

B. Board Governance and Compliance Committee

General Moore, chair, will report on the committee meeting of September 21, 2018.

**Board Governance and Compliance Committee
Meeting of September 21, 2018**

Minutes

Present: D. Fecher, S. Fitzpatrick, S. Green, A. Rains, G. Ramos, S. Wenrick

Guests: W. Branson, L. Chan, M. Grushon, D. Kimpton, E. Reinsch Friese, C. Schrader, K. Tittle

Mr. Douglas Fecher, in the absence of committee chair C.D. Moore, called the meeting to order at 11:34 a.m. and read the conflict of interest statement. He asked that trustees alert him should a conflict arise as the meeting progressed.

Chair's Report

Trustee Fecher did not offer comments other than to request Ms. Kelli Tittle, university compliance director, continue the discussion on affiliated entities that was began in the Finance, Audit and Infrastructure Committee meeting held earlier.

- **Affiliated Entity Update**

Ms. Tittle offered an update on the status of the affiliated entity review process. Seven entities originally under review have been found to not have any affiliation with Wright State. Six entity relationships have been dissolved since the review process was implemented and are no longer considered affiliated entities.

Four entities are currently under review. Affiliation agreements are being finalized for the Wright State Foundation and the Wright State Alumni Association and are nearing final completion. Documentation for Wright State Physicians, Inc. is currently under review and a draft agreement has been provided to them for input. Work is still underway with the Dayton Regional STEM school and an existing MOA has been extended through December. At that time, a new MOA will be created that satisfies the requirements of the Affiliated Entity Policy.

On deck for review are the Research Park Capital Corporation, the Miami Valley Research Foundation, and the Western Ohio Educational Foundation. University Psychological Services Association, Inc. has just been initiated, meaning they have been sent a copy of the Affiliated Entity Policy and a request for documentation to begin preparing for their review. The Wright State Applied Research Corporation and the Double Bowler agreements have been finalized.

Trustee Fecher reminded everyone that in 2014-2015 the Board was not aware of affiliated entities and their relationships to Wright State. With the passage of the Affiliated Entity Policy and its associated affiliated entity review process, the Board has been able to formally identify affiliated entities, determine whether or not they

exist for the benefit of Wright State, and require reporting from all entities. As written in the policy, the Board will receive a yearly report from each entity. Wright State Applied Research Corporation (WSARC) will be the first entity to reach their reporting anniversary. Ms. Tittle will work with Mr. Branson, Mr. Andersh, and General Moore to develop this report for presentation to the Governance and Compliance Committee. It was suggested that a representative of the affiliate be present to address questions.

A discussion took place about WSARC's use of Wright State's Human Resources department and how this relationship is managed. The committee requested a report outlining any agreement or usage and what potential risks might be incurred.

- **Compliance Risk Assessment**

Wright State is required by the government to do regular monitoring, auditing and routine risk assessments on compliance with regulations, laws and reporting. Ms. Tittle outlined the steps that the University has begun implementing to perform a compliance risk assessment. The first step is to identify compliance risks spread across campus; which is a large undertaking given the variety and complexity of compliance regulations to which the university is held accountable. Once risks have been identified, the likelihood of a risk event happening, and its potential impact, will be established. Risks will then be prioritized, potential responses determined, and plans put into place to manage risks. Lastly, monitoring and updates will be done as needed.

There was a lengthy discussion on the scope of this assessment and whether it covers affiliated entities and their associated risks. The scope of the compliance risk assessment is not an enterprise risk assessment and does not include reputational, operational, or financial risk. Assessing risks from affiliated entities is on the operational side and there was support from the trustees for doing this.

- **Program Effectiveness Review**

The office of compliance has been in operation almost two years. In conjunction with the University-wide Program Effective Review process, Ms. Tittle has developed some key performance indicators (KPI) and success outcomes to track the program's effectiveness. The first success metric measures how the program has matured. The use of a biennial "compliance culture" survey to measure stakeholder perceptions and attitudes towards Wright State's compliance and ethics environment will be used for this assessment. On opposite years, a "compliance knowledge" survey will measure stakeholder knowledge of Wright State's compliance program. Results from the knowledge survey will dictate programing for the upcoming Compliance and Ethics Week in November.

Success outcome two measures stakeholder use of the EthicsPoint reporting hotline. Annual reporting data will be compared to previous years and to national

benchmarking to identify trends or areas of attention. Case closure rates will also be tracked to make sure that issues are addressed in a timely manner.

Trustee Fecher recognized Ms. Tittle's efforts and the great strides she has made as a single person office over the last two years in implementing a compliance process for the university to adhere to.

The meeting was adjourned at 12:11 p.m.

Respectfully Submitted,
Deborah Kimpton