

**B. Compliance and Audit**

Mr. Fecher, chair, will report on the committee meeting on April 15, 2016.

**Compliance and Audit Committee  
Meeting of April 15, 2016**

**Minutes**

**Present:** H. Billing, M. Bridges, D. Fecher, W. Montgomery, R. Pignatiello

**Guests:** M. Ashley, S. Bauguess, D. Bertson, L. Chan, P. Cheng, R. Fyffe, M. Grushon, D. Kimpton, D. Krane, C. Loranger, T. Ortiz, K. Ralston, T. Sudkamp, R. Sweeney, J. Ulliman

Mr. Doug Fecher called the meeting to order at 8:34 a.m. and read the following conflict of interest statement.

It is of utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have been charged as a Trustee of Wright State University, and take the steps you deem appropriate to perform your duties fairly and impartially.

**The Growing Burden of Compliance at Universities Today**

Universities, especially public research institutions, are finding it challenging to meet the growing burden of compliance. New and expanded legislative mandates are requiring the commitment of significant additional resources in the form of finance, personnel, facilities, time and attention.

Mr. Larry Chan, vice president of legal affairs and general counsel, spoke about five key areas of compliance that Wright State should be aware of and address.

One of the highest profile areas is Title IX compliance. Title IX was once gender equity legislation that applied only to athletics but it has since been expanded to include sexual assault. In light of national statistics that document one in every four university women has been the victim of a sexual assault, this legislation now mandates that universities investigate, track and report sexual assaults, and provide support, resources and counseling to the victims of sexual assault. In addition, universities must provide training to faculty, staff, students and employees about sexual assault resources, support for victims, and reporting. The university must bear the cost of all these requirements.

The Violence Against Women Act also requires universities to address issues of sexual assault and sexual harassment. Another pertinent piece of pending legislation is passage of the Campus Accountability and Safety Act (CASA) which would amend Clery reporting to include the addition of statistics on dating violence, dating assaults and tracking of case verdicts. Additional requirements of this act would include administering confidential surveys to students on their experiences with sexual assault/violence, defining when "No

means no”, and providing independent confidential victims’ advocates.

Export Controls is another challenging area to manage for compliance. Export control prohibits the sharing or sending of certain technology developed in research with countries specified on the prohibited export list. Criminal penalties and fines also extend to dual use technology where there is a civilian and a military usage. Universities need to understand what research is going on across campus, what chemicals and materials are in use, and which students or foreign nationals are from barred countries that cannot be exposed to any restricted items or technology.

Not as widely known, but an administratively intensive compliance requirement, is the Higher Education Opportunity Act. This legislation requires universities to document the success of their academic programs and their job placement rates. This legislation was designed to insure public accountability and deter fraud as evidenced by some questionable “for profit” institutions.

Lastly, higher education institutions who offer on-line courses advertised or offered across state lines are subject to individual state credentialing, registration, or compliance requirements. Being cognizant of all the individual state requirements and meeting all the compliance standards necessitates personnel, time and expertise.

Dr. Robert Fyffe, vice president for research, shared that Wright State is working through the process to hire an Export Compliance Officer and has written new policies to address this growing challenge.

### **1. University-Wide Compliance Program Implementation Plan**

A number of months ago a university wide compliance assessment was conducted at Wright State to review the current university compliance program and to present recommendations to help the university better address the growing complexity and burden of compliance. As a result of this assessment and months of work, Dr. Hopkins submitted a proposal for a campus-wide compliance program to the Board of Trustees. Trustee Fecher discussed key components of the plan.

The purpose of the compliance plan is to strengthen Wright States program for ensuring university activities remain in compliance with applicable federal, state, and local laws and regulations. It cannot be emphasized enough that the penalties for non-compliance in financial and reputations terms can be substantial and far outweigh the incremental costs associated with strengthening Wright State’s compliance function.

Currently Wright State’s compliance function is decentralized to individuals or units with domain-specific expertise. This new University-Wide Compliance Program centralizes Wright States’ coordination, oversight and monitoring of all existing university compliance functions, establishes and promotes collaboration among the various compliance units and subject matter experts, and provides centralized compliance leadership authority and responsibility.

The plan includes the creation of a Director of University Compliance position that reports directly to the Chief Operating Officer and to the Board of Trustees through the Compliance and Audit Committee. The Director will develop and oversee the university's compliance strategy, develop a formal process for assessing and monitoring risk and report risk assessment findings to the Board, and promote a culture of collaboration, integrity and ethical behavior throughout the campus.

The Director will chair and establish a Compliance Council that will meet monthly throughout the year. Membership in the Compliance Council will include a designated representative from each compliance domain across the University as well as the Office of General Counsel, internal audit and risk management. Each of the compliance areas will have a reporting line to the Director of University Compliance and a dual (direct) reporting line to their respective unit leaders or vice presidents.

Wright State University has had a compliance culture for a long, long time and it has served us well in the past. The implementation of this University-Wide Compliance Plan will further strengthen our existing compliance culture, centralize oversight, support coordination and collaboration, and ensure a mechanism for university-wide training and support.

## **2. Facility Security Clearance**

Due to personnel changes, the following resolution is being presented for appropriate action by the Board.

### **RESOLUTION 16-**

WHEREAS, Wright State University wishes to maintain its facility security clearance through the Defense Security Service, and

WHEREAS, those persons occupying the following positions among the officers and officials at Wright State University shall be known as Key Management Personnel (KMP) as described in the National Industrial Security Program Operating Manual:

Dr. David R. Hopkins  
President

Dr. Thomas Sudkamp  
Provost

Dr. Robert E.W. Fyffe  
Vice President for Research

Ms. Ellen Reinsch Friese  
Associate Vice President for Research

WHEREAS, the Chief Executive and the KMP have been processed, or will be processed, to the level of the facility clearance granted to this institution, as provided for in the aforementioned National Industrial Security Program Operating Manual; and

WHEREAS, the said KMP are hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the Department of Defense or User Agencies of its Industrial Security Program awarded to Wright State University; and

WHEREAS, the following named members of the Board of Trustees shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of Wright State University, and do not occupy position that would enable them to affect adversely the policies and practices of Wright State University in the performance of classified contracts for the Department of Defense or User Agencies of its Industrial Security Program, awarded to Wright State University, and need not be processed for a personnel clearance:

Michael Bridges  
Eloise P. Broner  
Douglas A. Fecher  
Anuj Goyal

Larry R. Klaben  
William W. Montgomery  
C.D. Moore  
Altagracia Ramos

THEREFORE be it

RESOLVED that the Board of Trustees of Wright State University authorizes the establishment of the above KMP and this resolution supersedes Resolution 16-10 dated October 9, 2015.

I offer this motion:  
Do I have a second:  
Roll Call Vote:

The meeting was adjourned at 9:25 a.m.

Respectfully Submitted,  
Deborah Kimpton