM Provost issued memorandums dated November 29, 2023, January 29, 2024 and March 13, 2024 to the Audit Committee Chair and Internal Audit documenting their progress with respect to corrective action implementation.

II. Corrective Action Status

As described in the January 29, 2024 and March 13, 2024 memorandums, the Aquarium has not yet implemented all corrective actions. The following table summarizes the observations/recommendations from Internal Audit’s January 2021 report and corrective action status of each observations/recommendations as of March 2022, May 2023 and the date of this report. Condensed text of Internal Audit’s January 2021, March 2022 and May 2023 reports are included in this report for reference and context purposes. As of the date of this report and as summarized in **Table 1**, five (5) of the fifteen Aquarium corrective actions are not implemented compared to eight (8) not implemented as of May 2023.

University of Hawai‘i at Mānoa
Waikiki Aquarium Status of Corrective Actions
March 2024

Table 1: Summary of Corrective Action Status

Observations/Recommendations	March 2022	May 2023	March 2024
A. Segregation of duties			
1. Visitors Services Supervisor and Events Coordinator	Implemented	Remains implemented	Remains implemented
2. Upon re-opening of gift shop	Implemented	Remains implemented	Remains implemented
B. Altru POS system			
1. Compare and investigate differences in Altru and posted to KFS	Not implemented	Implemented	Remains implemented
2. Solution allowing online admission sales proceeds be credited directly to the University bank account	Not implemented	Implemented	Remains implemented
C. Operating deficit			
1. Plan to address current and potential ongoing financial challenges	Not implemented	Implemented	Remains implemented
D. Financial analysis			
1. Evaluate the adequacy of private events and luau events revenues	Not implemented	Not implemented	Implemented
2. Prepare gift shop periodic and annual financial reports comparing actual to target gross margins	Not implemented	Not implemented	Implemented
E. Processes and procedures			
1. Invoicing and recording luau revenues to KFS	Not implemented	Not implemented	Not implemented
2. Administrative Officer to review and approve gift shop inventory adjustment	Not implemented	Not implemented	Not implemented
F. FOWA and UHF			
1. MOU compliance monitoring	Not implemented	Not implemented	Not implemented
2. Record FOWA and UHF vendor payments made on behalf of WAQ in KFS	Not implemented	Not implemented	Not implemented
G. Executive Policies and Administrative Procedures			
1. Monitor financial results a) Prepare and distribute internal monthly and annual budget to actual financial results b) Explain significant financial year-to-year variances, budget to actual variances	a) Implemented b) Not implemented	a) Remains implemented b) Not implemented	a) Remains implemented b) Implemented
2. Comply with applicable University policies and procedures	Not implemented	Not implemented	Not implemented
H. Wastewater Discharge			
Consultation with University leadership regarding salt water discharge	Implemented	Remains implemented	Remains implemented

A. Segregation of duties

2021 report:

Internal Audit Observation and Recommendation

The Visitor Services Supervisor and Events Coordinator perform incompatible duties within the admissions and private event rental processes, respectively. Custody of assets (sales proceeds), recording of transactions, and comparing proceeds to recorded transactions performed by a single employee result in a lack of segregation of duties and increase the risk of errors or fraud related to these revenue sources. The gift shop may experience

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a similar segregation of duties issue upon its re-opening with the Assistant Manager as a result of the dismissal of the Manager.

2022 Corrective Action Status report:

The Administrative Officer determined that reassignment of incompatible duties was not practical and accordingly implemented corrective action by comparing sales reports from its admissions and the gift shop systems to sales recorded in KFS on a daily basis. Differences are investigated with accounting adjustments recorded as deemed necessary. Temporary employees (less than 90 days) have been hired in the gift shop in order to improve the segregation of incompatible duties.

2023 Corrective Action Status report:

The Administrative Officer informed Internal Audit in January 2023 that he continues to compare daily sales reports from the Aquarium’s admissions and the gift shop systems to sales recorded in KFS. Internal Audit requested and reviewed sales reports dated May 15, 2022 and compared these reports to KFS noting no differences supporting the Administrative Officer’s representation.

The Administrative Officer also informed Internal Audit that a gift shop manager was hired in December 2022. The hiring of the gift shop manager coupled with the hiring of gift shop employees (two full time and one part time) as well as the Administrative Officer’s additional involvement with gift shop operations should allow for the mitigation of incompatible duties performed by a single employee.

2024 Status:

1. Visitors Services Supervisor and Events Coordinator

Internal Audit noted that the Administrative and Fiscal Support Specialist assumed the Administrative Officer’s duty of comparing daily sales reports from the Aquarium’s admissions and gift shop system to sales recorded in KFS. Internal Audit requested and reviewed sales reports dated December 5, 2023 and compared these reports to KFS noting no differences.

Conclusion

Corrective action remains implemented.

2. Reopening of gift shop

The Administrative Officer stated that the performance of incompatible duties (authorization of transactions, custody of assets, transaction recordation and control functions) at the gift shop has been mitigated. Internal Audit verified this assertion by examining the December 2023 gift shop summary reports in KFS noting that duties performed by gift shop manager and gift shop employees (one full time and two part time) are adequately separated.

Conclusion

Corrective action remains implemented.

B. Altru POS system (Altru)

2021 report:

Internal Audit Observation and Recommendation

Admission fees recorded in Altru and KFS did not agree. These differences could not be explained by the Administrative Officer and would have been detected if Aquarium personnel compared transactions summarized in Altru and posted in KFS on a monthly basis. The asserted Altru limitations requiring online ticket sales proceeds to be credited to a Friends of the Waikīkī Aquarium (FOWA) bank account appear

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unreasonable. Private event rental fees are also processed by Altru. However, and contrary to the posting of admission fees to KFS, private event rental fees are posted to KFS from a manual spreadsheet.

2022 Corrective Action Status report:

The Administrative Officer performs a daily comparison of transactions summarized in Altru and posted in KFS. Differences are investigated with accounting adjustments recorded as deemed necessary.

2023 Corrective Action Status report:

The Administrative Officer informed Internal Audit in January 2023 that he continues to compare and investigate differences between Altru and KFS on a daily basis. Internal Audit requested and reviewed an Altru to KFS comparison dated May 15, 2022 noting no differences supporting the Administrative Officer’s representation. The Administrative Officer also stated that the Aquarium expects to implement a new POS system during 2023.

2024 Status

1. Compare and investigate differences

Internal Audit was informed that the Aquarium implemented the RocketRez system for admission sales on December 14, 2023. The Administrative and Fiscal Support Specialist assumed the Administrative Officer’s duty of comparing and investigating differences between RocketRez and KFS daily deposits. Internal Audit requested and reviewed the December 20, 2023 daily deposits noting an incorrect deposit amount recorded by a cashier in KFS. The Administrative and Fiscal Support Specialist reviewed and corrected the deposit amount in KFS.

Conclusion

Corrective action remains implemented.

2. Admissions sales credited to University bank account

Internal Audit was informed by the Administrative Officer that with the implementation of RocketRez, online ticket sales proceeds are now directly deposited into the University general bank account. Internal Audit reviewed the deposit slip in KFS noting that the ticket sales proceeds were deposited to the University’s general bank account based on the deposit slip account number under University Treasury Office which is the University general bank account number stated in AP 8.701, *Receipting and Depositing of Funds Received by the University*.

Conclusion

Corrective action implemented.

C. Operating deficit

2021 report:

Internal Audit Observation and Recommendation

The Aquarium projects a cashflow deficit for the year ended June 30, 2021 and has incurred historical operating deficits. However, the Aquarium has not developed a plan to address these deficits and the potential ongoing financial and operational challenges (i.e., restrictions on group size and social distancing requirements) presented by COVID-19. The development of a plan to address the Aquarium’s current and potential ongoing financial and operational challenges is critical. Immediate consultation with University senior leadership is warranted.

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2022 Corrective Action Status report:

Approximately \$3 million in COVID-19 related relief funds were awarded to the University for the Aquarium by the Small Business Association (SBA) (\$2 million) and State of Hawai‘i COVID-19 State Recovery Funds (\$1 million). The \$1 million from the State of Hawai‘i was received in December 2021 and is being used for staffing and utility expenses. The Aquarium projects revenue in excess of expenses for fiscal year 2022 amounting to approximately \$200,000 inclusive of the receipt of the \$1 million COVID-19 State Recovery Funds.

2023 Corrective Action Status report:

The Administrative Officer provided Internal Audit with Statements of Revenues and Expenses for the years ended June 30, 2022 and 2021. The Administrative Officer and UHM accounting personnel continued to revise the year ended June 30, 2022 account balances through May 2023. Accordingly, the ability of the Aquarium to properly analyze financial results on a timely basis is negatively impacted by the Aquarium’s inability to finalize account balances until 10 months after year end.

2024 Status

1. Plan to address financial challenges

Table 2 provides a condensed summary of the Aquarium’s revenues and expenses from schedules prepared by the Administrative Officer for the five-year period ended June 30, 2023.

Table 2: Condensed Financial Results (unaudited)

	2023	2022	2021	2020	2019
Revenues	\$4,519,593	\$ 3,297,074	\$1,065,126	\$3,576,555	\$4,424,174
Expenses	3,920,600	2,902,145	2,241,422	4,107,119	4,126,212
Rev. in excess (deficiency) of exp. prior to non-recurring items	598,993	394,929	(1,176,296)	(530,564)	297,962
Non-recurring revenues					
COVID 19 relief funds	1,991,626	1,000,000	-	-	-
Revenues in excess (deficiency) of expenses	<u>\$2,590,619</u>	<u>\$ 1,394,929</u>	<u>\$(1,176,296)</u>	<u>\$ (530,564)</u>	<u>\$ 297,962</u>

The Aquarium’s FY 2024 budget projects revenues and expenses of \$5.3 million and expenses of \$3.8 million resulting in net income of \$1.5 million. The Aquarium’s budget for the fiscal year ended June 30, 2024 is illustrated in **Table 3**, Section G. *Executive Policies and Administrative Procedures*.

Conclusion

Corrective actions remain implemented with respect to financial challenges. Refer to Section G. *Executive Policies and Administrative Procedures* conclusion with respect to explaining significant year to year financial variances and effectively managing and monitoring its financial results.

D. Financial analysis

2021 report:

Internal Audit Observation and Recommendation

The Aquarium has not evaluated the adequacy of private event rental fees and luau revenues to cover the associated expenses. With respect to the gift shop, the Administrative Officer does not review and analyze financial results including comparing actual to target gross margins on a periodic or annual basis. The Aquarium also does not prepare accurate and complete financial reports as well as monthly budget to actual reports documenting explanations for significant revenue and expense fluctuations.

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The Aquarium must evaluate the adequacy of private event rental fees and luau revenues to cover the associated expenses to determine if the amounts charged provide the Aquarium with sufficient profit or any profit. The Administrative Officer must also prepare periodic and annual financial reports for the gift shop to analyze financial results including comparing actual to target gross margins on a periodic and annual basis. The Aquarium must also quantify the financial impact of admission fee discounts to determine if the discounts increase revenues and profits.

2022 Corrective Action Status report:

The Aquarium has suspended private event facility rentals and is in the process of soliciting a new luau vendor. The Aquarium is also in the process of evaluating the appropriate pricing for these events.

With respect to the gift shop, the Administrative Officer has not prepared financial results or compared actual gross margins with target gross margins on a periodic or annual basis. The Aquarium has eliminated all discounts except military, FOWA, Outrigger, AAA, firefighter and reciprocal list (other aquariums and museums) discounts.

2023 Corrective Action Status report:

The Administrative Officer informed Internal Audit that the University’s Office of General Counsel (OGC) is currently reviewing a draft contract with a new luau vendor.

The Administrative Officer provided a gross margin analysis for the quarter ended December 31, 2022 compared to the quarter ended September 30, 2022. However, an analysis comparing actual gross margins to target gross margins (periodic or annual) was not performed.

2024 Status

1. Adequacy of private events and luau events revenues

The Aquarium’s luau events resumed in July 2023 pursuant to a new luau contract executed on June 30, 2023. Internal Audit was informed by an OGC Associate General Counsel that OGC and Office of Risk Management (ORM) were involved with the preparation and review of the new Aquarium luau concession contract effective from July 1, 2023 through June 30, 2024.

The luau concession fee pursuant to the luau contract for the period from July 1, 2023 through June 30, 2024 is the greater of \$4,000 per event or 15% of gross revenues earned by the vendor. The luau contract does not specify if the 15% of gross revenues is on a per event basis. Internal Audit believes it is reasonable to interpret the intent of the contract as 15% of gross revenues on a per event basis. Accordingly, Internal Audit will utilize this interpretation for the purpose of this review.

Internal Audit was informed that the contracted luau concession fee was not the result of a financial analysis previously recommended by Internal Audit but an amount negotiated between the luau vendor and UHM’s Hawai‘i Institute of Marine Biology Associate Director (appointed by the UHM Provost) in consultation with the Aquarium Director, Aquarium Administrative Officer, Aquarium Events and Membership Coordinator, and UHM Chief Business Officer. The Aquarium prepared a financial analysis dated September 2023 that did not include utility expenses and updated that analysis in January 2024 noting that the \$4,000 concession fee (\$4,000 or 15% of gross revenues) would exceed the associated expenses.

The Administrative Officer is uncertain as to the timing of finalizing a facility rental agreement. Internal Audit was informed that the anticipated facility rental fee of \$3,200 per event was approved by the University President via a memo dated October 2023.

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Conclusion

The January 2024 financial analysis indicates that luau revenues pursuant to the 2023 luau contract exceed the associated costs. However, the financial analysis was not prepared to determine an appropriate fee amount as was the intent of Internal Audit’s 2021 recommendation.

Corrective action implemented.

2. Gift shop periodic and financial reports

Internal Audit was informed that the gift shop manager performs a quarterly gross margin analysis but no quarter to date or year-to-date analysis to match the quarterly, quarter to date and year to date budget to actual gift shop financial analysis prepared by the Administrative and Fiscal Specialist. Internal Audit requested and reviewed the gross margin analysis for the quarter ended December 31, 2023 comparing the Aquarium’s actual gross margins to the quarter ended September 30, 2023. Internal Audit noted that written variance explanations did not analyze or provide the rationale for gross margin variances. Internal Audit noted that the quarter ended December 2023 combined gross margins by inventory category ranged from 54% to 71% while the minimum target gross margins by inventory category ranged from 52% to 66%.

Internal Audit reviewed the December 2023 gift shop reconciliation from the NCR POS system to KFS and noted that the NCR gift shop sales agreed to the December 2023 gift shop sales reported in KFS without exception.

The Administrative and Fiscal Specialist prepares gift shop monthly, quarterly, quarter to date and year to date budget to actual reports with written variance explanations. Similar to the gift shop gross margin analysis, the budget to actual financial results analysis does not analyze or provide a rationale for significant revenue and expense variances. See explanation of budget to actual variances in Section G. *Executive Policies and Administrative Procedures*.

Conclusion

Corrective actions implemented pending preparation of an annual gross margin analysis for the year ended June 30, 2024 and improving written explanations analyzing and providing sufficient rationales for gross margin variances.

E. Processes and procedures

2021 report:

Internal Audit Observation and Recommendation

The Aquarium lacks processes and procedures related to the invoicing and recording of luau revenues to KFS. In addition, gift shop inventory adjustments are not required to be reviewed and approved by the Administrative Officer. Accordingly, the risk of potential errors increases with respect to luau revenues and gift shop inventory.

In order to decrease the risk of potential errors with respect to luau revenues, the Aquarium should develop processes and procedures related to the invoicing and recording of luau revenues to KFS. With respect to gift shop inventory, the Administrative Officer should review and approve inventory adjustments to the NCR POS system.

2022 Corrective Action Status report:

Processes and procedures have not been developed for the invoicing and recording luau revenues to KFS. Additionally, the Aquarium had not implemented procedures requiring the Administrative Officer to review and approve inventory adjustments to the NCR POS system.

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2023 Corrective Action Status report:

The Administrative Officer provided Internal Audit with a document with the proposed process for invoicing and recording luau revenues. Internal Audit reviewed the document noting significant gaps and process deficiencies. Examples of these gaps and deficiencies include the following:

- Lack of procedures and controls to validate number of luau guests.
- Inadequate segregation of duties.
- Lack of procedures describing the manner of invoice distribution.
- Lack of procedures to follow-up on unpaid invoices.

With respect to the Aquarium’s gift shop processes including procedures to review and approve inventory adjustments, the Administrative Officer must enhance and accurately describe the gift shop’s overall processes and procedures including the functionality of the NCR POS System.

2024 Status

1. **Invoicing and recording luau revenues**

The Aquarium entered into a new luau contract with King’s Luau LLC (King’s or luau vendor) for the period July 1, 2023 through June 30, 2024. King’s is authorized to hold luaus at the Aquarium up to five (5) days per week (Monday, Wednesday, Thursday, Friday and Sunday) between 3:00 p.m. and 10:00 pm. The Aquarium’s updated process narrative for invoicing and recording luau revenue is as follows:

Aquarium luau staff use a clicker to count guests as they enter the luau area to ensure that the maximum guest count of 350 is not exceeded. The guest count is documented in a manual monitoring sheet. The luau concession contract states that the luau vendor pays the Aquarium a concession fee of the greater of:

- *\$4,000 per event or*
- *15% of the gross revenues generated from all revenue generating activities, including but not limited to, luau dinner packages, alcoholic beverages, photography, video, apparel, transportation services, and tour packages.*

The prior contract that expired on December 31, 2019 required the vendor to pay \$2,100 per event plus \$5 per guest that exceeded 150. On the 10th of each month, the Events and Membership Coordinator prepares and e-mails an invoice for the prior month’s events. The invoice charges the luau vendor \$4,000 per event since the Aquarium is unaware of the luau vendor’s gross revenues per event. On or about the 20th of each month, the Administrative and Fiscal Support Specialist picks up the luau vendor’s concession report (profit and loss statement) for the prior month’s events from the mail at the Aquarium’s Visitor Services secured office. A check accompanies the concession report for the amount of the invoice e-mailed on the 10th. The Events and Membership Coordinator compares the check amount to the invoice. The Administrative and Fiscal Support Specialist records payment in KFS. The only information included on the concession report is the luau vendor’s total gross revenues for the prior month’s events. Gross revenues by event for the month are not provided. The check will be kept in the Visitor’s Services secured safe until pick up for the following day. The Visitor Services Supervisor prepares the deposits to be picked up by an armored vehicle and sent directly to the bank. Revenue is recorded in KFS when payment is deposited.

The Events and Membership Coordinator follows-up via e-mail for invoices not received by the 20th of the month. The invoice notes that a late fee of \$100 plus interest will be charged to the luau vendor for payments not received within 30 days of the invoice date.

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The luau contract requires the concession report to include King’s daily cash register totals. Internal Audit was informed that concession reports submitted to date do not include daily cash register totals. Aquarium and UHM Budget Office personnel informed Internal Audit that contract’s requirement to include the luau vendor’s daily cash register totals in the concession report was in error. As previously noted in this report, the luau contract does not specify the timeframe to apply the 15% of the luau vendor’s gross revenue. Internal Audit believes the luau vendor providing daily cash register totals allows the Aquarium to calculate 15% of gross revenues on a per event basis. The Aquarium’s luau revenue process does not include procedures to determine if the proper concession fee is remitted to the Aquarium (greater of \$4,000 per event or 15% of gross revenues).

The luau contract allows the Aquarium to request other financial reports to reflect King’s financial operating results pursuant to the terms and conditions of the luau contract. The luau contract also states that the Aquarium may request the luau vendor to engage an independent certified public accounting firm to conduct an annual audit of concession revenues at the luau vendor’s expense.

Conclusion

Corrective actions not implemented.

Although the Aquarium has revised their process to invoice and record luau revenues, the process does not include an evaluation to assess whether the luau vendor is paying the appropriate concession fee. Internal Audit recommends that the Aquarium clarify the timeframe to apply the 15% of the luau vendor’s gross revenue then design procedures to assess whether the appropriate concession fee is paid in addition to requiring King’s to engage an independent certified public accountant to audit and issue a report attesting to King’s compliance with the monthly concession fee requirement pursuant to the luau contract.

2. Administrative Officer review and approval of inventory adjustment

The Aquarium has prepared updated gift shop processes related to their new gift shop POS system (RocketRez). However, timing for the implementation of the new POS system is not known.

An annual physical inventory is scheduled every fiscal year end (June 30 or July 1). However, the Administrative Officer informed Internal Audit that a physical inventory was not performed as of June 30, 2023 nor have any physical inventory counts been performed during the current fiscal year. In addition, there were no periodic reviews of the inventory to ensure that the price changes, receipts, chargebacks, and adjustments were properly reviewed and posted to their current system, NCR.

Conclusion

Corrective actions not implemented.

F. FOWA and University of Hawai‘i Foundation (UHF)
2021 report:

Internal Audit Observation and Recommendation

Net assets of the FOWA may represent an additional source of funding for the Aquarium. However, the Aquarium has not secured a funding commitment from the FOWA. Additionally, the Aquarium does not monitor the FOWA’s compliance with the terms and conditions of the Aquarium/FOWA Memorandum of Understanding (MOU) or reflect FOWA and UHF payments (capital improvements and expenses) directly to vendors on behalf of the Aquarium in KFS or the Aquarium’s financial reports.

The Aquarium should establish processes and procedures to monitor the FOWA’s compliance with the terms and conditions of the MOU to ensure the Aquarium is receiving the required financial support.

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The Administrative Officer should, at minimum, record FOWA and UHF vendor payments made on behalf of the Aquarium in the Aquarium’s internal financial reports to provide a comprehensive representation of the Aquarium’s net position and results of operations. Exclusion of these on behalf payments may result in improper budgeting guidance for subsequent years.

2022 Corrective Action Status report:

The Aquarium has not established processes and procedures to monitor FOWA’s compliance with the terms and conditions of the MOU to ensure the Aquarium is receiving the required financial support. FOWA and UHF vendor payments made on behalf of the Aquarium remain unrecorded in either the Aquarium’s internal financial reports or KFS.

2023 Corrective Action Status report:

The Administrative Officer informed Internal Audit that the Aquarium’s Director met with FOWA leadership in January 2023 as a result of Internal Audit inquiry regarding MOU compliance and obtained FOWA’s commitment to remit the 50% of membership revenues as required by the MOU. The Administrative Officer also stated that the Aquarium’s Director and Administrative Officer will commence attending two FOWA board meetings on an annual basis for purposes of managing and monitoring MOU compliance.

FOWA and UHF vendor payments made on behalf of the Aquarium remain unrecorded in either the Aquarium’s internal financial reports or KFS.

2024 Status

1. **MOU compliance monitoring**

The Aquarium’s process for managing and monitoring MOU compliance consist of attending at least two (2) FOWA meetings annually, maintaining a record of the FOWA meeting agenda and preparing an annual report summarizing the terms of the FOWA agreement. Internal Audit noted that the annual summary report is not comprehensive and does not address all FOWA MOU compliance requirements. A significant FOWA commitment is to disburse 50% of annual membership revenues to the Aquarium in addition to a significant portion of FOWA net revenues for Aquarium exhibits. The Aquarium’s financial statements for the fiscal years ended June 30, 2023 and 2022 do not reflect any receipts from FOWA. Aquarium personnel stated that the \$56,000 received from FOWA (see **Table 3**) for the fiscal year ended June 30, 2024 represents 50% of FOWA membership revenues for calendar year 2022.

Conclusion

Corrective actions not implemented since the Aquarium’s financial statements reflect no FOWA receipts for the fiscal years ended June 30, 2023 and 2022.

2. **Record FOWA and UHF vendor payments**

The Aquarium stated that no FOWA or UHF vendor payments were made on behalf of the Aquarium for the year ended June 30, 2023 or the six months ended December 31, 2023. Pursuant to Internal Audit inquiries, it was determined that the Aquarium has not yet recorded capital asset improvements paid for by FOWA that benefit the Aquarium of approximately \$359,000. These Aquarium capital improvements were identified in Internal Audit’s 2021 report.

Conclusion

Corrective actions not implemented.

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G. Executive Policies and Administrative Procedures

2021 report:

Internal Audit Observation and Recommendation

The Aquarium does not monitor its financial results in accordance with Administrative Procedure (AP) 8.025 or the Aquarium’s functional statement. Monthly internal financial and budgetary statements are not prepared, transactions and accounts are not reconciled from Aquarium sub-systems to KFS on a regular basis and reporting of transactions lack accuracy and completeness. The Aquarium is also in noncompliance with various University policies and procedures with respect to the use of the Aquarium’s facilities for private events, luau and photography services as follows:

- Executive Policy (EP) 8.200 - exclusion of terms and conditions required in the facilities use agreement and insurance coverage templates
- EP 11.202 – no University approval and vendor/customer liquor commission license for the service of alcoholic beverages
- AP 1.200 – facility rental competes with privately owned facilities; no University approval for not utilizing the University’s food and beverage vendor
- AP 8.230 –luau and photography agreements not reviewed and approved by Office of Procurement Management
- AP 8.400 – lack of indemnification clauses and minimum insurance coverage requirements
- AP 8.710 – indefinite retention and storage of credit cardholder data

Noncompliance with University policies and procedures exposes the University to significant financial, operational, and reputational risk that would be mitigated by adherence to these requirements. The prevalence of verbal agreements creates additional issues of enforcing agreed upon terms and conditions.

Preparation of accurate and complete financial reports (financial results and budget to actual) on a monthly and annual basis is critical for financial planning, assessing operations and determining future strategies. These reports should be distributed to appropriate University personnel for review and comment. In addition, transactions and accounts recorded to Aquarium sub-systems must be reconciled to KFS on a monthly and annual basis. Reconciliations will assist in the detection of errors in Aquarium financial reports or transactions posted to KFS.

The Aquarium must become more knowledgeable with respect to University policies and procedures and ensure compliance with all applicable policies and procedures impacting the Aquarium’s operations.

2022 Corrective Action Status report:

Monthly financial results are prepared, reconciled to KFS and distributed to the Aquarium Director and department leaders for review and comment on a monthly basis. Budget to actual results are reviewed monthly by the Administrative Officer.

The Aquarium informed Internal Audit of its intention to comply with all EPs and APs identified in Internal Audit’s recommendation prior to resuming private event facility rentals and luau events. This includes usage of the OGC approved facility use agreement, obtaining appropriate food and alcohol service waivers, consultation with OGC and ORM as required and shredding of facility rental agreements with cardholder data.

2023 Corrective Action Status report:

The Administrative Officer informed Internal Audit that he continues to prepare and distribute monthly financial results and monthly budget to actual results to the Aquarium Director and department leaders for review and comment. The Administrative Officer stated that the financial results are compared to KFS monthly.

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2024 Status

1. Monitor financial results

a) Prepare and distribute monthly and annual budget to actual financial results

The Administrative and Fiscal Support Specialist prepares monthly, quarterly, quarter to date and year-to-date budget to actual reports and distributes monthly financial results and monthly budget to actual results to the Aquarium Director, Administrative Officer and department leaders.

b) Explanation of year-to-year and budget to actual variances

The Administrative and Fiscal Support Specialist uses a template prepared by UHM Management Budget Office personnel that has all of the Aquarium’s accounts. This template is manually updated on a monthly, quarterly, and year-to-date basis. The Administrative Fiscal Support Specialist prepares written explanations for variances of 5% or greater.

Internal Audit reviewed the six-months ended December 31, 2023 budget to actual report noting variance explanations such as budgeted admissions and gift shop revenues exceeding actual due to the months of October through December generally having less guests when compared to the rest of the year. With respect to expenses, an increase in personnel costs is due to the 5% salary increase for Administrative Professional and Technical (APT) employees was not considered when establishing the budget for the year ended June 30, 2024.

Internal Audit believes that the Aquarium’s budgeting process requires improvement given that the decrease in admissions and gift shop revenues is consistent with historical results and the increase in personnel costs were expected because of collective bargaining agreements.

Table 3: Waikīkī Aquarium Actual to Budget Comparison

Waikīkī Aquarium Statements of Revenues and Expenses (Unaudited) Actual to Budget Comparison – Cash Basis							
	Six months ended December 31, 2023			Year ended June 30, 2024			
	Budget	(A) Actual	Variance	(B) Budget	(C) Budget (Jan 1 – June 30)	(A)+(C)=(D) Est Actual	(B)-(D) Variance
Revenues							
Admission fees	\$969,996	\$958,550	\$11,466	\$1,940,000	\$970,004	\$1,928,554	\$11,446
Luau/Facility rental	416,998	421,526	(4,528)	914,000	541,002	962,528	(48,528) 1
Gift shop	720,000	677,819	42,181	1,440,000	720,000	1,397,819	42,181 1
SOH G-fund apprn	-	-	-	800,930	800,930	800,930	- 2
FOWA receipts	-	55,925	(55,925)	-	-	55,925	(55,925) 3
Other	80,484	50,666	29,818	163,980	74,038	124,704	39,276
Total Revenues	\$2,187,478	\$2,164,486	\$22,992	\$5,258,910	\$3,105,974	\$5,270,460	\$(11,550)
Expenses							
Personnel	\$961,506	\$1,069,191	\$(107,685)	\$2,030,930	\$1,291,509	\$2,360,700	\$(329,770) 4
Utilities	258,400	324,411	(66,011)	542,200	283,800	608,211	(66,011) 5
Gift shop inv. purch	332,996	323,759	9,237	658,000	325,004	648,763	9,237
Other	261,306	285,683	(24,377)	525,456	283,149	568,832	(43,376)
Total Expenses	\$1,814,208	\$2,003,044	\$(188,836)	\$3,756,586	2,183,462	\$4,186,506	\$(429,920)
Revenues in excess (deficiency) of exp.	\$373,270	\$161,422	\$211,828	\$1,502,324	\$922,512	\$1,083,954	\$418,370

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1. Luau/facility rentals and gift shop revenues: Budgeted revenues for the six months ended June 30th is greater than actual for the six months ended December 31, 2023 due to the historical decrease in guests during the months of October through December. Internal Audit was informed that this historical decrease was not considered when the budget was established for the six months ended December 31, 2023.
2. G-fund apprn: Represents general funds appropriated by the State of Hawai‘i for nine general funded employees.
3. FOWA receipts: Represents FOWA receipts that was not considered when the budget was established for the year ended June 30, 2024. The Aquarium/FOWA MOU requires various FOWA financial commitments to the Aquarium including: a) 50% of FOWA annual membership revenues, b) significant portion of FOWA net revenues for Aquarium exhibits, c) contributions and support
4. Personnel costs: Estimated year ended June 30, 2024 exceeds budget due to the 5% APT salary increase not considered when the budget was established for the year ended June 30, 2024.
5. Utilities: Aquarium personnel could not explain the reason for utility costs exceeding budget for the six months ended December 31, 2023 or provide an explanation regarding the decrease in budgeted utility costs for the six months ended June 30, 2024 when compared to actual utility costs for the six months ended December 31, 2023.

Conclusion

- a) Corrective action remains implemented.
- b) Corrective action is implemented. However, improvement with respect to the Aquarium’s budgeting process is warranted.

2. Compliance with University policies and procedures

The Aquarium resumed luau events in July 2023. Internal Audit noted the following with respect to compliance with University EPs and APs:

- EP 8.200 – Internal Audit was informed by the Administrative Officer that the Aquarium will be using the “Facilities Use Agreement for Short-Term Use” template described in EP 8.200 (November 2023). This template includes terms and conditions required in the facilities use and insurance coverage requirements (commercial general liability, automobile, worker’s compensation, etc.).

Use of University facilities by outsiders such as Aquarium’s luau contractor requires OGC to review the contract. Internal Audit noted that the luau concession contract dated June 30, 2023 was reviewed and approved by OGC and ORM. The luau concession contract also includes the required University insurance coverage.

- EP 11.202 – The University President delegated approving authority to the UHM Chief Business Officer via a memo dated March 2020 with respect to various UHM matters including facility use agreements and sales, service, and consumption of alcoholic beverages. The Aquarium’s luau concession contract includes the sale and service of alcoholic beverages which was approved and signed by the UHM Chief Business Officer prior to contract signing in June 2023.
- AP 1.200 – AP 1.200 requires written approval from the Environmental Health and Safety Office (EHSO) and the Vice President for Finance and Operations (Note: Not a currently recognized title at the University) or designee regarding the use of University facilities for an event where food is distributed or consumed except when food is supplied by the UHM food contractor (Sodexo). The Aquarium has not received approval from the EHSO or any University senior management personnel.
- AP 8.230 – Internal Audit was informed that the Aquarium continues to utilize a photography agreement executed in 2018. The issuance of this photography agreement did not comply with the University’s procurement policies. In addition, this 2018 agreement lacks required terms pursuant to University policies (required minimum insurance coverage, indemnification clauses limiting/eliminating the University’s exposure, etc.).

University of Hawai‘i at Mānoa
Waikiki Aquarium Status of Corrective Actions
March 2024

- AP 8.400 – Internal Audit reviewed the Aquarium’s luau concession contract reviewed and approved by OGC and ORM which contains indemnification clauses and the required minimum insurance coverages.
- AP 8.710 – Internal Audit was informed by the Administrative Officer that the Aquarium plans to continue to shred credit card information included in facility rental agreements.

Conclusion

Corrective action not implemented.

H. Wastewater discharge

2021 report:

Internal Audit Observation and Recommendation

The Aquarium has incurred a significant financial obligation with respect to its discharge of salt water. Current financial results indicate an inability to pay these obligations. The Aquarium must determine its total financial obligation and identify a source of funding. Consultation with University leadership and OGC is essential.

Management Response

Regulatory issues regarding wastewater discharge at the Aquarium has been the subject of numerous meetings with the City and County Department of Environmental Services and the State Department of Health involving the Aquarium, UH Environmental Health and Safety Office, the UH Office of Project Delivery and OGC. Planning already underway includes the design and planning components of wastewater system modifications to better measure water flow.

2022 Corrective Action Status report:

University leadership was consulted as evidenced by the Vice President of Administration’s FY 2022-2023 6-Year Capital Improvement Project (CIP) Supplemental Budget Request requesting \$11.5 million to remediate the salt water discharge issue. The Board of Regents (BOR) Committee on Planning and Facilities reviewed and recommended BOR approval of this CIP Supplemental Budget Request at its November 4, 2021 meeting. The CIP Supplemental Budget Request was approved by the BOR at its November 18, 2021 meeting. The Vice President of Administration informed the Committee on Planning and Facilities at the November 4, 2021 meeting that the University anticipates receiving the \$11.5 million during the fiscal year ended June 30, 2023. These funds would supplement \$1.5 million and \$600,000 appropriated by the State of Hawai‘i Legislature in FY22 and FY21, respectively.

2023 Corrective Action Status report

Internal Audit reviewed the *FY 2022-2023 First Quarter CIP Status Report (as of 9/30/22)* presented at the November 3, 2022 BOR Committee on Planning and Facilities Committee meeting. This report stated that the design phase of the upgrade to Aquarium’s system wastewater discharge system was 61% completed with expected award date for the construction contract in March 2024.

2024 Status

Consultation with University leadership

Internal Audit reviewed the *FY 2023-2024 First Quarter CIP Status Report (as of 9/30/23)* presented at the November 2, 2023 BOR Institutional Committee meeting. This report stated that the design phase of the upgrade to Aquarium’s system wastewater discharge system was 100% completed as of March 31, 2023. The design for phase 2 commenced on June 30, 2023 and was 60% completed as of September 30, 2023.

Conclusion

Corrective action remains implemented.



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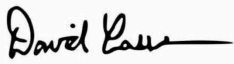
Mānoa Office of Business and Finance


dts 24051B


March 27, 2024

MEMORANDUM

TO: Lauren Akitake
Chair, Committee on Independent Audit

VIA: David Lassner 
President

VIA: Michael Bruno 
Provost

FROM: Sandy French 
Chief Business Officer

SUBJECT: Response to March 2024 Office of Internal Audit Status of Corrective
Actions Report, Waikīkī Aquarium

On behalf of both the Waikīkī Aquarium and my office, I would like to thank the Office of Internal Audit for their comprehensive review of the status of corrective actions dated March 2024. Since the audit was initiated, significant improvements have been made in the Aquarium's financial, operational, and compliance management processes and procedures. These results are beneficial to both the Aquarium and the Mānoa campus.

Progress in addressing the corrective actions recommended by Internal Audit has been slow due to a number of factors. The audit was initiated in the first part of FY 2021, during the early months of the pandemic. The Aquarium was closed during this time, and under significant financial stress. Many non-general funded staff were laid off as a cost-saving measure, leaving a skeleton crew to attend to the facility, including the safety and health of the delicate collections, and to stabilize administrative operations. Upon reopening in July 2021, the Aquarium proceeded cautiously with filling vacant positions since significant uncertainty existed regarding the impact of ongoing pandemic conditions on visitor traffic and resulting revenues. It wasn't until an assistant fiscal staff position was filled in October 2023 (vacant since October 2020) that the Aquarium could be considered fully staffed in the areas of financial management, analysis and reporting. Filling this vacancy also allowed for more thorough and timely responses to Internal Audit recommendations and follow up questions.

2500 Campus Road, Hawai'i Hall 102
Honolulu, Hawai'i 96822
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The Office of Internal Audit February 2024 Status of Corrective Actions – Follow Up Report regarding the Waikīkī Aquarium finds that five of the recommended corrective actions have not been fully implemented. Work has continued to satisfy the concerns, as detailed below.

Item E.1; Invoicing and recording luau revenues to KFS

From Internal Audit Report:

Although the Aquarium has revised their process to invoice and record luau revenues, the process does not include an evaluation to assess whether the luau vendor is paying the appropriate concession fee. Internal Audit recommends that the Aquarium clarify the timeframe to apply the 15% of the luau vendor's gross revenue then design procedures to assess whether the appropriate concession fee is paid in addition to requiring King's to engage an independent certified public accountant to audit and issue a report attesting to King's compliance with the monthly concession fee requirement pursuant to the luau contract.

Management Response:

The Aquarium has decided not to renew the luau concession agreement for an additional year. The agreement will therefore terminate on June 30, 2024. Management agrees that it is in the Aquarium's best interests to clarify the time frame to which the 15% gross revenue calculation applies, and will do so when a replacement contract is negotiated. At that time, Aquarium will also determine the documentation needed to assess whether concession fee amounts paid comply with the agreement terms.

Expected Completion Date: Upon execution of a new concession agreement

Item E.2; Administrative Officer to review and approve gift shop inventory adjustment

From Internal Audit Report:

The Aquarium has prepared updated gift shop processes related to their new gift shop POS system (RocketRez). However, timing for the implementation of the new POS system is not known.

An annual physical inventory is scheduled every fiscal year end (June 30 or July 1). However, the Administrative Officer informed Internal Audit that a physical inventory was not performed as of June 30, 2023 nor have any physical inventory counts been performed during the current fiscal year. In addition, there were no periodic reviews of the inventory to ensure that the price changes, receipts,

chargebacks, and adjustments were properly reviewed and posted to their current system, NCR.

Management Response:

The annual physical inventory was postponed as Aquarium staff planned to conduct the inventory in concert with conversion to a new point of sale system. However, delivery of the PCI-DSS compliant credit card readers, needed to implement the new system, was delayed multiple times. In hindsight, an inventory should have been conducted at fiscal year-end and again with the conversion to the new system. The required credit card readers have now arrived and migration to the new system, including inventory data and a physical inventory, is underway this week.

Expected Completion Date: April 15, 2024

Item F.1; MOU compliance monitoring

From Internal Audit Report:

Corrective actions not implemented since the Aquarium's financial statements reflect no FOWA receipts for the fiscal years ended June 30, 2023 and 2022.

Management Response:

The Aquarium share of FOWA membership fees for FOWA FY 2020 - 2022 have all been received and recorded on the Aquarium's financial statements and in the University's financial system, as follows:

- FOWA FY 2020 (1/1/2020-12/31/2020): received in May 2020;
 - FOWA FY 2021 (1/1/2021-12/31/2021): received in September 2022. These fees were included on the Aquarium's financial statement for FY 2023 but were misclassified; the correction was made on March 20, 2024; and
 - FOWA FY 2022 (1/1/2022-12/31/2022): received in November 2023.
- The FOWA membership fees for FOWA FY 2023 are expected to be received in Fall 2024.

Completion Date: March 20, 2024

Item F.2; Record FOWA and UHF vendor payments

From Internal Audit Report:

The Aquarium stated that no FOWA or UHF vendor payments were made on behalf of the Aquarium for the year ended June 30, 2023 or the six months

ended December 31, 2023. Pursuant to Internal Audit inquiries, it was determined that the Aquarium has not yet recorded capital asset improvements paid for by FOWA that benefit the Aquarium of approximately \$359,000. These Aquarium capital improvements were identified in Internal Audit's 2021 report.

Management Response:

The Aquarium conducted further review upon receiving this comment, and has confirmed that none of the individual projects represented in the \$359,000 reach the threshold for capital improvement project capitalization. In accordance with [UH Administrative Procedure A8.550](#), only Capital Improvements projects of \$100,000 or more are recorded in the UH capital improvement tracking system. Three items totaling \$40,400 were found to meet the threshold for Equipment capitalization (\$5,000). These items were recorded in KFS on March 22, 2024 and evidence of completion was provided to Internal Audit on March 25, 2024.

Completion Date: March 22, 2024.

Item G.2: Compliance with University policies and procedures

From Internal Audit Report:

AP 1.200 – AP 1.200 requires written approval from the Environmental Health and Safety Office (EHSO) and the Vice President for Finance and Operations (Note: Not a currently recognized title at the University) or (designee) regarding the use of University facilities for an event where food is distributed or consumed except when food is supplied by the UHM food contractor (Sodexo). The Aquarium has not received approval from the EHSO or any University senior management personnel.

AP 8.230 – Internal Audit was informed that the Aquarium continues to utilize a photography agreement executed in 2018. The issuance of this photography agreement did not comply with the University's procurement policies. In addition, this 2018 agreement lacks required terms pursuant to University policies (required minimum insurance coverage, indemnification clauses limiting/eliminating the University's exposure, etc.).

Management Response:

AP 1.200: The UHM Office of Business and Finance informed Internal Audit that this procedure is outdated and in the process of being replaced with revised guidance. In the interim, the UHM CBO will review and approve food distribution requests.

Expected Completion Date: April 30, 2024

AP 8.230 – The Aquarium is working with the Office of Procurement Management to terminate the existing photography concession agreement and enter into a replacement concession agreement no later than May 31, 2024.

Expected Completion Date: May 31, 2024

c: Glenn Shizumura, Director, Office of Internal Audit
Andrew Rossiter, Director, Waikīkī Aquarium

UNIVERSITY OF HAWAI‘I AT MĀNOA
STUDENT HOUSING SERVICES

March 2024



University of Hawai'i
Office of Internal Audit



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SYSTEM

March 22, 2024

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

At the September 7, 2023 Board of Regents' Committee on Independent Audit (Audit Committee) meeting, the Audit Committee approved an Audit Plan Supplement related to an audit of University of Hawai'i (University) at Mānoa (UHM) Student Housing Services. The Audit Plan Supplement noted that an audit objective was to gather historical UHM Student Housing information to assist the University's Board of Regents (BOR) formulate a strategy to align student housing with the University's strategic plan.

As described in the accompanying report, occupancy rates averaged 93% for the Fall 2022 semester, 87% for the Spring 2023 semester, and 96% for the Fall 2023 semester. Rental income for the year ended June 30, 2023 approximated \$21 million. UHM Student Housing Services management indicated that their target occupancy rate is 97% and received approximately 4,000 to 5,000 housing applications for approximately 3,000 beds during the academic years 2022 through Fall 2023. Internal Audit also noted potential historical inaccuracies in reported financial position account balances in addition to insufficient written documentation supporting year over year revenue variances.

In addition, Internal Audit identified inconsistencies when comparing housing assignment priorities described at the UHM Student Housing Services website and BOR policy (RP) 7.205. As a result of this inconsistency identified by Internal Audit, UHM Student Housing Services leadership revised and modified the UHM Student Housing Services website on March 20, 2024, by referencing RP 7.205 as the priority policy.

From a custodial and maintenance services perspective, the Association of Physical Plant Administrators (APPA) establishes custodial and maintenance guidelines based on the ratio of custodial and maintenance personnel to square feet coverage. UHM Student Housing Services is a Level 5 for both custodial (Level 1 - orderly spotless to Level 5 - unkept neglect) and maintenance services (Level 1 - showpiece facility to Level 5 - crisis response).

Internal Audit believes that UHM Student Housing Services should develop procedures to increase occupancy percentages as a vacancy percentage of 5% - 10% equates to 150-300 revenue beds. Internal Audit's observations and inquiries with current UHM Student Housing Services financial management personnel noted improvements in the implemented and planned financial reporting process. Internal Audit also noted that RP 7.205 is consistent with other higher education institutions researched that provides preference to freshmen and/or incoming transfer students. With respect to custodial and maintenance services, UHM Student Housing Services can improve their service levels by filling vacant custodial and maintenance staff positions, subject to available funds.

Sincerely,

Glenn Shizumura
Director

I. Overview and Background

The University of Hawai‘i at Mānoa (UHM) offers on-campus housing to registered, full-time undergraduate and graduate students. UHM Student Housing Services (or SHS) manages residence halls and apartment complexes providing housing accommodations for a range of approximately 3,100 – 3,300 students. According to the University of Hawai‘i Institutional Research and Analysis Office website, UHM enrollment for full-time undergraduate and graduate students approximated 19,300 during the Fall 2023 semester.

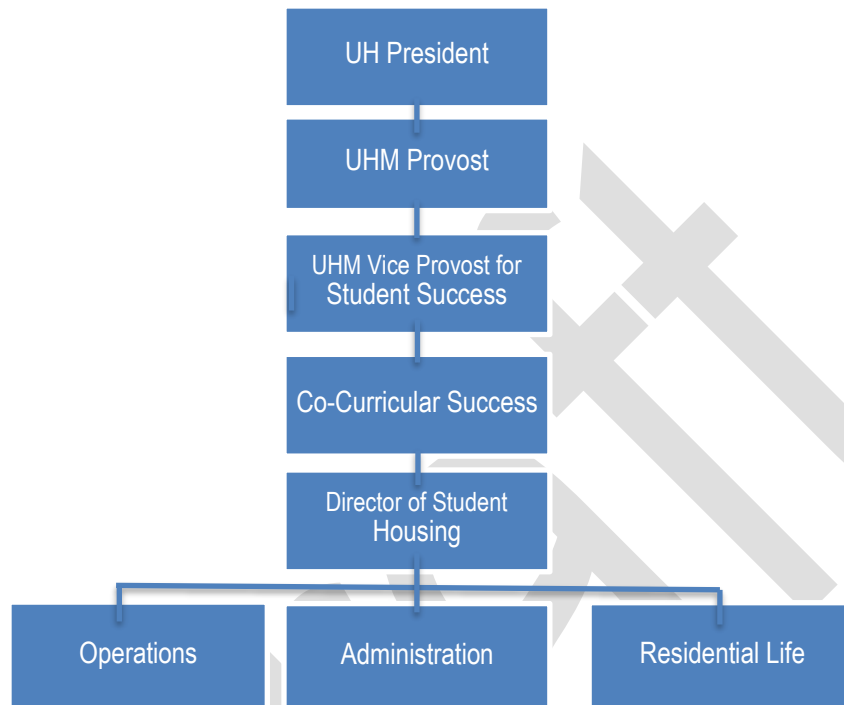
The Board of Regents’ Committee on Independent Audit (Audit Committee) requested that Internal Audit gather historical UHM Student Housing information to assist the University’s Board of Regents formulate a strategy to align student housing with the University’s strategic plan. This information may include the year that the residence hall or apartment complex was placed in service, the amount and description of major renovations, number of revenue beds, occupancy percentages, number of students applying for student housing that were denied, etc. In addition, Internal Audit will review the student housing priority policy, obtain and review any student housing resident surveys and research relevant student housing information of other public universities.

Internal Audit was informed that the Office of the Vice President for Administration (OVPA) has engaged KMH LLP (KMH), a Hawai‘i based professional service organization, to provide consulting services to UHM Student Housing. Internal Audit was also informed that KMH commenced their services in September 2023 and anticipates providing the OVPA with preliminary conclusions and recommendations prior to the commencement of the 2024-2025 academic year. In general, KMH’s services will address various financial, operational and compliance matters associated with UHM Student Housing Services with the objective of developing a financial model to assist UHM Student Housing Services determine rental rates.

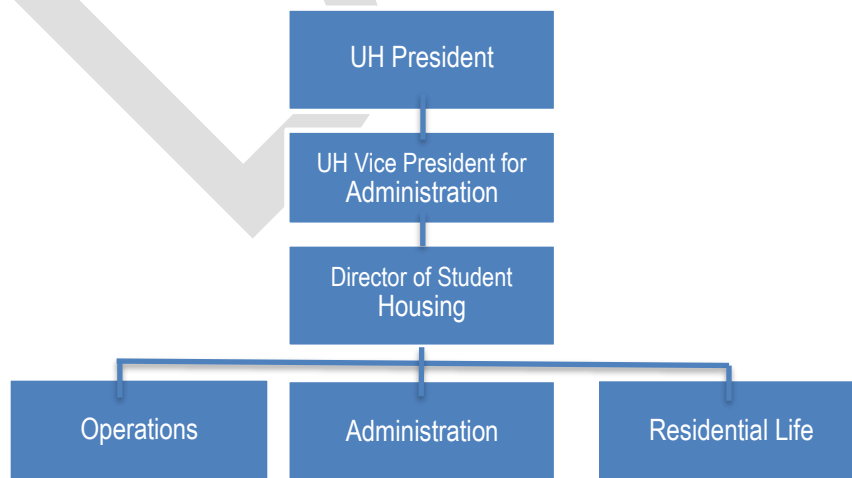
The Audit Committee has also requested that Internal Audit participate in the OVPA’s monthly project status update meetings with KMH. Internal Audit believes that participation in these meetings will mitigate the risk of any duplication of work in addition to allowing Internal Audit to independently evaluate KMH’s project status. To the extent that KMH identifies issues in connection with their work that they believe can be more appropriately addressed by Internal Audit, Internal Audit will first consult with the Vice President for Administration (VPA) and the Audit Committee regarding whether the identified issues warrant work that should be performed by Internal Audit. Internal Audit will proceed to perform audit procedures to address the KMH identified issues only with the approval of the Audit Committee. These status meetings did not result in identified issues warranting additional work to be performed by Internal Audit.

Organizational Structure

The following is a condensed organizational chart of the UHM Student Housing as of June 30, 2023, under the UHM Provost.



Subsequent to July 1, 2023, all responsibility to manage UHM Student Housing Services was temporarily transferred to the University’s Office of the Vice President for Administration (OVPA) as illustrated below.



Purpose

The purpose of this project was to obtain, review and evaluate historical UHM Student Housing Services financial and operational data. In addition, Internal Audit will read relevant University student housing policies and evaluate compliance with these policies.

The audit procedures performed included the following:

1. Obtained historical information by residence hall and apartment complex (year placed in service, major renovations, square footage, number of rooms, amenities, etc.)
2. Obtained occupancy-related data by residence hall and apartment complex for the past three fiscal years (number of revenue beds, occupancy percentages, number of students applying for student housing that were denied, etc.)
3. Requested and read student housing surveys distributed since the 2019-2020 academic year and inquired as to the actions taken to address issues identified in the surveys.
4. Reviewed the University’s student housing priority policy and evaluated compliance.
5. Researched and compared student housing information at other public universities to UHM. Information researched included number and age of residence halls/apartment complexes, number of beds, amenities, occupancy percentages, etc.
6. Participated with the OVPA in the periodic KMH status meetings.
7. Collaborated with KMH and the VPA regarding issues identified by KMH that would more appropriately be resolved by Internal Audit.
8. Other procedures as deemed appropriate.

II. Operational Information

A. Resident Hall and Apartment Complex Data

UHM Student Housing rental rates, room type and square footage and occupancy percentage are illustrated in Tables 1 and 2 below.

Table 1. On-campus student housing information by resident hall and apartment complex

<u>Resident Halls:</u>								
Name	Academic Year (AY) '23 –'24 Rent (per occupant	Style	Ratio (%) of Occupied Beds to Revenue Beds (A)					
			2021-2022		2022-2023		2023	
			Fall	Spring	Fall	Spring	Fall	
Private Bath:								
Frear Hall	\$7,663-\$12,880	1, 2, 4 bdrm double and single	85%	91%	91%	89%	95%	
Gateway House	\$6,278-\$7,506	1 bdrm double and single	86%	90%	90%	90%	94%	
Community Bath:								
Johnson Hall	\$6,278	1 bdrm double	97%	85%	96%	86%	97%	
Hale Kahawai	\$6,278	1 bdrm double	82%	52%	94%	84%	99%	
Hale Laulima	\$6,278-\$9,061	1 bdrm double and single	87%	72%	97%	89%	97%	
Hale Anuenue	\$9,061	1 bdrm single	0%	0%	0%	0%	88%	
Hale Aloha Ilima	\$6,278	1 bdrm double	95%	90%	95%	85%	98%	
Hale Aloha Lehua	\$6,278	1 bdrm double	96%	87%	97%	87%	98%	
Hale Aloha Lokelani	\$6,278	1 bdrm double	98%	93%	94%	90%	99%	
Hale Aloha Mokihana	\$6,278	1 bdrm double	97%	85%	97%	84%	97%	
<u>Apartment Complex:</u>								
Name	Academic Year '23 – '24 Rent (per unit)	Style	Ratio (%) of Occupied Beds to Revenue Beds (A)					
			2021-2022		2022-2023		2023	
			Fall	Spring	Fall	Spring	Fall	
Hale Wainani	\$6,843 - \$17,117	1 and 2 bdrm double, 2 bdrm single, families only	84%	89%	91%	85%	92%	
Hale Noelani	Closed	Closed	0%	0%	0%	0%	0%	

(A) Ratios obtained from SHS schedules calculating occupied beds to revenue beds on September 1st for the Fall semester and February 1st for the Spring semester.

Table 2. Number of total beds and revenue beds by resident hall and apartment complex

Resident Hall / Apartment Name and Unit Occupancy	Unit square footage	Total Beds	Revenue Beds		
			AY 2021- 2022	AY 2022- 2023	AY 2023 – 2024
Frear Hall					
1 bedroom single	239 sq ft	34	32	33	31
2 bedroom double, triple and quad	481 sq ft	354	302	300	304
4 bedroom quad	585 sq ft	416	392	392	392
Apartment	377 sq ft	2	-	-	-
Total		806	726	725	727

University of Hawai‘i at Mānoa
Student Housing Services
March 2024

Gateway House

1 bedroom double	240 sq ft	192	176	184	184
1 bedroom single	465 sq ft	32	32	32	32
Apartment	750 sq ft	2	-	-	-
Total		226	208	216	216

Johnson Hall

1 bedroom double	180 sq ft	196	186	186	186
1 bedroom single	180 sq ft	2	-	-	-
Apartment	600 sq ft	1	-	-	-
Total		199	186	186	186

Hale Aloha Ilima

1 bedroom double	175 sq ft	260	260	260	260
1 bedroom single	175 sq ft	10	-	-	-
Apartment	570 sq ft	1	-	-	-
Total		271	260	260	260

Hale Aloha Lehua

1 bedroom double	175 sq ft	260	260	260	260
1 bedroom single	175 sq ft	10	-	-	-
Apartment	570 sq ft	1	-	-	-
Total		271	260	260	260

Hale Aloha Lokelani

1 bedroom double	175 sq ft	260	260	260	260
1 bedroom single	175 sq ft	10	-	-	-
Apartment	570 sq ft	1	-	-	-
Total		271	260	260	260

Hale Aloha Mokihana

1 bedroom double	175 sq ft	260	260	260	260
1 bedroom single	175 sq ft	10	-	-	-
Apartment	570 sq ft	1	-	-	-
Total		271	260	260	260

Hale Anuenue

1 bedroom single	185 sq ft	44	-	-	41
Apartment	555 sq ft	1	-	-	-
Total		45	0	0	41

Hale Kahawai

1 bedroom double	205 sq ft	140	100	148	146
1 bedroom triple	249 sq ft	24	-	-	-
Apartment	549 sq ft	1	-	-	-
Total		165	100	148	146

Hale Lailima

1 bedroom single	142 sq ft	16	16	16	16
1 bedroom double	205 sq ft	140	140	134	136
1 bedroom triple	227 sq ft	9	-	-	-
Apartment	535 sq ft	1	-	-	-

University of Hawai‘i at Mānoa
Student Housing Services
March 2024

Total		166	156	150	152
Hale Wainani					
1 bedroom	472 – 535 sq ft	82	52	66	60
2 bedroom	726 – 785 sq ft	528	465	536	522
Apartment (RD, ARD, AD)	785 sq ft	3	-	-	-
Total		613	517	602	582
Hale Noelani		-	-	-	-
Total		3,304	2,933	3,067	3,090

All on-campus housing units are furnished with beds, desks, chairs and closets. Apartments include a kitchen equipped with a range, refrigerator, sink and dining table. Central air conditioning is only provided at Frear Hall, while window air conditioning units are installed at Hale Ānuenue and other units as a student requested accommodation. UHM Student Housing Services leadership believes air conditioning was not installed at other resident halls and apartment complexes as they were designed to have sufficient natural ventilation and because of the significant required initial capital investment.

1. Occupancy percentage

UHM Student Housing Services leadership stated that annual rental income and occupancy fluctuations are primarily related to fluctuations in UHM enrollment and due to the number of student resident cancellations and no-shows at the start of the respective semester. UHM Student Housing Services leadership also stated that the \$400 reservation fee deposit remitted by prospective student residents at the time of housing contract signing is recognized as revenue for cancellations of signed leases and no shows. **Table 2** notes the total number of beds and revenue beds (beds available for rent) pursuant to information obtained from UHM Student Housing Services website and provided schedules. Internal Audit was informed that the difference between the number of total beds and revenue beds is primarily attributable to:

- Housing accommodations provided to UHM Student Housing Services employees (Residence Directors, Assistant Residence Directors, Resident Assistants, Counselors-in-Residence, etc.).
- COVID restrictions and isolations. Restrictions resulted in double occupancy rooms converting to single occupancy.
- Rooms that are undergoing repairs. During the 2021 – 2022 academic year, approximately 33% of the Hale Kahawai rooms could not be occupied due to major plumbing repairs.
- Room occupancy modifications of Residence Directors, Assistant Residence Directors, Resident Assistants, Counselors-in-Residence, etc. (e.g., changing from a single to double occupancy room).

Internal Audit was informed that the ratio of occupied beds to revenue beds (occupancy percentage) generally decreases from the Fall semester to the Spring semester due to the following:

- Students graduating during the Fall semester.
- Students participating in the study abroad program prior to the start of the Spring semester.
- Student disenrolling prior to the commencement of the Spring semester.
- Students finding off campus housing during the semester break.

Given that students not residing in residence halls or apartment complexes prior to the Fall semester already have housing plans for the respective academic year, the likelihood of filling vacancies during the spring semester is low.

University of Hawai‘i at Mānoa
Student Housing Services
March 2024

For purposes of sustaining maximum occupancy during the academic year, Internal Audit was informed that UHM Student Housing Services requires students to sign academic year (not semester) rental contracts. Accordingly, contract termination may require the student to pay a cancellation fee equal to 60% of the remaining rent for the academic year. Cancellation fees earned during the fiscal years ending June 30, 2023, 2022 and 2021 amounted to \$343,175, \$512,895 and \$139,279, respectively. Exceptions to the cancellation fee include the following: 1) graduation, 2) financial hardship, 3) emergencies that prohibit living on-campus, 4) study abroad placement, 5) withdrawal from UHM, and 6) academic dismissal/suspension. Initiatives to sustain occupancy includes the offering of Spring only contracts, offering student housing to students attending other University campuses located on Oahu and providing students with the opportunity to “buy-out” empty bed space to convert their double room to a single room.

2. Housing applications and occupancy demographics

The following depicts the number of housing applications received for academic years 2021-2022 through 2023-2024:

Academic Year	# of Housing Applications Received
2021-22	3,918
2022-23	4,832
2023-24	5,024

NOTE: SHS does not have data for applications denied. Many applications do not get housing initially, but later are offered contracts, or cancel their application.

Board of Regents policy (RP) 7.205, *Student Housing*, is the University policy that describes housing assignment priorities. RP 7.205 states that its first objective is to provide student housing to all Hawai‘i resident students who live beyond a reasonable commuting distance to the campus at which they are enrolled and that a student’s need for housing is considered greatest during the first year of college and diminishes thereafter. The RP also indicates that assignment priorities may make considerations to accommodate students’ special needs and campus and system enrollment goals as deemed by the president or president’s designee. The SHS priority policy as documented on their website is not consistent with RP 7.205. The SHS website documents the following assignment priorities:

- A. 1st priority
 Students in special categories established by the University that meet programmatic, educational and campus-wide goals, including Regent and Presidential Scholars, student athletes, National Student Exchange Program, special needs, etc.
- B. 2nd priority
 New students to the UHM campus with traditional freshmen (resident and non-resident students pursuing a college education immediately after graduating from high school) having a higher priority than first-year undergraduate transfer students. These applicants are then prioritized based on permanent residence location with neighbor island students having the highest priority and City and County of Honolulu students having the lowest.

University of Hawai‘i at Mānoa
Student Housing Services
March 2024

C. 3rd priority

Non-traditional freshmen, current UHM students that did not live on campus during the prior academic year and students that did not renew their prior housing contract. These applicants are then prioritized based on permanent residence location with neighbor island students having the highest priority and City and County of Honolulu students having the lowest.

D. 4th priority

Late applicants.

As a result of this inconsistency identified by Internal Audit, UHM Student Housing Services leadership informed Internal Audit that the priority policy documented on the SHS website was modified on March 20, 2024, to align with RP 7.205.

UHM Student Housing Services provided the following **Table 3** information below to provide a general understanding of the class standing (freshmen vs non-freshmen) and resident/non-resident status of student residents by academic year.

Table 3

AY 2020-2021	# of Freshmen	# of Non-Freshmen	Total
Hawaii Resident	119	201	320
US Mainland Resident	497	267	764
International	19	26	45
Total	635	494	1,129

AY 2021-2022	# of Freshmen	# of Non-Freshmen	Total
Hawaii Resident	246	370	616
US Mainland Resident	938	666	1,604
International	50	72	122
Total	1,234	1,108	2,342

AY 2022-2023	# of Freshmen	# of Non-Freshmen	Total
Hawaii Resident	376	543	919
US Mainland Resident	915	782	1,697
International	53	82	135
Total	1,344	1,407	2,751

SHS does not track student resident demographic information by student priority to assess compliance with RP 7.205 or the SHS website’s assignment priorities. However, SHS leadership has advised Internal Audit that a new assignment process starting Fall 2024 will provide an ability to track demographic data for purposes of compliance with applicable policies. **Table 3** information appears to support SHS’ 2nd priority as the number of freshmen during the academic years 2020-2021 and 2021–2022 were more than non-freshmen. However, UHM Student Housing Services leadership explained that there are traditionally more non-freshman beds in inventory than freshman beds. COVID-related impacts resulted in a greater number

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of freshmen residents compared to non-freshmen residents during the 2020-2021 and 2021-2022 academic years due to freshmen demand outpacing non-freshmen demand. In the 2022-2023 academic year, occupancy breakdown returned to more normal levels. For the 2024-2025 academic year, SHS management is converting non-freshmen beds to freshmen beds, which will increase the overall inventory available for freshmen.

Internal Audit was informed that the information provided in **Table 3** was generated based on review of data obtained from CBORD, Banner, and the Institute Research, Analysis and Planning Office (IRO). Due to the volume and complexity of data reviewed, SHS is uncertain as to the accuracy and reliability of the **Table 3** information and is one of the reasons for SHS implementing the StarRez system described in Section III.D. *Management Information System* below.

UHM Student Housing stated that the fluctuation of student residents by academic year is attributable to the following:

- COVID social distancing protocols for the 2020-21 academic year resulting in the conversion of double occupancy rooms to single occupancy.
- As mentioned previously, plumbing repairs at Hale Kahawai closed 33% of the rooms.
- Hale Anuenue was closed during the 2022-2023 academic year to be used for COVID isolation purposes.
- Hale Wainani Building G was closed during the 2021-2022 academic year due to less demand.

B. Preventive and deferred maintenance projects

A review of SHS facilities has resulted in a preliminary list of preventive and deferred maintenance needs as of October 2023, by resident hall and apartment housing complexes (funding for these projects have not yet been identified or made available):

Table 4. (in 000's)

Maintenance Type	Various	Hale Wainani	Hale Aloha	Frear Hall	Johnson Hall	Gateway House	Hale Laulima	Hale Anuenue	Hale Kahawai	Hale Noelani	Total
Building Envelope Refresh		\$26,660	\$5,000	\$6,190	\$9,680	\$2,350		\$2,320			\$52,200
Plumbing System Upgrade		\$27,570									\$27,570
Electrical System Upgrade		\$4,418	\$11,100								\$15,518
Roof Replacement & PV Installation		\$4,760		\$2,420			\$2,690				\$9,870
Lobby, Lounge & Lanai Refresh			\$7,120								\$7,120
Water Boiler Replacement				\$500			\$500		\$500		\$1,500
Gateway Cafeteria Building Envelope and Drainage Assessment						\$759					\$759
Dining Hall Exhaust Fan Replacement & Control System Upgrade (GH)						\$552					\$552
Hot Water Storage Tank Replacement				\$500							\$500
Main Gas Line Replacement				\$190							\$190
Kitchen Waterline Repair						\$124					\$124

As of February 2024, the preventive and deferred maintenance estimate decreased to \$174 million as a result of refined cost estimates since November 2023.

UHM Student Housing distributes surveys via e-mail to residents during the Spring semester (typically February or March). The number of surveys distributed, returned and related due dates for the past four academic years are as follows:

Academic <u>Year</u>		# distributed	# <u>responses</u>	Response rate	Due date
2019 - 2020		2,832	950	34%	March 27, 2020
2020 - 2021		None distributed due to COVID			
2021 - 2022		2,551	767	30%	April 8, 2022
2022 - 2023		2,550	1,004	39%	March 15, 2023

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Three reminder e-mails are sent each academic year to all residents prior to the due date. Per UHM Student Housing, a portion of the difference between the number of surveys distributed and the number of student residents listed in **Table 3** is due to the student survey distribution date of February – March, while the **Table 3** student resident information was determined during the Fall semester coupled with the uncertainties regarding the accuracy of the **Table 3** information.

Benchworks by Elentra (Benchworks) designed the distributed survey. All surveys provide anonymity to the student residents. Residents are informed that responding residents will be entered into a raffle for a \$200 *Hawaiian Airlines* gift card. Except for five specific UHM questions, UHM Student Housing Services stated that the UHM student resident survey is identical to the survey used by all other higher education institutions that engage Benchworks.

Per UHM Student Housing Services, Benchworks analyzes and compares UHM’s survey results to: 1) Carnegie Class R1 institutions, 2) Peer higher education institutions selected by UHM Student Housing Services, 3) All institutions that use Benchworks. Benchworks then provides UHM Student Housing Services leadership with recommendations of areas for improvement that have the highest impact in addition to noting areas of most and least improvement over the past few years.

UHM Student Housing Services leadership stated that the Benchmark assessment for the 2023 academic year noted the following:

Table 6. Benchwork assessment

Highest impact improvement area	Academic Success
Greatest Strength	Satisfaction with Roommates
Greatest Weakness	Satisfaction with Facilities
Least improved area in the last three years	Satisfaction with Facilities
Most improved area in the last three years	Satisfaction with Hall/Apt Student Staff

UHM Student Housing Services provided Internal Audit with a summarized compilation of survey responses for improvement areas by academic year. The number of improvement areas responses ranged from four (4) to eight (8) per academic year. Responses included improve meal plan food options, regular elevator breakdowns, replace furniture and carpeting, decrease room rates and improve quality of freshmen dorms.

UHM Student Housing leadership does not share survey results with student residents nor do they perform any follow-up to clarify too general or ambiguous responses. Internal Audit was informed that UHM Student Housing Residential Life management does adopt programs, services and training specifically focusing on the areas identified as needing the most improvement and having the highest impact on student success/satisfaction. However, UHM Student Housing Residential Life management does not monitor and document the programs adopted nor the services and training provided to address the areas identified in the survey as needing improvement.

D. Management Information System

UHM Student Housing utilizes CBORD, a housing management and financial information system, to manage and account for Student Housing Services’ charges, student room applications, room assignments and security deposits. Internal Audit was informed that UHM Student Housing Services personnel process a daily upload from CBORD to Banner (University’s student information system) to record UHM Student Housing Services charges (security deposit, rent, cancellation fees, fines, etc.) by student account.

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Accordingly, CBORD warehouses data that supports financial information recorded in Banner and KFS (University’s general ledger).

Current UHM Student Housing Services leadership has determined that CBORD does not provide sufficient operational and reporting functionality. Accordingly, UHM Student Housing Services is in the process of migrating to StarRez, a comprehensive student housing management solution. Currently, StarRez is planned to be implemented in phases to allow UHM Student Housing time to update standard operating procedures to align with how tasks will be completed in the platform by staff as well as residents. The first phase of the implementation is anticipated to be complete by the end of FY 2024.

E. Analysis and Recommendations

Occupancy

The ratio of occupied beds to revenue beds by building as set forth in **Table 1** ranged from 90% to 97% for the Fall 2022, 84% to 90% for the semester Spring 2023 semester and 88% to 99% for the Fall 2023 semester. The overall average for these semesters are 93% (Fall 2022), 87% (Spring 2023), and 96% (Fall 2023), respectively. SHS received approximately 4,000 to 5,000 housing applications for approximately 3,000 beds during the academic years 2022 through Fall 2023. SHS management has indicated that their target occupancy rate is 97%.

Given the number of housing applications, it appears that SHS should determine what procedures are necessary to increase occupancy percentages as a vacancy percentage of 5% - 10% equates to 150-300 revenue beds.

RP 7.205

The housing assignment priorities documented in Section III.A.2. *Housing applications and occupancy demographics* at the SHS website was inconsistent with RP 7.205 as of February 2024. As a result of this inconsistency identified by Internal Audit, UHM Student Housing Services leadership revised and modified the SHS website on March 20, 2024, by referencing RP 7.205 as the priority policy.

Surveys

The survey response rate ranged from 30% - 39%. In addition, the difference in the number of surveys distributed from the number of student residents listed in **Table 3** could not be reconciled. UHM Student Housing Services leadership does not monitor and document the programs adopted nor the services and training provided to address the areas identified in student surveys as needing improvement.

UHM Student Housing Services provides a Hawaiian Airlines gift card as incentive for students to complete the surveys. Given the low response rate, UHM Student Housing Services should consider additional incentives or other methods to increase response rates to obtain a more complete understanding of student resident opinions with respect to student housing. In addition and more importantly, UHM Student Housing Services must monitor and document the programs adopted and the services and training provided to address the areas identified in student surveys as needing improvement. The Director and Associate Directors of SHS should have the responsibility of managing, monitoring and documenting the status of the areas needing improvement.

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III. Financial Information

A. Revenues and expenses

Table 7. Operating Results

Mānoa Student Housing Services				
Statements of Revenues and Expenses- Cash Basis (Unaudited)				
For the Three Years Ended June 30, 2023				
(in 000's)		2023	2022	2021
Revenues				
Rental income:	1			
Dorms and apartments		\$20,049	\$18,507	\$8,068
Conference housing		819	458	-
Total		20,868	18,965	8,068
Mānoa Dining Services	2	405	1,546	-
Interest income		-	-	-
Federal (HEERF) Act	3	1,028	15,380	1,951
Commissions (vending machines)	4	347	320	99
Other		532	791	313
Total revenues		23,180	37,002	10,431
Expenses				
Personal services:	5			
Staff		5,489	5,388	5,275
Student		771	548	688
Total		6,260	5,936	5,963
Utilities	6	5,899	4,704	3,714
Outside services	7	493	404	147
Materials and supplies	8	961	685	527
Repairs and maintenance	9	746	901	1,125
Other	10	519	465	262
Total expenses		14,878	13,095	11,738
Excess (deficiency) of revenues over exp		\$8,302	\$23,907	\$(1,307)

Former UHM Housing Services fiscal personnel prepared an annual revenues and expenses budget to actual report accompanied with a written analysis for the fiscal years ended June 30, 2023 - 2021. Internal Audit was informed that fiscal personnel also compiled monthly budget to actual results and discussed the results with the UHM Student Services Director. Internal Audit's review of historical UHM Student Services financial reports noted the exclusion of interest income and interest expense. Internal Audit research determined that interest income for the three years ended June 30, 2023 approximated \$1 million, \$105,000 and \$203,000, respectively. Interest expense for this same period approximated \$2.9 million, \$3.1 million and \$3.2 million, respectively.

A description of the revenues and expenses listed in **Table 7** are described below:

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1. Rental Income:

Dorms and apartments:

UHM Student Housing dorm and apartment rates are described in **Table 1**. Pursuant to Executive Policy (EP) 7.203, *Procedures for Setting Student Housing Rates*, Chancellors of the respective campuses have the authority to establish student housing room rates, as well as meal plan rates, using the following process:

- A. Students and others are provided with timely notice, distribution, and explanation of student housing rate proposals, and
- B. Students and others have the opportunity to provide input on University of Hawai‘i student housing rate proposals.

UHM Student Housing distributed a memo dated October 3, 2023 notifying student residents of the following proposed housing rate increases over the next three (3) academic years.

- Academic Year 2024-2025 – 5% increase
- Academic Year 2025-2026 – 6% increase
- Academic Year 2026-2027 – 7% increase

The memo also noted that the last rate increase was implemented on July 2016 and that general meetings with respect to the rate increases are scheduled for October 25, 2023 (UHM Residence Hall Association General meeting) and October 26, 2023 (ASUH Senate meeting). In addition, the memo stated that written feedback on the proposed increases would be accepted through November 17, 2023. The UHM Student Housing website noted that on January 24, 2024, the University President (also the current UHM Chancellor) approved a 3-year rate increase of 5% annually commencing with the 2024-2025 academic year. The change from the proposed 5% - 7% increase to a 5% annual increase was the result of student feedback.

Conference Housing:

Conference housing is generally provided during the academic year and summer months at Frear Hall and Hale Aloha. EP 7.102, *Delegation of Authority to Negotiate and Establish Housing Rate for Conference*, authorizes the Chancellor to negotiate and establish conference housing rates. UHM Student Housing Services leadership stated that the date of the last conference rate change was July 2016. Evidence to support the rate change was not provided to Internal Audit.

Conference housing rates per room for the 2023 academic year ranged from \$50/night-\$75/night. The eligibility and priority of conference groups are as follows: 1) hosted by a University department, 2) registered for UHM credit or non-credit courses, 3) receiving credit from other universities or colleges, or 4) associated with a non-profit or charitable organization. SHS prepares a contract and the conference group is generally required to remit an advanced payment. Currently, the advanced deposit and full payment is due two months and one month prior to check-in, respectively. A current \$9,000 receivable balance as of June 30, 2023 is due to the prior conference housing policy that did not always require full payment prior to check-in.

SHS utilizes *Conference Coordinator*, a management information and financial system, to manage and account for conference room assignments and customer charges. Accordingly, *Conference Coordinator* warehouses data that should support financial information recorded in KFS. Internal Audit was informed that the conference housing manager position has been vacant from July 1, 2023. September 2023 was the start date for current fiscal management of UHM Housing Services. Accordingly, the fiscal team is in the process of developing processes associated with information

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housed in *Conference Coordinator* (listing dates, advance payment, outstanding balance owed, security deposit and respective due dates) to appropriately reconcile conference activity to KFS.

2. Mānoa Dining Services:

SHS stated that Mānoa Dining Services’ annual revenue increases as a result from: 1) increased sales of higher priced meal plans and 2) new revenue sources, such as Starbucks. The UHM Student Success Mānoa Dining Services Program (Program) is managed and operated by Sodexo America, LLC (Sodexo) pursuant to a 17-year contract expiring on August 15, 2037.

Internal Audit was informed that Sodexo provides a monthly commission to UHM Student Success of 14.05% of gross sales and that contract provisions allowed Sodexo to request a lower commission rate if actual sales were substantially lower due to the COVID-19 pandemic. For the period August 15, 2020 – December 31, 2021, Sodexo’s commission rate was reduced from 14.05% of gross sales to 4%. For the period January 1, 2022 – December 31, 2022, Sodexo’s commission rate ranged from 4% - 14.05% based on the volume of gross sales. On a quarterly basis, UHM Student Success distributes 50% of the commission earned to SHS. The fiscal 2022 amount of \$1.5 million relates to revenues earned for the fiscal years 2020 through 2022. Current SHS fiscal personnel are unaware of the reason for the delay in receiving and/or recordation of fiscal 2020 and 2021 revenues.

3. Federal (Higher Education Emergency Relief Fund or HEERF) Act

Internal Audit was informed that the HEERF Act funding by fiscal year is associated with the following:

- A. Year ended June 30, 2023: loss of Manoa Dining Service commissions for fiscal year 2022.
- B. Year ended June 30, 2022: housing rental income loss (dorms, apartments and conferences), loss of Manoa Dining Service commissions for fiscal year 2021 and commission income loss from the vendors described in 4 *Commission* below.
- C. Year ended June 30, 2021: also associated with housing rental income loss.

The HEERF Act funding was allocated to UHM Student Housing by the UHM Budget Office. UHM Student Housing leadership stated that revenue loss was determined based on comparing average pre-COVID revenue with revenue earned during the COVID pandemic (through June 30, 2023) and that a decrease in expenses over this same period was not required to be considered.

4. Commission

Housing Services receives commission income from WASH Multifamily Laundry Systems, LLC (WASH) and Coca Cola vending machines. WASH has provided laundry machines to Housing Services since 2006. WASH is contracted to provide services through August 4, 2025. The Coca Cola vending contract is for the period August 15, 2016 – June 30, 2024.

Currently, students either utilize an application software at no charge or pay \$10 via cash or credit/debit card for a reloadable laundry card that is obtained through an “add value/card dispenser machine” (Laundry Card Machine) located at the resident halls and apartment complexes. The \$10 paid is not added/credited to the laundry card. Accordingly, the student will need to pay an additional amount to load the laundry card to use the washing machines and dryers.

WASH provides SHS with a monthly commission payment of 68% of gross revenue up to and including \$297,000 annually and 80% of gross revenue above \$297,000 from all coin and mobile payment transactions. A WASH prepared statement accompanies the monthly commission payment to UHM Student Housing indicating the respective monthly and year-to-date gross revenue collected.

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The Coca Cola vending contract pays SHS \$60,000 annually plus 40% of vending machine sales. For the fiscal year ended June 30, 2021, SHS agreed to receive \$15,000 rather than the \$60,000 due to reduced sales resulting from COVID. SHS has confirmed that the vending contract has returned to normal terms for the 2023 – 2024 fiscal year.

5. Personnel Services

Staff and Students

A breakdown of Student Housing employees by unit is as follows:

Table 8: Employee headcount

	FY23- 24	FY22- 23	FY21- 22	FY20- 21
Residential Life				
Associate Director	1	1	1	1
Assistant Director	4	4	4	4
Coordinator	3	3	3	3
Office Assistant	1	1	1	1
Counselor in residence	5	5	5	5
Live-In FT Staff (RD)	8	8	7	7
Live-In Student Staff (RA/ARD)	97	95	87	44
Student Assistants	30	30	30	30
	<u>149</u>	<u>147</u>	<u>138</u>	<u>95</u>
Administration				
Associate Director	1	1	1	1
Assignments Staff	4	4	4	4
Conference Housing	1	1	1	1
Fiscal Staff	5	5	5	5
HR	2	2	2	2
IT	3	3	3	3
Student Assistants	22	22	22	22
	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>
Operations				
Associate Director	1	1	1	1
Grounds	2	2	2	2
Janitors III & II	18	18	18	18
Temp Janitor III & II	10	-	-	-
Asst Dir Custodial/Grounds	1	1	1	1
Bldg Maint Worker	5	6	6	6
Bldg Maint Supervisor	1	1	1	1
Operations Coord	2	2	2	2

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Asst Director Maint	1	1	1	1
Plumber	1	-	-	-
Architect	-	1	1	1
Electrician	1	1	1	1
Project Manager	1	1	1	1
Envir Health/Safety	1	1	1	1
General Laborers	6	6	6	6
	<u>51</u>	<u>42</u>	<u>42</u>	<u>42</u>

All Live-in Residential Life employees are compensated with on-campus housing accommodations and 10 meal per week meal plan. Residential Life Student Assistants are compensated at hourly rates. UHM Student Housing Services also employs four to five Counselors-In-Residence (from the Counseling and Student Development Center) who provide afterhours mental health crisis response for students. These staff do not receive a meal plan but are compensated with a monthly stipend (\$800 - \$900).

During 2017, UHM Student Housing commenced performing in-house custodial services. Previously, these services were contracted externally. As of March 1, 2024, custodial services consist of one daily (Sunday through Saturday) shift commencing at 7am and ending at 3:30pm for all resident halls and apartment complexes. Prior to that time, custodial services were provided Monday – Friday from 7am to 3:30pm. Maintenance services are provided from Monday through Friday in two shifts. The first shift is from 7am – 3:30pm and the second shift is from 9am to 5:30pm. Additional custodial and maintenance shifts cannot be added due to staff shortages.

The following table lists and quantifies the number of UHM Student Housing personnel working and residing at the respective housing complexes as of July 1, 2023.

Table 9: Residential Life employee headcount by Housing Facility

	Moki hana	Loke lani	'Ilima	Lehua	Frear	Wainani	Johnson/ Gateway/ Anuenue	Laulima/ Kahawai	Total
FY 2023-2024									
Department Staff									
RD	1	1	1	1	1	1	1	1	8
ARD	0	0	0	0	1	1	0	0	2
RA	10	10	10	10	22	12	11	10	95
Total	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>24</u>	<u>14</u>	<u>12</u>	<u>11</u>	<u>105</u>

The general duties of RD's, ARD's and RA's are described below:

Residence Director (RD): is a full-time professional who transitions new students and families to the college experience, advises residents and staff on social, behavioral and academic concerns, advises student groups and organizations, provides support to elected hall student leaders, supervise student staff, and monitors facilities, furnishings and building equipment, etc.

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Assistant Residence Director (ARD): is a graduate student with experience in Residence Life and assists the RD in the daily operation of the assigned hall. An ARD supports RDs in the two larger communities (Wainani & Frear) with administrative functions and hall staff oversight, and assists the RD with supervision and training of RAs, etc.

Resident Assistant (RA): are students that typically work a 20-hour/week. The RA role includes programming, administrative work, community development, emergency response, evening/night duty work, and personal/professional development. The RA assists residents and maintains visibility in the living area, hall, and the dining facilities, conduct floor meetings to convey information, and act as a mediator in conflict situations, etc.

From a leading practice perspective with respect to the number of RD’s, ARD’s and RA’s as of June 30, 2023, UHM Student Housing leadership stated that the RA/Student ratio nationally per the Association of College and University Housing Officers – International (ACUHO-I) Campus Housing Index (2021-22) is 1:39 while the UHM Student Housing ratio is 1:33. Internal Audit confirmed the 1:33 ratio.

As of June 30, 2023, UHM Student Housing vacancies consisted of approximately 40 open positions. These open positions included vacancies for fiscal and administrative personnel, janitorial and facility maintenance personnel, Residential Life and Student Services Specialists, etc.

The Association of Physical Plant Administrators (APPA) has established custodial and maintenance guidelines based on the ratio of custodial and maintenance personnel to square feet coverage. Internal Audit was informed that UHM Student Housing’s ratio for custodial services results in a Level 5 designation on a Level 1 (orderly spotless) to Level 5 (unkept neglect) scale. Examples of a Level 5 designation include dirty floors and carpets, conspicuous dust and dirt on vertical surfaces with overflowing and smelly trash containers. From a maintenance perspective, UHM Student Housing has a Level 5 designation on a Level 1 (showpiece facility) to Level 5 (crisis response) scale. Examples of a Level 5 designation include untimely responses to service and maintenance requests and routinely broken and inoperative equipment and building components.

6. Utilities

Utility expense includes electricity, water, gas and internet (internet services provided by the University’s Information Technology Services).

Electricity, water and gas for each resident hall and apartment complex is determined by the Office of Campus Operations and Facilities. Electricity and water for Hale Anuenue and water for Frear Hall and Johnson Hall are excluded from the UHM Facility Business Office (FBO) charge due to the existence of separate utility meters. UHM FBO calculates electricity usage for all resident halls and apartment complexes other than Hale Anuenue via sub-meters, which are managed and monitored monthly by the Office of Campus Operations and Facilities.

7. Outside Services

Refuse collection is the primary outside service. West Oahu Aggregate provides refuse collection services through December 31, 2028 for an annual amount of approximately \$200,000. Refuse collection is generally provided six times per week during the academic year and three times per week during the summer session.

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8. Materials and supplies

Materials and supplies expense primarily consist of meal plans for Residential Life personnel (\$463,000 for fiscal 2023, \$353,000 for fiscal 2022 and \$250,000 for fiscal 2021), janitorial and office supplies.

9. Repairs and maintenance:

Repairs and maintenance expenses primarily include expenses for plumbing, drywall, electrical, HVAC and elevator.

10. Other

Primarily consists of bank service charges and computer software license fees.

B. Financial position

Table 10. Select Assets and Liabilities as of June 30,

(in 000's)	2023	2022	2021
Assets			
Cash	\$17,516	\$17,951	\$1,966
Accounts receivable	\$(631)	\$(937)	\$1,665
Less allowance for doubtful accounts	\$(1,790)	\$(1,636)	\$(1,696)
Net AR	\$(2,421)	\$(2,573)	\$(31)
Liabilities			
Accounts payable	\$ 434	\$201	\$279
Accrued payroll and benefits	\$401	\$535	\$1,037
Deferred revenues	\$566	\$491	\$2,449

Not included in **Table 10** is UHM Student Housing's Repair and Replacement (R&R) reserves amounting to \$35 million, \$32 million and \$29 million at June 30, 2023, 2022 and 2021, respectively. The R&R reserves are established pursuant to EP 2.212, *Management of University Bond System*, and are set aside to fund future repair and replacement of capital assets.

Statements of Assets, Liabilities and Net Assets were not historically prepared by SHS. As a result, current SHS personnel forwarded Internal Audit Statements of Assets, Liabilities and Net Assets account information as of June 30, 2023, 2022 and 2021 (excluding capital assets) prepared by the University's Bond System Office to provide a general understanding of SHS's financial position. Internal Audit determined that the provided Statements of Assets, Liabilities and Net Assets were probably inaccurate (accounts receivable credit balances). OVPA personnel concurred with this determination. Accordingly, only select asset and liability account information is presented above. Capital Asset information is presented in **Table 11** pursuant to information gathered from the University's Bond System Office.

Cash

The significant cash balance as of June 30, 2023 and 2022 is attributable to the receipt of HEERF Act funds. UHM Student Housing anticipates utilizing these funds to pay annual debt service (approximately \$6.3 million), transfers to the R&R reserves, (approximately \$3 million) and to address deferred maintenance.

Accounts Receivable:

The gross accounts receivable balance has a credit balance as of June 30, 2023 and 2022 due to the University's General Accounting and Loan Collection Office inadvertently not recording an adjustment for

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deferred revenue in both fiscal years. The net accounts receivable balance has credit balances as of June 30, 2023, 2022 and 2021.

Although UHM Housing Services is a self-sustaining organization, payments made by students for outstanding University balances are first applied to tuition and followed by housing. This secondary priority has contributed to UHM Housing Services' significant allowance for doubtful accounts receivable balance.

Capital Assets:

Financial reports provided by UHM Housing Services do not reflect capital assets.

Internal Audit obtained the following capital asset information from the University's General Accounting and Loan Collection Office. The following presents buildings (cost, accumulated depreciation and net book value), debt associated with construction or renovation of the buildings and annual revenue recognized by the building as of and for the year ended June 30, 2023:

Table 11. Analysis of Housing Services buildings and related debt as of June 30, 2023.

(in 000's)								
Facility	Year Placed in Srvc	Year Last Renovated	Cost Basis	Accum. Depr.	Net Book Value	Revenue Bond (remaining amounts due)		FY 2023 Rental Revenue
						Prin.	Int.	
Resident Hall:								
Hale Aloha	1971-1973	2009	\$ 40,083	\$(31,180)	\$ 8,903	\$ 6,791	\$2,837	\$ 6,188
Frear Hall	2008	N/A	70,610	(39,313)	31,297	31,202	5,449	6,135
Hale Anuenue	1978	N/A	1,203	(1,096)	107	-	-	
Johnson Hall	1958	2011	8,133	(4,716)	3,417	-	-	3,960
Gateway House	1962	2012	18,939	(10,433)	8,506	5,405	944	
Hale Kahawai	1963	N/A	2,842	(2,329)	513	-	-	
Hale Laulima	1968	N/A	2,820	(2,501)	319	-	-	
Apartment Complex:								
Hale Wainani	1979	N/A	13,107	(11,111)	1,996	-	-	3,766
Hale Noelani	1978	N/A	10,380	(8,672)	1,708	-	-	-
Various						24,683	13,734	
Total			\$168,117	\$(111,351)	\$ 56,766	\$68,081	\$22,964	\$ 20,049

Student Housing Services does not track or account for furniture located in on-campus housing rooms and common areas. Accordingly, the collective cost basis of this furniture is not determinable.

Table 12. Principal and interest maturities of UHM Housing Services' revenue bonds as of June 30, 2023

Years ending June 30,	(000's)		
	Principal	Interest	Total
2024	\$3,513	\$2,806	\$6,319
2025	3,659	2,661	6,320
2026	3,830	2,492	6,322
2027	4,126	2,296	6,422
2028	4,558	2,121	6,679
Thereafter	48,395	10,588	58,983
	\$68,081	\$22,964	\$91,045

C. Analysis and Recommendations

Financial reporting

Internal Audit noted that historically reported SHS financial position was probably inaccurate (accounts receivable credit balance) and was unable to obtain a reasonable explanation as to the delay of receiving and recording Manoa Dining Services revenues for certain fiscal years due to insufficient written documentation supporting year over year revenue variances. Prospectively, current SHS financial management prepare a monthly revenue and expense budget to actual analysis. This monthly analysis also includes total available cash and is provided to and reviewed by the Vice President for Administration and the Director of Student Housing Services to monitor financial operating results and assist with operational decision-making. In addition, SHS will prepare a comprehensive Statement of Net Position and Statement of Revenue, Expenditures, Transfers and Changes in Net Position as of each June 30th after all year-end financial entries are recorded by the University’s General Accounting and Loan Office to assess the overall financial position of SHS.

Additionally, SHS leadership has engaged KMH, LLP to develop a financial model to enhance the overall financial and operational management of SHS. The model will provide a mechanism to forecast future financial operating results in total and by dormitory and assist with rate determination by dormitory.

Custodial and maintenance services

Pursuant to the APPA scale for custodial and maintenance services, SHS is a Level 5 for both custodial and maintenance services. Student survey results support the need for improved equipment and building components (inoperable elevators). SHS can improve their service levels by filling vacant custodial and maintenance staff positions, subject to available funds.

Laundry cards

Students either download a digital laundry card smartphone application at no charge or pay \$10 to obtain a reloadable laundry card (similar in size to a credit card) with no credits (value less) to use the residence hall washers and dryers. Students need to pay an additional amount to load the laundry card. No signage is posted notifying students that the laundry card purchased for \$10 is value less and contains no credits. SHS management stated that they are aware of \$10 value less laundry card. Internal Audit believes it is unfair to charge students \$10 for a laundry card with no credits especially since no signage is posted notifying students of the value less laundry card. Accordingly, SHS management should require WASH (washing machine and dryer vendor) to include \$10 of laundry credits to the initial card purchased. SHS will review the WASH program and update signage.

IV. Comparisons to Other Higher Education Institutions

In connection with the proposed student housing rate increase, SHS prepared a presentation comparing room rental rates for UHM to those that SHS determined to be peer or benchmark institutions. Internal Audit expanded this comparison to include the number and age of residence halls/apartment complexes, number of beds, occupancy percentages, etc. SHS identified 16 peer/benchmark institutions.

Internal Audit selected the following six (6) institutions from this presentation.

- Colorado State University – Fort Collins (CSU)
- University of Colorado – Boulder (Boulder)
- University of Washington – Seattle (UW)
- UC – San Diego (UCSD)

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- UC – Irvine (UCI)
- UC – Davis (Davis)

and added the following two (2) California State institutions:

- San Diego State University (SDSU)
- San Jose State University (SJSU)

The information included in **Tables 13** and **14** associated with other higher education institutions were derived from the respective higher education institutions’ websites.

Table 13. Comparison to select public universities

School	Enroll. (Fall 2023) ¹	# of Dorms / Apts	Placed in svc	# Beds	Bed/ Enroll	Occ % (AY 23)	AY 24-25 Room Rate ²	AY 23-24 Room Rate ²	Air Conditioning
UHM	19,256	12	1958 - 2008	3,090	16%	91%	\$6,592	\$6,278	Yes: 2 No: 10
CSU	33,648	15	1957 - 2014	6,285	19%	N/A	N/A	\$6,830	Yes: 5 No: 10
Boulder	37,153	26	1934 - 2018	8,610	23%	N/A	\$17,458- \$17,797 ³	\$16,950 ³	Yes: 13 No: 11
UW	50,097	20	1937 - 2021	10,270	21%	N/A	\$11,271	\$9,395	Only heat provided to all rooms
UCSD	42,376	46	1968 - 2024	18,022	43%	N/A	\$11,611	\$11,076	No
UCI	36,582	63	1965 - 2019	16,622	45%	N/A	\$12,708	\$12,120	No: 35, N/A: 28
Davis	39,707	29	1959 - 2023	13,613	34%	N/A	\$12,498	\$12,498	Yes: 26, N/A: 3
SDSU	36,572	26	1959 - 2023	8,531	23%	N/A	\$15,485	\$14,549	Yes: 26
SJSU	36,062	6	1960 - 2016	4,261	12%	N/A	\$10,836	\$10,236	Yes: 5, No: 1

N/A = Information not available at website.

- ¹ Enrollment data is for Fall 2023 except UCI (Fall 2022).
- ² Rates are for a Standard Double Occupancy Room.
- ³ Boulder: Includes a 19 meal/week meal plan. AY 24-25 pending approval.

Table 14. Housing priority

School	1 st priority	2 nd priority	3 rd priority	4 th priority	5 th priority
UHM (as of February 2024)	Regent and Presidential Scholars, Athletics, National Student Exchange and Manoa International Exchange Programs	Traditional freshmen (new to UHM)	Non-traditional freshmen and non-freshmen	Late applicants	

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CSU	Traditional freshmen and transfer students with less than 15 post-high school credits are required to dorm	CSU students	Post-doctoral fellows	All other students	
Boulder	First-year students are required to dorm (unless married or live with parents and have permission to commute)	Students not currently living on campus			
UW	<u>Residence halls:</u> Newly admitted first year student <u>Apartments:</u> Newly admitted graduate students	<u>Residence halls:</u> New transfer students <u>Apartments:</u> New transfer students	<u>Residence halls:</u> Continuing and post-bac students <u>Apartments:</u> Newly admitted first year students	<u>Residence halls:</u> Non-degree students <u>Apartments:</u> Continuing students	<u>Apartments:</u> Non-degree students
UCSD	Guaranteed for two years to incoming freshmen and incoming transfers	Students referred by the Office of Students with Disabilities	Students with children	All other students based on application date	
UCI	Guaranteed for two years to traditional freshmen and Newly-admitted full-time grad students.	Students not eligible for guaranteed housing			
Davis	<u>Residence halls:</u> Incoming freshmen <u>Apartments:</u> Incoming undergrad transfer students. <u>Family/grad housing:</u> Students with children	<u>Residence halls:</u> Incoming undergrad transfer students. <u>Apartments:</u> Non-freshmen undergrad students <u>Family/grad housing:</u> Students in a marriage or domestic partnership	<u>Apartments:</u> Freshmen <u>Family/grad housing:</u> Single grad students	<u>Family/grad housing:</u> Single undergrad students	<u>Family/grad housing:</u> University affiliates
SDSU	New incoming students (mandatory to dorm 1st and 2nd years, not applicable for those living within SDSU's local admissions area), Weber Honors College students (mandatory for 1st year)	First come, first served basis for students living within SDSU's local admissions area			
SJSU	Those who complete housing application and submit payments (online application, application fee, initial housing payment) by the application deadline will be	After the application deadline: first completed, first served basis (must complete			

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	included with first round of assignments	applications and submit payments)			
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Analysis

Table 13 notes that SHS charges the lowest room rate when compared to select public universities. However, the newest residence hall placed in service at UHM was in 2008. The other universities most recent in-service dates range from 2014 through 2024. In addition, SHS’ ratio of beds to enrollment of 16% is second lowest (SJSU is the lowest at 12%) compared to 19% to 45% for the other universities. A comparison of occupancy percentages could not be performed due to a lack of available information and the availability of air conditioning varied significantly with certain institutions not providing any while others provided air conditioning for all residence halls and apartments.

From a housing priority perspective, substantially all institutions provided preference to freshmen and/or incoming transfer students. As reflected in the above table, housing priority as reflected at the SHS website noted that freshmen were second priority at UHM. As previously noted, the SHS website was modified on March 20, 2024 to align with the priority policy at RP 7.205. RP 7.205 states that its first objective is to provide student housing to all Hawai‘i resident students who live beyond a reasonable commuting distance to the campus at which they are enrolled and that a student’s need for housing is considered greatest during the first year of college and diminishes thereafter.

V. Overall Conclusions and Recommendations

Occupancy

The ratio of occupied beds to revenue beds ranged from 90% to 97% for the Fall 2022, 84% to 90% for the semester Spring 2023 semester and 88% to 99% for the Fall 2023 semester. SHS received approximately 4,000 to 5,000 housing applications for approximately 3,000 beds during the academic years 2022 through Fall 2023. SHS management has indicated that their target occupancy rate is 97%. Occupancy percentages for the researched higher education institutions were unavailable at their respective websites.

Given the number of housing applications, it appears that SHS should determine what procedures are necessary to increase occupancy percentages as a vacancy percentage of 5% - 10% equates to 150-300 revenue beds.

Housing assignment

The housing assignment priorities documented in Section III.A.2. *Housing applications and occupancy demographics* at the SHS website was inconsistent with RP 7.205 as of February 2024. As a result of this inconsistency identified by Internal Audit, UHM Student Housing Services leadership revised the SHS website was modified on March 20, 2024, by referencing RP 7.205 as the priority policy. RP 7.205 is consistent with substantially all institutions researched that provides preference to freshmen and/or incoming transfer students.

Student resident surveys

The survey response rate ranged from 30% - 39%. In addition, UHM Student Housing Services leadership does not monitor and document the programs adopted nor the service’s and training provided to address the areas identified in student surveys as needing improvement.

Given the low response rate, UHM Student Housing Services should determine methods to increase response rates to obtain a more complete understanding of student resident opinions with respect to student housing. In addition and more importantly, UHM Student Housing Services must monitor and document

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the programs adopted and the services and training provided to address the areas identified in student surveys as needing improvement. The Director and Associate Directors of SHS should have the responsibility of managing, monitoring and documenting the status of the areas needing improvement.

Financial reporting

Internal Audit noted that historically reported SHS financial position was probably inaccurate (accounts receivable credit balance) and was unable to obtain a reasonable explanation as to the delay of receiving and recording Manoa Dining Services revenues for certain fiscal years due to insufficient written documentation supporting year over year revenue variances. Prospectively, current SHS financial management prepare a monthly revenue and expense budget to actual analysis. This monthly analysis also includes total available cash and is provided to and reviewed by the Vice President for Administration and the Director of Student Housing Services to monitor financial operating results and assist with operational decision-making. In addition, SHS will prepare a comprehensive Statement of Net Position and Statement of Revenue, Expenditures, Transfers and Changes in Net Position as of each June 30th after all year-end financial entries are recorded by the University’s General Accounting and Loan Office to assess the overall financial position of SHS.

Custodial and maintenance services

The Association of Physical Plant Administrators (APPA) has established custodial [(Level 1 (orderly spotless) to Level 5 (unkept neglect)] and maintenance [Level 1 (showpiece facility) to Level 5 (crisis response)] guidelines based on the ratio of custodial and maintenance personnel to square feet coverage. UHM Student Housing has a Level 5 (Casual Inattention) designation for custodial services and a Level 5 (Reactive Management) designation for maintenance services.

SHS can improve their service levels by filling vacant custodial and maintenance staff positions, subject to available funds.

Laundry cards

Students either download a digital laundry card smartphone application at no charge or pay \$10 to obtain a reloadable laundry card (similar in size to a credit card) with no credits (value less) to use the residence hall washers and dryers. Students must pay an additional amount to load the laundry card. No signage is posted notifying students that the laundry card purchased for \$10 is value less and contains no credits. SHS management stated that they are aware of \$10 value less laundry card. Internal Audit believes it is unfair to charge students \$10 for a laundry card with no credits especially since no signage is posted notifying students of the value less laundry card. Accordingly, SHS management should require WASH (washing machine and dryer vendor) to include \$10 of laundry credits to the initial card purchased. SHS will review the WASH program and update signage.



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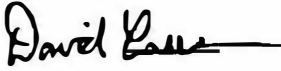
Jan S. Gouveia
Vice President for Administration


dts 24051C

‘Ōnaehana Kulanui o Hawai‘i

April 4, 2024

TO: Lauren Akitake
Chair, Committee on Independent Audit

VIA: David Lassner 
President

FROM: Jan Gouveia 
Vice President for Administration

Thank you for the opportunity to provide a response from Management to The Audit.

The Office of Internal Audit requested and reviewed substantial information and data provided by the Student Housing Services program (“SHS”) at the University of Hawai‘i at Mānoa (“UHM”). From 2017 to 2022, SHS was under the direction of an Interim Director who retired in 2022, operating under the direct management and control of an interim Vice Chancellor who became Vice Provost and then retired in 2023. Much of the internal processes and procedures are not documented, and no specific instructions or information was left behind that assists with transitioning into new Management under the new structure described publicly to the BOR.

With that in mind, current Management supports the overall findings and observations of the SHS Audit. Many of the issues identified in the Audit had already been identified as areas needing improvement when the Vice President for Administration was asked to assume leadership for this troubled area. As has been described publicly at length to the BOR and updated monthly, the SHS program is undergoing significant upgrades and advancements in all operational aspects to deliver a more consistent, transparent, and data-driven decision-making process that will ultimately benefit the student residents at UHM in a financially responsible and sustainable manner.

The state of SHS is the largest facilities challenge faced by UHM today. These conditions, however, did not develop overnight. They are the result of years and even decades of neglect and lack of comprehensive programmatic planning, exacerbated by financial shortfalls. As described publicly, SHS has operated as a siloed self-support program from its inception until last year. Since the assumption of responsibility by the Vice President for Administration and the utilization of the expertise in multiple OVPA offices, including facilities, IT, HR, and more, the program is already making progress. The problems are larger and more complex than those of the single housing facility, garnering the most attention. Systemic solutions to such large, complex issues can not be developed or

implemented immediately. The Administration believes that narrowly focused decisions may prove to be shortsighted diversions from long-term success.

Management is committed to conducting a thoughtful, systemic, and comprehensive evaluation and review of the UH Mānoa SHS program that can support the development of a long-term operating model and plan that will ensure an excellent student resident experience executed through an SHS program that is financially responsible and sustainable.

Item IV.D.

Enterprise Risk Management Report

**NO MATERIALS
ORAL REPORT**

Item IV.E.

Discussion on Audit Topics for Fiscal Year 2025

NO MATERIALS

Project Description	Audit Phase									Comments
	Preliminary review	Notification and initial meeting	Planning	Fieldwork	Report drafting	Auditee reviewing draft report	Mngmt preparing response	Rpt distribution to the AC	AC reviewed and accepted rpt	
External Audit Assistance										
1 Financial stmts, compliance										Accuity presented reports at 12/2023 AC mtg.
Audit Committee Assistance										
2 Whistleblower hotline										Hotline monitored continuously. Rpts presented at periodic AC mtgs.
3 Audit Committee Rpt - MW Fraud										IA presented at the 12/2023 AC mtg.
4 Audit Committee Rpt - AC Annual rpt										To be presented at the 06/2024 AC meeting.
Audits										
Carryover										
5 Tuition Waivers										Assoc VP Students reviewing draft report and assisting in resolving pending items.
6 Conflict of Interest										Fieldwork substantially complete. Prelim draft to auditee in April 2024.
7 Public Private Partnership review										Fieldwork substantially complete. Dir of Strategic Dev & Partnership reviewing prelim draft report.
8 Gifts to the University										Fieldwork substantially complete. Prelim draft to auditee in June 2024.
New										
9 UHM Health Services										IA presented at the 12/2023 AC mtg.
10 University Child Care Centers										Fieldwork substantially complete. Currently drafting report.
11 Charter Schools - University Facilities										Commenced audit planning.
Supplement										
12 UHM Student Housing										IA to present at the 04/2024 AC mtg.
Corrective Action Status										
13 ASUH Investment Compliance						N/A				Initial planning and preliminary work completed.
14 Waikiki Aquarium						N/A				IA to present at the 04/2024 AC mtg.
15 Warrior Recreation Center						N/A				IA to present at the 12/2023 AC mtg.
16 Outreach College						N/A				Work to commence in 4/2024.
17 Systemwide Financial Reserves						N/A				IA to present at the 04/2024 AC mtg.

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Whistleblower Summary Report (amended)
As of March 25, 2024

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June 15, 2016 (inception) - March 25, 2024				July 1, 2023 - March 25, 2024		
Unit	Total	Open	Closed	Total	Open	Closed
System	52	1	51	4	1	3
UH Manoa	394	10	384	39	9	30
UH Hilo	148	1	147	14	1	13
UH West Oahu	17	0	17	1	0	1
Maui College	19	0	19	0	0	0
Kapiolani CC	91	2	89	6	2	4
Leeward CC	20	0	20	4	0	4
Honolulu CC	24	0	24	0	0	0
Windward CC	20	1	19	0	0	0
Hawaii CC	51	1	50	4	1	3
Kauai CC	12	0	12	1	0	1
CC System	1	0	1	0	0	0
Total	849	16	833	73	14	59

July 1, 2022 - June 30, 2023				July 1, 2021 - June 30, 2022		
Unit	Total	Open	Closed	Total	Open	Closed
System	3	0	3	4	0	4
UH Manoa	50	1	49	65	0	65
UH Hilo	6	0	6	11	0	11
UH West Oahu	4	0	4	1	0	1
Maui College	1	0	1	1	0	1
Kapiolani CC	7	0	7	5	0	5
Leeward CC	1	0	1	8	0	8
Honolulu CC	2	0	2	4	0	4
Windward CC	2	1	1	0	0	0
Hawaii CC	0	0	0	7	0	7
Kauai CC	2	0	2	3	0	3
CC System	0	0	0	0	0	0
Total	78	2	76	109	0	109

July 1, 2020 - June 30, 2021				June 15, 2016 (inception) - June 30, 2020		
Unit	Total	Open	Closed	Total	Open	Closed
System	8	0	8	33	0	33
UH Manoa	49	0	49	191	0	191
UH Hilo	8	0	8	109	0	109
UH West Oahu	4	0	4	7	0	7
Maui College	3	0	3	14	0	14
Kapiolani CC	4	0	4	69	0	69
Leeward CC	1	0	1	6	0	6
Honolulu CC	4	0	4	14	0	14
Windward CC	1	0	1	17	0	17
Hawaii CC	11	0	11	29	0	29
Kauai CC	1	0	1	5	0	5
CC System	1	0	1	0	0	0
Total	95	0	95	494	0	494

University of Hawaii
Whistleblower Tracking Report
July 1, 2020 - March 25, 2024

Case #	Campus	Classification	Submitted by (Y/N)		Date	Date	Description
			Employee	Student	Opened	Closed	
Days open: less than 30 days							
858	UH - Manoa	Employment and HR	N	Y	03/22/24	-	Disclosing confidential matters
857	UH - Manoa	Employment and HR	N	Y	03/16/24	-	Student unnecessarily monitored
856	Kapiolani CC	Employment and HR	Y	N	03/13/24	-	Delay in processing documents.
854	UH - Manoa	Employment and HR	N	Y	03/04/24	-	Unprofessional behavior by employee.
Days open: 31 - 60 days							
None							
Days open: 61 - 90 days							
849	Kapiolani CC	Employment and HR	Y	N	01/19/24	-	Employee sending text messages to student.
Days open: Over 91 days							
838	UH - Hilo	Employment and HR	Y	N	12/05/23	-	Policy non-compliance.
835	UH - Manoa	Employment and HR	Y	N	11/21/23	-	Unprofessional behavior by faculty.
833	System	Employment and HR	Y	N	11/14/23	-	Unfair treatment by supervisor.
824	Hawaii CC	Employment and HR	Y	N	10/16/23	-	Uncooperative and unprofessional behavior by employee.
808	UH - Manoa	Employment and HR	Y	N	09/04/23	-	Lack of transparency in hiring.
806	UH - Manoa	Employment and HR	Y	Y	09/01/23	-	Employee lies.
793	UH - Manoa	Employment and HR	Y	N	08/20/23	-	Identical to case #792.
792	UH - Manoa	Employment and HR	Y	N	08/12/23	-	Unqualified faculty.
788	UH - Manoa	Employment and HR	Y	N	07/26/23	-	Supervisor treats staff unfairly.
785	Windward CC	Employment and HR	N	N	06/13/23	-	Employee not working 8 hrs.
778	UH - Manoa	Employment and HR	Y	N	05/17/23	-	Alleged hiring discrimination.
Closed cases							
855	UH - Manoa	Financial	Y	Y	03/05/24	03/22/24	Invoices not paid timely,.
853	UH - Manoa	Employment and HR	Y	N	02/23/24	03/19/24	Department mismanagement.
852	UH - Manoa	Employment and HR	N	Y	02/22/24	03/01/24	Student unnecessarily monitored. Addtl info requested, none received.
851	UH - Manoa	Employment and HR	Y	N	02/22/24	03/15/24	Faculty member is frequently absent. Addtl info requested, none received.
850	UH - Manoa	Student Affairs	N	Y	02/03/24	02/12/24	Inconsistent grading by faculty member.
848	UH - Manoa	Employment and HR	Y	N	01/09/24	03/15/24	Hiring practices inconsistent with policy.Addtl info requested, none rcvd.
847	UH - Hilo	Student Affairs	N	Y	01/09/24	02/05/24	Loud noises from dorm room 24/7. Investigated, action taken.
846	Kapiolani CC	Employment and HR	N	Y	01/08/24	02/22/24	Unprofessional behavior by faculty. Addtl info requested, none received.
845	UH - Hilo	Student Affairs	N	Y	01/06/24	02/28/24	Student cheating on exams. Investigated, action taken.
844	UH - Hilo	Employment and HR	Y	N	12/23/23	02/05/24	Confrontation with employee. Investigated, action taken.
843	UH - Manoa	Employment and HR	Y	N	12/23/23	01/18/24	Hiring unqualified personnel. Addtl info requested, none received.
842	UH - Manoa	Student Affairs	N	Y	12/14/23	01/03/24	Inappropriate student conduct. Investigated, action taken.

University of Hawaii
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July 1, 2020 - March 25, 2024

Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
841	UH - Manoa	Student Affairs	N	Y	12/11/23	02/14/24	Inattentive faculty. Investigated and resolved.
840	UH - Manoa	Student Affairs	N	Y	12/11/23	02/14/24	Identical to case #839.
839	UH - Manoa	Student Affairs	N	Y	12/09/23	02/14/24	Unequal treatment of students.
837	UH - Hilo	Health and Safety	Y	N	12/05/23	02/26/24	Employee feeding cats. Investigated, action taken.
836	Maui College	Student Affairs	N	Y	11/28/23	12/20/23	Student using marijuana. Investigated, action taken.
834	UH - Manoa	Employment and HR	Y	N	11/17/23	02/22/24	Unprofessional behavior by employee.Addtl info requested, none received.
832	Hawaii CC	Employment and HR	Y	N	11/07/23	12/12/23	Unprofessional behavior by employee.Investigated, action taken.
831	Hawaii CC	Health and Safety	Y	N	11/03/23	01/17/24	Unsanitary items in bathroom.Investigated, appropriate action taken.
830	Leeward CC	Student Affairs	N	Y	11/02/23	01/19/24	Unresponsive professor. Investigated, no policy violations.
829	UH - Manoa	Employment and HR	Y	Y	10/30/23	12/12/23	Poor behavior by employee. Reporter cancelled rpt.
828	UH - Manoa	Student Affairs	N	Y	10/19/23	11/09/23	Classes reserved for certain students. Investigated, action taken.
827	UH - Manoa	Student Affairs	N	Y	10/18/23	10/19/23	Reporter cancelled the report.
826	UH - Manoa	Health and Safety	Y	N	10/16/23	10/20/23	Identical to case #825.
825	UH - Manoa	Health and Safety	Y	N	10/16/23	10/20/23	Employee smoking in office. Forwarded to supervisor for action.
823	Hawaii CC	Employment and HR	Y	N	10/16/23	10/16/23	Reporter did not provide all required info prior to cancelling call.
822	UH - Manoa	Health and Safety	N	Y	10/14/23	10/25/23	Potential Jewish protests. Addtl info requested, none received.
821	UH - Manoa	Employment and HR	Y	N	10/12/23	01/08/24	Inappropriate access to confidential information.Investigated, action taken.
820	System	Research	Y	N	10/11/23	10/18/23	Inaccurate reporting of Research funding. Investigated, rptng is accurate.
819	UH - Manoa	Employment and HR	N	N	10/09/23	12/26/23	Inappropriate relationship between prof and TA.Investigated, action taken.
818	UH - Manoa	Employment and HR	Y	N	10/06/23	10/16/23	Employee smoking in office. Forwarded to supervisor for action.
817	UH - Hilo	Employment and HR	Y	N	09/28/23	10/11/23	Lack of support for new employee. Investigated, action taken.
816	UH - Manoa	Other	Y	Y	09/25/23	10/25/23	Inappropriate lecture topic by professor. Investigated, action taken.
815	UH - Manoa	Research	N	N	09/23/23	10/10/23	Potential conflict of interest. Addtl info requested, none received.
814	Leeward CC	Health and Safety	N	Y	09/21/23	10/31/23	Sale of illegal drugs. Addtl info requested, none received.
813	UH - Hilo	Health and Safety	N	Y	09/21/23	10/25/23	Drug use. Addtl info requested, none received.
812	Kapiolani CC	Property/Facilities	Y	N	09/17/23	11/16/23	Theft of employee property. Investigated, lack of evidence.
811	UH - Hilo	Employment and HR	Y	N	09/15/23	09/28/23	Poor working environment. Investigated, action taken.
810	UH - Hilo	Employment and HR	Y	N	09/15/23	12/06/23	Employees not returning v-mails.Investigated, action taken.
809	UH - Hilo	Employment and HR	N	N	09/15/23	10/30/23	Reporter did not provide all required info prior to cancelling call.
807	UH - Hilo	Student Affairs	N	Y	09/04/23	11/01/23	Loud noise from dorms after curfew. Investigated, action taken.
805	UH - West Oahu	Employment and HR	Y	N	09/01/23	09/05/23	Reporter did not provide all required info prior to cancelling call.
804	UH - Hilo	Student Affairs	N	Y	09/01/23	09/05/23	Reporter not allowed access to facilities. Investigated, no policy violation.
803	Kauai CC	Employment and HR	Y	N	08/31/23	09/14/23	Unqualified employee. Investigated, no policy violation.
802	Kapiolani CC	Property/Facilities	Y	N	08/31/23	10/31/23	Property theft. Investigated, no violation.
801	UH - Manoa	Employment and HR	Y	N	08/31/23	09/18/23	Reporter did not provide all required info prior to cancelling call.
800	UH - Manoa	Employment and HR	Y	Y	08/31/23	12/07/23	Student emplys exceeding allowable work hrs.Addtl info rqstd, none rcvd.
799	UH - Hilo	Employment and HR	Y	N	08/31/23	11/20/23	Uncompensated overtime.Investigated, no violation.
798	Kapiolani CC	Health and Safety	Y	N	08/31/23	12/21/23	Supervisor poorly manages staff.Addtl info requested, none received.

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Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
797	UH - Manoa	Health and Safety	Y	N	08/31/23	09/15/23	Hazardous materials not removed. Investigated, no policy violation.
796	UH - Manoa	Other	N	Y	08/31/23	09/20/23	Non-student residing in dorm. Investigated, action taken.
795	System	Employment and HR	Y	N	08/27/23	11/02/23	Supervisor poorly manages staff. Addtl info requested, none received.
794	System	Employment and HR	Y	N	08/22/23	11/08/23	Unfair treatment by supervisor. Investigated, no policy violation.
791	Leeward CC	Employment and HR	Y	Y	08/09/23	08/31/23	Identical to case #790.
790	Leeward CC	Employment and HR	Y	Y	08/02/23	08/31/23	Supervisor is poor communicator. Investigated, no policy violation.
789	UH - Hilo	Employment and HR	Y	N	07/27/23	08/10/23	Proposed reorganization lacked transparency. Investigated, action taken.
787	UH - Manoa	Employment and HR	Y	N	07/17/23	11/28/23	Inappropriate behavior by faculty member. Investigated, action taken.
786	UH - Manoa	Property/Facilities	Y	N	07/03/23	07/14/23	Inappropriate disposal of equipment. Disposal was approved.
784	UH - Manoa	Employment and HR	N	Y	06/08/23	12/29/23	Faculty member not teaching in person. Investigated, action taken.
783	UH - Manoa	Employment and HR	Y	Y	06/05/23	07/02/23	Wrongful termination. Resolved through workplace grievance process.
782	UH - Manoa	Student Affairs	N	N	06/03/23	06/30/23	Duplicate of case #780.
781	UH - Manoa	Student Affairs	N	Y	06/02/23	06/09/23	Potential damage to dorm furniture. Student Housing to resolve.
780	UH - Manoa	Student Affairs	N	Y	05/21/23	06/30/23	Inappropriate behavior by student. Notified proper offices for resolution.
779	UH - Manoa	Employment and HR	N	Y	05/19/23	11/20/23	Inappropriate behavior by faculty. Addtl info requested, none rec'd.
777	UH - Manoa	Employment and HR	Y	Y	05/12/23	06/09/23	Employee disclosing sensitive information to a third party. Resolved.
776	UH - Manoa	Health and Safety	N	Y	05/12/23	05/17/23	Dorm residences discussing damaging furniture. Forwarded to SHS.
775	UH - Hilo	Student Affairs	Y	Y	05/10/23	07/20/23	Student making a racist comment. Addtl info requested, none received.
774	UH - Manoa	Student Affairs	Y	Y	05/09/23	05/17/23	Inappropriate social media post. Referred to appropriate offices.
773	UH - Manoa	Employment and HR	N	Y	05/03/23	05/17/23	Inappropriate behavior by employee. Addtl info requested, none provided.
772	UH - Manoa	Other	Y	Y	05/01/23	05/05/23	Inappropriate social media post. Referred to Office of Student Conduct.
771	UH - Manoa	Employment and HR	Y	N	04/18/23	04/19/23	Inattentive security guard. Investigated, action taken.
770	System	Employment and HR	Y	N	04/11/23	06/13/23	Unfair work assignments. Resolved.
769	Honolulu CC	Health and Safety	Y	N	03/29/23	04/05/23	Insufficient number of security guards. Investigated, no violation.
768	Kapiolani CC	Employment and HR	Y	N	03/16/23	03/17/23	Potential conflicts of interest. Investigated, no violation.
767	System	Employment and HR	Y	N	02/28/23	04/12/23	Work from home policy is unfair. Addtl info requested, none provided.
766	UH - Manoa	Employment and HR	N	N	02/27/23	10/04/23	Inappropriate relationship between faculty member and student
765	UH - Manoa	Employment and HR	Y	N	02/27/23	08/02/23	Individual has two leadership titles
764	UH - West Oahu	Employment and HR	Y	N	02/23/23	03/29/23	Work from home policy is unfair. Investigated, action taken.
763	UH - Manoa	Employment and HR	Y	N	02/22/23	06/09/23	Gate is locked during business hrs. Addtl info requested, none provided.
762	UH - Manoa	Student Affairs	N	N	02/22/23	02/27/23	Student group frequently meets at campus dining room. No violation.
761	Kapiolani CC	Employment and HR	Y	N	02/20/23	04/06/23	Inconsistent hiring practices. No violation.
760	UH - Manoa	Student Affairs	N	Y	02/17/23	03/03/23	Students consuming alcohol on campus. Investigated, action taken.
759	UH - Manoa	Student Affairs	N	Y	02/12/23	02/15/23	Student vandalizing school property. DPS notified. Case closed.
758	UH - Manoa	Other	N	N	02/07/23	02/08/23	Entity appears affiliated w/ the University. Investigated, no affiliation.
757	UH - Manoa	Other	Y	N	02/04/23	02/06/23	Case reported via hotline then cancelled.
756	UH - Manoa	Health and Safety	N	Y	02/02/23	02/15/23	Student distributing drugs. Investigated, action taken.
755	UH - Manoa	Health and Safety	N	Y	02/02/23	02/15/23	Identical to case #756.
754	UH - Manoa	Employment and HR	Y	N	01/30/23	04/20/23	Hired individual lacks minimum qualifications. No violation.

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			Employee	Student			
753	UH - Hilo	Student Affairs	N	Y	01/27/23	03/01/23	Student barred from certain facilities. Investigated, action taken.
752	UH - Hilo	Employment and HR	N	Y	01/27/23	01/27/23	Case reported via hotline then cancelled.
751	UH - Manoa	Student Affairs	N	Y	01/21/23	02/15/23	Inappropriate behavior by student in dorms. Investigated, action taken.
750	Kapiolani CC	Student Affairs	N	Y	01/21/23	03/24/23	Student intoxicated while attending class. Investigated, no violation.
749	UH - Manoa	Health and Safety	N	Y	01/21/23	02/03/23	Reporter terminated call on Hotline prior to providing sufficient info.
748	UH - Manoa	Health and Safety	Y	N	01/19/23	02/10/23	Poorly maintained on campus parking lot. Investigated, action taken.
747	UH - Manoa	Employment and HR	Y	Y	01/18/23	03/01/23	Unfair hiring practices. Investigated, action taken.
746	UH - Manoa	Other	N	Y	01/18/23	02/01/23	Inappropriate e-mails. Addtl info requested, none provided.
745	UH - Manoa	Employment and HR	Y	N	01/18/23	06/09/23	Hostile work environment. Addtl info requested, none provided.
744	UH - Manoa	Student Affairs	N	Y	01/18/23	02/06/23	Unhelpful teaching assistant. Investigated, no violation noted.
743	UH - Manoa	Other	N	Y	01/18/23	01/19/23	Faculty members with service dog on campus. Investigated, no violation.
742	UH - Manoa	Employment and HR	N	Y	01/14/23	05/03/23	Inappropriate remarks by faculty. Investigated, action taken.
741	UH - Hilo	Health and Safety	Y	N	01/04/23	03/01/23	Faculty brought baby to class. Investigated, action taken.
740	UH - Hilo	Athletics	N	N	01/04/23	03/14/23	Policy non-compliance. Investigated, action taken.
739	UH - Manoa	Student Affairs	N	N	12/21/22	01/17/23	TA left campus prior to semester end. Addtl info reqstd, none provided.
738	Honolulu CC	Health and Safety	N	Y	12/21/22	12/22/22	Library open during winter break. Investigated, no violation.
737	UH - Manoa	Employment and HR	Y	N	12/13/22	07/02/23	Non-compliance with union contract. Investigated, action taken.
736	UH - Hilo	Employment and HR	N	Y	12/06/22	12/28/22	Employee lacks required knowledge for position.
735	UH - Manoa	Health and Safety	N	Y	12/02/22	12/05/22	Illegal parking by campus vehicle.
734	UH - Manoa	Other	N	N	11/20/22	11/23/22	Memorandum of Understanding non compliance. Investigated, resolved.
733	System	Employment and HR	Y	N	11/17/22	12/14/22	Poor work environment. Investigated, action taken.
732	UH - Manoa	Employment and HR	Y	N	11/14/22	11/17/22	Instructor receiving improper pay. Investigated, no violation.
731	Maui College	Employment and HR	N	N	11/13/22	01/06/23	Inappropriate actions by instructor. Addtl info reqstd, none provided.
730	Kapiolani CC	Employment and HR	N	N	11/07/22	11/18/22	Unfair hiring practice. Investigated, no violation.
729	Kauai CC	Information Technology	N	Y	10/27/22	01/03/23	Location of security cameras. Investigated, no violation.
728	UH - Manoa	Employment and HR	N	N	10/16/22	10/19/22	Potential conflicts of interest. Case forwarded ot appropriate dept.
727	Kauai CC	Employment and HR	Y	N	10/15/22	11/18/22	Submission of improper timesheets. Investigated, action taken.
726	Honolulu CC	Student Affairs	N	Y	10/02/22	11/14/22	Posting of inappropriate content on TikTok. Poster not affiliated with UH.
725	UH - Manoa	Employment and HR	Y	N	09/30/22	10/01/22	Insufficient training complaint cancelled by complainant.
724	UH - Manoa	Employment and HR	Y	N	09/30/22	11/07/22	Unfair hiring practice. Resolved, action taken.
723	UH - West Oahu	Student Affairs	N	N	09/30/22	10/03/22	Posting of inappropriate content on TikTok. Poster is not a UH student.
722	UH - Manoa	Employment and HR	N	Y	09/28/22	10/19/22	Monitoring by security guards. Addtl info requested, none provided.
721	UH - Manoa	Other	Y	N	09/28/22	09/28/22	Identical to case #719
720	Kapiolani CC	Research	Y	N	09/22/22	11/18/22	Inappropriate use of funds. Investigated, no violation.
719	UH - Manoa	Other	Y	N	09/20/22	09/23/22	Illegal parking in loading zone. Info provided to appropriate dept.
718	UH - Manoa	Employment and HR	Y	Y	09/18/22	11/07/22	Employee performing work not in job description. Resolved, action taken.
717	Kapiolani CC	Health and Safety	N	N	09/16/22	11/18/22	Security guard smoking on campus. Resolved, action taken.
716	UH - Manoa	Health and Safety	N	Y	09/05/22	09/16/22	Student smoking at dorm. Forwarded to Student Housing for resolution.
715	UH - West Oahu	Employment and HR	N	Y	09/05/22	10/01/22	Unusual behavior by janitor. Addtl info requested, none provided.
714	Kapiolani CC	Health and Safety	N	N	09/04/22	11/18/22	Security guard smoking on campus. Resolved, action taken.

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			Employee	Student			
713	UH - Manoa	Health and Safety	N	Y	09/03/22	10/05/22	Dirty dorm restrooms. Student Housing resolved complaint.
712	Leeward CC	Student Affairs	N	Y	09/02/22	12/22/22	Instructor unfair to student. Investigated, resolved.
711	UH - Manoa	Employment and HR	N	Y	08/29/22	11/04/22	Department vehicle used for personal use. Resolved, action taken.
710	UH - Manoa	Employment and HR	N	Y	08/24/22	08/25/22	Janitor music disruptive. Forwarded to Maint mgt for resolution.
709	UH - Manoa	Athletics	N	N	07/30/22	08/01/22	Report filed without a complaint.
708	Windward CC	Employment and HR	Y	N	07/14/22	01/05/23	Unfair hiring practices. Investigated, no violation.
707	UH - Manoa	Other	N	Y	06/21/22	06/22/22	Parking office does not answer phone. E-mail address provided.
706	UH - Manoa	Employment and HR	Y	Y	06/20/22	07/11/22	Social media harassment by employee. Addt info requested, none rec'd.
705	Hawaii CC	Employment and HR	N	N	06/14/22	06/15/22	Employee e-mail promoting personal business. Action taken.
704	Leeward CC	Employment and HR	Y	N	05/18/22	06/09/22	Identical to case #700.
703	UH - Manoa	Other	Y	N	05/17/22	05/17/22	Complaint is not related to the University.
702	UH - Manoa	Financial	N	N	05/14/22	05/19/22	Inproper application of stipend. Office of the Provost is resolving.
701	UH - Manoa	Student Affairs	N	Y	05/12/22	05/13/22	Faculty arrived late for final exam. Forwarded to Dean. Resolved.
700	Leeward CC	Employment and HR	Y	N	05/10/22	05/26/22	Inappropriate behavior by staff personel. No violation
699	UH - Manoa	Student Affairs	N	Y	05/02/22	05/13/22	Identical to case #690
698	UH - Manoa	Student Affairs	N	Y	05/02/22	05/13/22	Identical to case #690
697	UH - Manoa	Student Affairs	N	Y	05/02/22	05/03/22	Identical to case #690
696	Maui College	Student Affairs	Y	Y	04/28/22	06/01/22	Exam date postponed. Addtl info requested. None rec'd
695	UH - Manoa	Student Affairs	N	Y	04/27/22	05/02/22	Identical to case #690
694	UH - Manoa	Research	Y	Y	04/27/22	05/13/22	Intl research students lack agmts. Addtl info requested, none rec'd.
693	Kauai CC	Other	Y	N	04/26/22	09/01/22	Employee allegedly stealing University property. No violation.
692	UH - Manoa	Student Affairs	N	Y	04/26/22	05/02/22	Identical to case #690
691	UH - Manoa	Student Affairs	N	Y	04/26/22	04/26/22	Identical to case #690
690	UH - Manoa	Student Affairs	N	Y	04/25/22	04/26/22	Timing of final/midterm exams contrary to academic calendar. Resolved.
689	Leeward CC	Student Affairs	N	Y	04/19/22	05/11/22	Faculty arrives late for class. No violation
688	UH - Hilo	Health and Safety	N	Y	04/14/22	07/28/22	Employee feeding chickens. Action taken.
687	UH - Manoa	Student Affairs	N	Y	03/17/22	03/24/22	Unfair treatment of student housing resident. Resolved.
686	UH - Manoa	Employment and HR	Y	N	03/12/22	05/25/22	Continuous renewal of interim position. No violation.
685	UH - Hilo	Health and Safety	Y	Y	03/11/22	04/11/22	Unresponsive Health Center personnel. Resolved.
684	UH - Manoa	Financial	N	Y	03/10/22	03/10/22	Evening call from UHF soliciting donations. Resolved.
683	UH - Manoa	Health and Safety	Y	Y	03/08/22	03/11/22	Faculty not wearing a mask. Resolved.
682	UH - Hilo	Employment and HR	N	Y	03/08/22	08/02/22	Unprofessional behavior by supervisor. Investigated, action taken.
681	UH - Manoa	Student Affairs	N	Y	03/04/22	04/14/22	Inappropriate social media postings. Addtl info requested, none rec'd.
680	UH - Manoa	Employment and HR	Y	N	03/02/22	03/24/22	Incomplete and insufficient information for investigation.
679	UH - Manoa	Employment and HR	Y	Y	02/28/22	06/02/23	Unprofessional behavior by faculty. Investigated, action taken.
678	UH - Hilo	Employment and HR	Y	N	02/21/22	08/02/22	Staff member does not supervise employees. Investigated, action taken.
677	UH - Manoa	Student Affairs	N	Y	02/19/22	03/08/22	Underage students consuming alcohol off campus. Resolved.
676	UH - Manoa	Student Affairs	N	Y	02/18/22	03/01/22	Incorrect assessment of student fees. Resolved.

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Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
675	UH - Hilo	Student Affairs	Y	N	02/14/22	08/02/22	Unresolved complaints at student housing. Investigated, action taken.
674	Kauai CC	Information Technology	Y	N	02/06/22	03/01/22	Faculty using UH e-mail system inappropriately. Investigated, action taken.
673	UH - Manoa	Health and Safety	N	Y	02/02/22	02/02/22	Unsanitary bathroom at resident hall. Action taken.
672	Leeward CC	Information Technology	Y	N	02/01/22	02/14/22	Distribution of unsolicited e-mail. No violation.
671	UH - Hilo	Health and Safety	Y	N	01/28/22	01/28/22	Complaint via phone rescinded by caller.
670	Honolulu CC	Other	N	N	01/27/22	01/28/22	Complaint via phone terminated by caller before providing complaint info.
669	UH - Manoa	Health and Safety	Y	Y	01/24/22	01/28/22	Glass bottle dropped from dorm lanai. Forwarded to Student Housing.
668	System	Property/Facilities	Y	N	01/24/22	03/23/22	Complaint against the management of Maunakea. No violation.
667	UH - Manoa	Employment and HR	Y	N	01/24/22	03/25/22	Unreasonable work requirement. Action taken.
666	UH - Hilo	Property/Facilities	Y	N	01/21/22	01/28/22	Employee using UH vehicle inappropriately. Action taken.
665	UH - Manoa	Employment and HR	N	N	01/20/22	12/05/22	Faculty member supports the TMT. Addtl info requested, none rec'd.
664	UH - Hilo	Health and Safety	N	Y	01/20/22	02/22/22	Faculty member opposes vaccine mandate. Action taken
663	Kapiolani CC	Student Affairs	N	Y	01/20/22	03/31/22	Inconsistent financial aid info provided to reporter. No violation
662	Honolulu CC	Health and Safety	N	Y	01/20/22	01/21/22	Faculty member not wearing mask while instructing. Action taken.
661	UH - Manoa	Employment and HR	Y	N	01/13/22	03/25/22	Staff members involved in inappropriate relationship. Action taken.
660	Leeward CC	Student Affairs	N	Y	01/12/22	03/07/22	Poor class instruction. No violation.
659	UH - Manoa	Athletics	N	N	01/11/22	02/16/22	Head football coach is disrespectful, Action taken
658	UH - Manoa	Student Affairs	N	Y	01/06/22	01/12/22	Faculty member instruction is biased. Resolved.
657	UH - Manoa	Employment and HR	N	N	01/03/22	01/27/22	Faculty nepotism. No violation.
656	UH - Manoa	Health and Safety	N	Y	12/16/21	12/23/21	Student resident is COVID positive. Action taken.
655	UH - Hilo	Employment and HR	N	Y	12/14/21	01/18/22	Full time staff has another full time job. Action taken.
654	Leeward CC	Health and Safety	Y	N	12/03/21	01/11/22	Staff member lost a master set of keys. No violation.
653	UH - West Oahu	Other	Y	N	11/24/21	12/07/21	Staff member reserving parking stall. Action taken.
652	System	Information Technology	N	N	11/21/21	12/02/21	Receiving sapm e-mail from a hawaii.edu acct. Resolved.
651	UH - Manoa	Health and Safety	Y	Y	11/19/21	12/17/21	Noncompliance with the mask mandate. No violation.
650	Honolulu CC	Employment and HR	Y	N	11/16/21	01/20/22	Employee disagreement. No violation.
649	Leeward CC	Employment and HR	Y	N	11/03/21	03/31/22	Employee harassment. Action taken.
648	UH - Manoa	Health and Safety	N	Y	10/31/21	11/12/21	COVID guidelines non-compliance by former student.
647	UH - Hilo	Health and Safety	N	Y	10/26/21	11/03/21	COVID guidelines non-compliance. Resolved.
646	Leeward CC	Employment and HR	Y	N	10/21/21	11/02/21	Inappropriate e-mail sent by faculty member. No violation.
645	Hawaii CC	Student Affairs	N	N	10/14/21	10/22/21	Disagreement on student's grade. No violation
644	Kauai CC	Employment and HR	Y	N	10/12/21	03/31/22	Employee unfairly terminated. Complaint withdrawn.
643	UH - Manoa	Health and Safety	Y	N	10/07/21	10/26/21	COVID guidelines non-compliance. Resolved.
642	UH - Manoa	Health and Safety	N	Y	10/04/21	08/29/22	Student became ill. Case referred to appropriate office.
641	UH - Manoa	Health and Safety	N	Y	09/30/21	10/04/21	COVID guidelines non-compliance at dorms. VP Student Svcs notified.
640	UH - Manoa	Employment and HR	Y	N	09/28/21	12/20/21	Non-compliance with recruitment process. Action taken.
639	UH - Manoa	Health and Safety	N	Y	09/28/21	10/19/21	Elevator not working. Addtl info requested, none rec'd.
638	UH - Manoa	Employment and HR	N	Y	09/23/21	12/20/21	Identical to case# 637.

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Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
637	UH - Manoa	Employment and HR	N	N	09/21/21	12/20/21	Unprofessional/inappropriate behavior by faculty. Action taken.
636	UH - Manoa	Employment and HR	Y	N	09/21/21	09/24/21	Unprofessional/inappropriate behavior by employee. Action taken
635	Hawaii CC	Research	Y	N	09/21/21	10/08/21	Inappropriate coordination of response to inquiries. No violatation.
634	Kapiolani CC	Employment and HR	Y	N	09/19/21	12/23/21	Employee discussing religion. Action taken.
633	UH - Manoa	Employment and HR	Y	N	09/18/21	08/24/23	Faculty utilizing student internships inappropriately.
632	UH - Manoa	Student Affairs	N	Y	09/16/21	09/24/21	Students smoking marijuana.Forwarded to student housing to investigate
631	UH - Manoa	Student Affairs	N	Y	09/15/21	09/20/21	Unauthorized personnel in student housing. Investigated and resolved.
630	Hawaii CC	Other	N	Y	09/15/21	09/24/21	Lack of electric vehicle parking stalls. Investigated, no violation.
629	UH - Manoa	Health and Safety	N	Y	09/14/21	09/20/21	Alleged assault. Investigatged and resolved.
628	UH - Manoa	Health and Safety	N	Y	09/07/21	09/08/21	Non-compliance with COVID protocols. Investigated and closed.
627	UH - Manoa	Health and Safety	N	Y	09/04/21	09/20/21	Non-compliance with COVID protocols. Investigated and closed.
626	UH - Manoa	Health and Safety	N	Y	09/03/21	09/07/21	Non-compliance with COVID protocols. Investigated and closed.
625	UH - Manoa	Health and Safety	N	N	09/03/21	12/17/21	Unsanitary dorms. Action taken
624	Hawaii CC	Other	N	N	09/01/21	09/01/21	U.S. and Hawn flags not displayed. Investigated, flagpoles under repair.
623	UH - Manoa	Student Affairs	N	Y	08/31/21	09/14/21	Inconsistent grading. Investigated and resolved.
622	UH - Manoa	Health and Safety	N	Y	08/30/21	09/01/21	Non-compliance with COVID protocols. Investigated and closed.
621	UH - Manoa	Health and Safety	N	Y	08/28/21	09/01/21	Non-compliance with COVID protocols. Investigated and closed.
620	UH - Manoa	Employment and HR	Y	N	08/28/21	09/20/21	Employee disclosed confidential info. Addtl info requested, none recd.
619	UH - Manoa	Student Affairs	N	Y	08/26/21	08/27/21	Departmental office not open during business hours. Resolved.
618	Kapiolani CC	Student Affairs	N	Y	08/26/21	03/31/22	Student financial aid account is inaccurate. No violation
617	Kapiolani CC	Health and Safety	Y	N	08/25/21	10/13/21	Faculty engages in unsafe activities. Matter resolved,
616	Hawaii CC	Health and Safety	N	Y	08/25/21	10/13/21	Faculty disregarding COVID 19 safety protocols. Matter resolved.
615	UH - Manoa	Health and Safety	N	Y	08/25/21	08/27/21	Unvaccinated student not tested for COVID is on campus. Resolved
614	UH - Manoa	Employment and HR	Y	N	08/25/21	09/14/21	Employee vaccine mandate is unlawful. No violation.
613	UH - Manoa	Health and Safety	N	Y	08/25/21	09/02/21	Identical to case #612.
612	UH - Manoa	Health and Safety	N	Y	08/25/21	09/02/21	UHM student vaccinatiom mandate is unlawful. No violation.
611	UH - Manoa	Health and Safety	N	N	08/24/21	09/01/21	Unsanitary dorms. Vice Provost Students Svcs notified.
610	UH - Manoa	Health and Safety	Y	N	08/24/21	09/01/21	Unvaccinated employee. Investigated and resolved.
609	UH - Hilo	Health and Safety	N	Y	08/24/21	08/27/21	Non-compliance with COVID protocols. Investigated and closed.
608	UH - Manoa	Health and Safety	Y	N	08/23/21	08/27/21	Non-compliance with COVID protocols. Investigated and closed.
607	UH - Manoa	Health and Safety	N	Y	08/19/21	09/01/21	Elevator not working. Addtl info requestred, none received.
606	System	Property/Facilities	N	N	08/06/21	09/28/21	Procurement non-compliance. Investigated, no violation.
605	Kapiolani CC	Employment and HR	Y	N	08/06/21	12/23/21	Employee not working. Action taken.
604	UH - Manoa	Health and Safety	N	Y	08/06/21	09/01/21	Student followed on campus. Addtl info requested, none received.
603	Honolulu CC	Employment and HR	Y	N	08/04/21	08/31/21	Employee misused confidential information. Investigated, no violation.
602	System	Financial	Y	N	07/30/21	09/08/21	Employee paid late. Investigated, no violation.
601	UH - Manoa	Employment and HR	N	N	07/16/21	09/29/21	Hiring unqualified applicant. Addtl info requested, none provided.
600	Hawaii CC	Employment and HR	Y	N	07/06/21	08/06/21	Wrongful termination. Investigated and closed.

University of Hawaii
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Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
599	UH - Manoa	Employment and HR	N	Y	07/06/21	08/06/21	Inappropriate actions by faculty. Addtl info requested, none received.
598	UH - Manoa	Employment and HR	Y	Y	06/30/21	06/30/21	Unporofessional faculty. Previously investigated and resolved.
597	UH - Manoa	Employment and HR	Y	Y	06/30/21	06/30/21	Hiring unqualified personnel. Identical to case #578.. No violation.
596	UH - Manoa	Student Affairs	N	Y	06/27/21	07/16/21	Student reated unfairly. Referred to Office of Student Conduct.
595	UH - Manoa	Employment and HR	Y	N	06/24/21	07/06/21	Unporofessional faculty. Previously investigated and resolved.
594	UH - Manoa	Information Technology	N	N	05/19/21	11/29/21	Inappropriate use of IT equipment. No violation.
593	System	Health and Safety	N	N	05/19/21	06/24/21	Disagrees with vaccine mandate. No violation.
592	UH - Manoa	Employment and HR	Y	N	05/15/21	03/25/22	Supervisors are not competant. Action taken.
591	Maui College	Employment and HR	Y	N	05/07/21	06/07/21	Supervisors are unprofessional. Investigated, no violation.
590	UH - Manoa	Employment and HR	Y	N	05/07/21	05/22/21	Employee performing work above his qualifications. Action taken.
589	System	Employment and HR	N	N	05/06/21	08/05/21	Employee promotes not-for-profit entity. Investgiated, no violation.
588	UH - Manoa	Health and Safety	Y	N	05/06/21	05/07/21	Employee not wearing mask. Investigated and resolved.
587	UH - Hilo	Student Affairs	N	Y	04/27/21	06/07/21	Student used offensive term during Zoom.. Investigated, action taken.
586	UH - Manoa	Student Affairs	N	Y	04/17/21	05/06/21	Unfair grading and poor behavior by professor.Investigated and resolved.
585	CC System	Employment and HR	Y	N	04/13/21	04/30/21	Nepotism. Investigated, no violation.
584	UH - Manoa	Research	N	N	04/01/21	05/18/21	Assertion that professor discredited reporters work. No violation.
583	UH - Manoa	Employment and HR	Y	N	03/20/21	08/01/23	Employees not working and inappropriately using facilities
582	UH - Manoa	Health and Safety	Y	N	03/12/21	03/16/21	Trash in parking structure. Investigated and resolved
581	UH - Manoa	Student Affairs	N	Y	03/11/21	03/25/21	Identical to case 580
580	UH - Manoa	Student Affairs	N	Y	03/11/21	03/25/21	Marijuana use in dorms. Investigated and action taken.
579	UH - Manoa	Student Affairs	N	Y	03/11/21	03/25/21	Marijuana use by student. Investigated and action taken.
578	UH - Manoa	Employment and HR	Y	N	03/10/21	05/13/21	Hiring unqualified personnel. Employee was qualified. No violation.
577	Hawaii CC	Employment and HR	N	Y	03/08/21	03/29/21	Identical to case 576.
576	Hawaii CC	Employment and HR	N	Y	03/06/21	03/29/21	Inappropriate management. Addtl info requested, none received.
575	Kauai CC	Student Affairs	N	N	03/06/21	03/11/21	Unfair exams. Investigated, no violation.
574	UH - Hilo	Student Affairs	N	Y	03/06/21	04/08/21	Disruptive student. Addtl info requested, none received.
573	UH - Manoa	Health and Safety	Y	Y	03/05/21	05/06/21	Non-resident in dorms. Investigated and resolved.
572	Hawaii CC	Financial	N	Y	03/05/21	04/01/21	Lack of disclosure of financial info to student. Investigated, no violation.
571	UH - Manoa	Health and Safety	Y	Y	03/05/21	05/06/21	Student drinking alcohol on campus. Investigated, action taken.
570	Kapiolani CC	Employment and HR	Y	N	03/05/21	04/06/21	Employee working remotely. Investigated, no violation.
569	Hawaii CC	Employment and HR	Y	N	03/02/21	03/05/21	Employee working remotely. Investigated, no violation.
568	UH - Manoa	Health and Safety	Y	Y	02/27/21	03/11/21	Student asserts misclassification for vaccine. Investigated, no violation.
567	UH - Manoa	Employment and HR	Y	N	02/27/21	03/25/21	Worker not performing duties. Investigated and action taken.
566	UH - Manoa	Health and Safety	Y	Y	02/26/21	03/05/21	Students smoking in lab room. Investigated and action taken.
565	UH - West Oahu	Student Affairs	Y	Y	02/24/21	05/07/21	Student paid for goods/svcs not rec'd. Addtl info requested, none rec'd.
564	UH - Manoa	Employment and HR	Y	N	02/17/21	01/29/22	Non-compliance with hiring policies. Action taken.
563	UH - Manoa	Financial	N	Y	02/11/21	02/19/21	Approval of courses receiving VA benefits. Investigated, resolved.
562	UH - Manoa	Other	N	N	02/10/21	03/01/21	Inappropriate photos. Inveestigation referred to Title IX office.

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Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
561	UH - Manoa	Health and Safety	Y	N	01/29/21	02/08/21	Untimely notification of student with COVID-19. Imvestigated, resolved
560	UH - Manoa	Student Affairs	N	Y	01/26/21	01/27/21	Inappropriate video posted on-line. Investigated, no violation.
559	System	Employment and HR	Y	-	01/15/21	01/22/21	Non-compliance with hiring policies. Investigated, no violation.
558	UH - Manoa	Student Affairs	N	-	01/13/21	01/25/21	Student inappropriately receiving financial aid. Investigated, no violation.
557	UH - Manoa	Employment and HR	N	-	01/13/21	05/18/21	Incompetant personnel. Addtl info requested, none rec'd.
556	Kapiolani CC	Employment and HR	N	-	01/02/21	03/02/21	Personnel working a second job. Investigated, no violation.
555	System	Research	Y	-	12/15/20	01/19/21	Performing research w/o proper aproval. Investigated, no violation.
554	System	Employment and HR	Y	-	12/13/20	01/22/21	Non-compliance with hiring policies. Investigated, no violation.
553	UH - Manoa	Health and Safety	Y	-	12/07/20	12/15/20	Police officer on campus not wearing a mask. Resolved.
552	Kapiolani CC	Employment and HR	N	-	11/15/20	12/22/20	Personnel working a second job. Investigated, no violation.
551	UH - Manoa	Employment and HR	Y	-	11/17/20	4/182021	Employees required to work on campus. Investigated and action taken.
550	UH - Manoa	Other	Y	-	11/09/20	11/23/20	Individual inappropriately obtaining goods. Addtl info requested, none rec'd.
549	Honolulu CC	Employment and HR	Y	-	10/29/20	11/09/20	Unfair treatment of employees. Investigated, no violation.
548	System	Employment and HR	Y	-	10/26/20	01/22/21	Hiring unqualified personnel. Investigated, no violation.
547	Hawaii CC	Information Technology	N	-	10/26/20	11/09/20	Inappropriate use of UH e-mail. Investigated, action taken.
546	Windward CC	Employment and HR	Y	-	10/22/20	01/21/21	Unprofessional treatment of employees. Imvestigated, resolved
545	UH - Hilo	Employment and HR	Y	-	10/15/20	11/23/20	Employee working from home. Investigated and action taken.
544	UH - Hilo	Property/Facilities	Y	-	10/15/20	11/19/20	Building code violation. Investigated, action taken.
543	UH - Manoa	Employment and HR	N	-	10/14/20	01/26/21	Inappropriate behavior by faculty. Investigated, action taken.
542	UH - Hilo	Employment and HR	Y	-	10/14/20	11/23/20	Disclosure of confidential information. Addtl info requested, none rec'd.
541	Honolulu CC	Information Technology	N	-	10/10/20	11/09/20	Inappropriate content on Twitter account. Investigated, no violation.
540	UH - Manoa	Health and Safety	N	-	10/09/20	11/02/20	Non-compliance with COVID-19 rules. Addtl info requested, none rec'd.
539	UH - Manoa	Employment and HR	Y	-	10/04/20	04/24/21	Poor management of staff and facilities. Investigated and resolved.
538	System	Employment and HR	Y	-	09/30/20	02/03/21	Unresponsiveness of campus management. Investigated, no violation.
537	UH - Manoa	Health and Safety	N	-	09/24/20	10/29/20	Non-compliance with COVID-19 rules. Resolved, action taken.
536	UH - West Oahu	Health and Safety	N	-	09/23/20	11/17/20	Homeless on UHWO property. Investigated, not UHWO property.
535	Maui College	Health and Safety	N	-	09/17/20	12/08/20	Violation of COVID-19 rules. Investigated, no violation.
534	UH - Manoa	Employment and HR	Y	-	09/12/20	11/23/20	Casual hire employee laid off. Investigated, action taken.
533	UH - Manoa	Employment and HR	Y	-	09/12/20	11/23/20	Redundant administrator job description. Investigated, no redundancy.
532	UH - Manoa	Employment and HR	Y	-	09/11/20	07/12/21	Poor leadership by supervisor. Investigated, action taken.
531	Honolulu CC	Employment and HR	Y	-	09/09/20	09/11/20	Faculty contract not renewed. Investigated, no violation.
530	Hawaii CC	Health and Safety	N	-	09/09/20	09/15/20	Non-compliance with COVID-19 rules. Investigated, resolved.
529	Kapiolani CC	Employment and HR	Y	-	09/09/20	12/08/20	Employee unwilling to assist fellow employee. Investigated, no violation.
528	Leeward CC	Employment and HR	Y	-	09/03/20	11/09/20	Approval pending for "Work from Home" request. No violation.
527	UH - Manoa	Employment and HR	Y	-	09/02/20	09/17/20	Untimely approval of timesheet. Investigated, action taken.
526	UH - Hilo	Health and Safety	N	-	09/01/20	10/26/20	Non-compliance with COVID-19 rules. Investigated, action taken.
525	UH - Manoa	Employment and HR	Y	-	08/31/20	11/23/20	Approved "Work from Home" requests not returned. Resolved.
524	UH - Manoa	Student Affairs	N	-	08/31/20	12/01/20	Academic grievance. Addtl info requested, no response.

University of Hawaii
Whistleblower Tracking Report
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Case #	Campus	Classification	Submitted by (Y/N)		Date Opened	Date Closed	Description
			Employee	Student			
523	Honolulu CC	Student Affairs	N	-	08/31/20	09/08/20	Unfair policy to obtain resident status. Investigated, no violation.
522	UH - Manoa	Health and Safety	N	-	08/31/20	09/18/20	Non-compliance with COVID-19 rules. Invetigated, action taken.
521	UH - Manoa	Employment and HR	Y	-	08/31/20	03/25/22	Vacant position not filled as promised. No violation.
520	UH - Manoa	Employment and HR	N	-	08/31/20	12/29/23	Inappropriate behavior by faculty. Investigated, action taken.
519	UH - Manoa	Other	N	-	08/31/20	09/01/20	Students snap chat account. Not University related. Closed.
518	UH - Manoa	Health and Safety	Y	-	08/31/20	09/18/20	Non-compliance with COVID-19 rules. Investigated, action taken.
517	Hawaii CC	Employment and HR	Y	-	08/31/20	09/02/20	Incorrect instructor teaching listed course. Investigated, no violation.
516	UH - Manoa	Health and Safety	N	-	08/31/20	08/31/20	Students violating housing policies. Referred to Office of Judicial Affairs.
515	UH - Manoa	Health and Safety	N	-	08/24/20	09/18/20	Non-compliance with COVID-19 rules. Inveatigated, action taken.
514	UH - Hilo	Student Affairs	N	-	08/20/20	03/01/21	Hold placed on student acct preventing enrollment. Investigated, resolved.
513	System	Employment and HR	Y	-	08/19/20	01/22/21	Hiring unqualified personnel. Investigated, no violation.
512	UH - West Oahu	Employment and HR	Y	-	08/10/20	12/22/20	Faculty also employed off campus. Investigatedm no violation.
511	System	Information Technology	N	-	07/29/20	09/09/20	Inappropriate e-mail. Investigated, action taken.
510	UH - West Oahu	Student Affairs	N	-	07/23/20	09/21/20	Academic grievance. Investigated, resolved.
509	UH - Hilo	Employment and HR	Y	-	07/20/20	08/19/20	Exclusionary and discriminatory behavior. Investigated, action taken.
508	UH - Manoa	Health and Safety	N	-	07/20/20	11/23/20	Lack of transparency Addtl info requested, no response.
507	Hawaii CC	Financial	N	-	07/13/20	12/15/20	Misrepresentation of info to obtain financial aid. Investigated, no violation.
506	Hawaii CC	Employment and HR	N	-	07/11/20	08/31/20	Lack of confidentiality. No violation.
505	Hawaii CC	Financial	Y	-	07/05/20	11/19/20	Misrepresentation of information to obtain financial aid. No violation.
504	Hawaii CC	Employment and HR	N	-	07/04/20	07/13/20	Lack of confidentiality. No violation.

All cases prior to July 1, 2020 are closed

University of Hawaii
Whistleblower Case Category
As of March 25, 2024

Category	June 15, 2016 (inception) - March 25, 2024		July 1, 2023 - March 25, 2024	
	Cases	%	Cases	%
Employment and HR	405	48%	43	59%
Health and Safety	148	17%	9	12%
Other	87	10%	2	3%
Student Affairs	126	15%	13	18%
Property/Facilities	30	4%	3	4%
Financial	17	2%	1	1%
Information Technology	14	2%	0	0%
Research	14	1%	2	3%
Athletics	8	1%	0	0%
Total	849	100%	73	100%

	July 1, 2022 - June 30, 2023		July 1, 2021 - June. 30, 2022	
	Cases	%	Cases	%
Employment and HR	36	46%	31	28%
Health and Safety	12	16%	35	32%
Other	8	10%	8	7%
Student Affairs	17	22%	24	22%
Property/Facilities	1	1%	2	2%
Financial	0	0%	3	3%
Information Technology	1	1%	3	3%
Research	1	1%	2	2%
Athletics	2	3%	1	1%
Total	78	100%	109	100%

	July 1, 2020 - June. 30, 2021		June 15, 2016 (inception) - June 30, 2020	
	Cases	%	Cases	%
Employment and HR	46	49%	249	50%
Health and Safety	20	21%	72	15%
Other	4	4%	65	13%
Student Affairs	15	16%	57	12%
Property/Facilities	1	1%	23	5%
Financial	4	4%	9	2%
Information Technology	3	3%	7	1%
Research	2	2%	7	1%
Athletics	0	0%	5	1%
Total	95	100%	494	100%

University of Hawaii
Whistleblower Case Source
As of March 25, 2024

Source	June 15, 2016 (inception) - March 25, 2024		July 1, 2023 - March 25, 2024	
	Cases	%	Cases	%
Observation	327	39%	29	39%
Happened to reporter	231	28%	17	23%
Other	134	15%	13	18%
Heard it	62	7%	7	10%
Told to reporter by:				
Co-worker	63	7%	7	10%
Outside the University	13	2%	0	0%
Overheard it	19	2%	0	0%
	849	100%	73	100%

Source	July 1, 2022 - June 30, 2023		July 1, 2021 - June 30, 2022	
	Cases	%	Cases	%
Observation	28	36%	39	36%
Happened to reporter	19	24%	39	36%
Other	13	16%	17	16%
Heard it	10	13%	6	5%
Told to reporter by:				
Co-worker	3	4%	5	4%
Outside the University	2	3%	0	0%
Overheard it	3	4%	3	3%
	78	100%	109	100%

Source	July 1, 2020 - June 30, 2021		June 15, 2016 (inception) - June 30, 2020	
	Cases	%	Cases	%
Observation	44	46%	187	38%
Happened to reporter	27	28%	129	26%
Other	14	15%	77	16%
Heard it	2	2%	37	7%
Told to reporter by:				
Co-worker	5	6%	43	8%
Outside the University	0	0%	11	3%
Overheard it	3	3%	10	2%
	95	100%	494	100%

University of Hawaii
Whistleblower Reporter Type
As of March 25, 2024

Reporter	June 15, 2016 (inception) - November 29, 2023		July 1, 2023 - March 25, 2024	
	Cases	%	Cases	%
Employee	473	56%	47	64%
Non-employee	376	44%	26	36%
Total	849	100%	73	100%
Anonymous	707	83%	65	89%
Identified	142	17%	8	11%
Total	849	100%	73	100%

Reporter	July 1, 2022 - June 30, 2023		July 1, 2021 - June 30, 2022	
	Cases	%	Cases	%
Employee	35	45%	45	41%
Non-employee	43	55%	64	59%
Total	78	100%	109	100%
Anonymous	63	81%	99	91%
Identified	15	19%	10	9%
Total	78	100%	109	100%

Reporter	July 1, 2020 - June 30, 2021		June 15, 2016 (inception) - June 30, 2020	
	Cases	%	Cases	%
Employee	49	52%	297	60%
Non-employee	46	48%	197	40%
Total	95	100%	494	100%
Anonymous	74	78%	406	82%
Identified	21	22%	88	18%
Total	95	100%	494	100%