

C. Compliance and Audit Committee

General Moore, chair, will report on the committee meeting of November 18, 2016.

**Compliance and Audit Committee
Meeting of November 18, 2016**

Minutes

Present: M. Bridges, D. Fecher, S. Fitzpatrick, A. Goyal, J. Large, C.D. Moore, R. Pignatiello, G. Ramos,

Guests: L. Chan, P. Cheng, T. Doom, K. English, R. Fyffe, T. Heigel, D. Hopkins, D. Kimpton, N. Lasky, S. Mickey-Boggs, K. Ralston, T. Sudkamp, R. Sweeney, C. This, K. Tittle, J. Ulliman

General Moore called the meeting to order at 10:31 a.m. and read the reminder concerning conflicts of interest.

Comments from the Chair

General Moore, chair of the Compliance and Audit Committee, outlined the order of business for the meeting.

The Compliance and Audit Committee has the responsibility to periodically review the Universities established policies and operating procedures to determine if changes and/or updates are required.

Three agenda items were presented:

- A review of the Board's expectations for implementation of the recently approved policy on Affiliated Entities and introduction of the new Compliance Officer, Ms. Tittle. In addition, there will be a discussion of the Board's expectation regarding the establishment of an implementation plan to insure that all University affiliates are in compliance with the new policy.
- The Committee will review the recently completed Audit Report covering several important University functions and organizations and have requested Mr. Peter Cheng, university auditor, highlight key findings and recommendations from the February 1st to July 31, 2016 report.
- Finally, the Committee wanted to discuss the status of the University's Contracting Policy to insure planned updates to the policy are in line with Board expectations for adequacy of controls, process discipline, and transparency.

Introduction of Director of Compliance and Implementation of the Affiliated Entity Policy

During the past year the Board passed a resolution establishing a University-Wide Director of Compliance position and a University-Wide Compliance Program. Furthermore, the Board of Trustees in cooperation with the Administration, determined that the implementation of the Affiliated Entity Policy be the responsibility of the new Director of University Compliance. One of the first actions expected of this Director was the establishment of an implementation plan to insure the most efficient process for accessing and insuring the compliance by the University's affiliated entities.

Ms. Kelli Tittle, director of compliance, outlined her initial thoughts on an implementation plan. She hopes to establish a small group to review and finalize the list of affiliated entities, determine whether or not to maintain the current affiliated entity status and develop a memorandum of agreement (MOA) clarifying the relationship, and lastly, to review submitted documentation from the affiliated entities and create a schedule for subsequent reviews to maintain ongoing compliance.

The Committee discussed the development of a phase-in timeline, the need to prioritize which entities to review first, and the creation of a process to identify and mediate conflicts between Wright State's affiliated entity policies and internal policies practiced by affiliated entities. General Moore requested an implementation plan progress report be delivered at the next Committee Day in January 2017.

Internal Audit Report

Mr. Peter Cheng, assistant vice president for university audit and consulting services, briefed the Board on a review of parking and transportation. The Department of Parking has a strong service level, shows a positive financial return and offers the consumer the lowest fee structure among in-state and national peers. In the area of transportation, the University maintains more than 100 University-owned vehicles which could potentially benefit from consolidation into a service pool model.

The Nuttner Center demonstrates excess capacity with an opportunity for increased sales and lease back potential.

A review of Family Educational Rights and Privacy Act (FERPA) compliance showed that compliance is an on-going factor of continuous training and education of those responsible for student records since new employees continue to come on-board.

Ms. Lora Bragg Sidor, assistant director of university audit and consulting services, reviewed the activity report, staffing levels, and a list of project workloads for the upcoming fiscal year. After discussion, the committee is requesting a report be delivered in January prioritizing the audit workload and exploring further how to match staffing to work levels needed.

Contracting Office

Mr. Ulliman gave an update on the makeup of the Office of Contract Management and the work that has been done to formalize a contracting policy.

To mitigate risk and more formally standardize and centralize the procurement process, changes have been made both with the structure of the purchasing areas and with the oversight of contracts.

A formal contracting office was recently created within Business Services and a search is underway for a Director of Business Services who will manage procurement, contracting, and materials management. The Office of Contract Management will assist departments with the contracting process, review contracts, coordinate legal and risk aspects, and work through procurement.

A Signatory Authority Policy was recently created to define contract parameters and clarify who is authorized to enter into contracts on the University's behalf. Work is being done to revise or develop procurement procedures and to educate the campus community on applicable policies, controls, and compliance aspects in relation to contracts. Templates have been created for standardized contracts and the use of a computerized contract tracking system is being explored.

Good of the Order

General Moore outlined several projects for the Committee moving forward which include progress checks on the affiliated entities implementation plan and compliance with the contracting policy, followed by an update of the Trustees' By-Laws.

The meeting was adjourned at 11:37 a.m.

Respectfully Submitted,
Deborah Kimpton