

C. Compliance and Audit Committee

General Moore, chair, will report on the committee meeting of January 20, 2017.

**Compliance and Audit Committee
Meeting of January 20, 2017**

Minutes

Present: M. Bridges, E. Broner, D. Fecher, S. Fitzpatrick, A. Goyal, J. Large, C.D. Moore, W. Montgomery, R. Pignatiello

Guests: L. Chan, P. Cheng, K. Engisch, R. Fyffe, T. Heigel, D. Hopkins, N. Lasky, C. Loranger, D. Kimpton, T. Sudkamp, R. Sweeney, K. Tittle, C. This, J. Ulliman

General Moore called the meeting to order at 10:36 a.m. and read the conflict of interest statement.

Comments from the Chair

Trustee Moore indicated that the Compliance and Audit Committee has the responsibility to periodically review established policies and operating procedures to determine if changes and/or updates are required.

General Moore outlined the fourfold focus of the meeting.

- 1) As a follow-up to the last Committee Day in November and the December Board Meeting, the Committee reviewed the plan to ensure effective compliance with the board-approved Affiliate Entity policy. We heard from Ms. Tittle, the University's new compliance officer regarding her time-phased plan to work with each affiliate entity to ensure timely and effective Affiliate Entity policy implementation.
- 2) We had a follow-up discussion with Mr. Peter Cheng and Ms. Lora Sidor regarding project workloads and resource limitations in the upcoming year. Specifically, the Committee requested a follow-on report to address prioritization of audit workload and further exploration of options to best match staffing levels to workload requirements.
- 3) In addition, we addressed the way ahead for updating the University's By-Laws of the Board of Trustees. The Committee heard from a group of graduate students from the Department of Accountancy regarding a project partnership with the Board of Trustees to assist in the update of our By-Laws. Again, I'd like to personally thank Dr. Susan Lightle and her five graduate students who have volunteered to work on this project over the upcoming semester.
- 4) Finally, we heard a response from Mr. Chan on an action from the last Board Meeting regarding a Trustee "wearing two hats" associated with participation and action on Affiliate Entity Boards.

Compliance Plan Implementation Update

Ms. Kelli Tittle, university compliance officer, briefed the Committee on the

Affiliated Entity Policy Implementation plan. The Committee has asked Ms. Tittle to present her timeline and prioritization plan to the full Board so you will be hearing from her later today during the Public Session presentation.

Audit Plan for 2017

At the November Compliance and Audit Committee meeting, Mr. Cheng, vice president for university audit and consulting services, outlined the audit plan for 2017. With a significant number of audits proposed and a finite number of staff available to handle the workload, the Committee asked Mr. Cheng to explore options to prioritize and best match staffing levels to workload requirements.

Mr. Cheng returned to the January meeting and presented a re-prioritized audit plan for the 2017 calendar year that ensured the most critical University operating areas were audited. Several of the lower priority areas, and those that had more recent audits, will be accomplished in early 2018. Mr. Cheng highlighted that one additional auditor is required to complete the revised, prioritized 2017 audit plan.

Board of Trustee' By-Laws

General Moore welcomed Ms. Tyler Mills, Mr. Tyler Davis, Mr. Kevin Munch, Ms. Christine Krebs and Mr. Nate Jenkins; students from the Master of Accountancy Graduate program who will be partnering with the Board on the review of its By-Laws.

The students presented a project plan designed to help the Board of Trustees update the current (2003) Wright State University Board of Trustees By-Laws. The students will conduct research, stakeholder interviews, gap analysis, and provide update recommendations with associated justification (rational/research) at the spring Board of Trustees meeting. Weekly progress updates will be provided to Trustee Moore and Dr. Sweeney.

Update from Mr. Chan on the "Dual Hat" Question

The question was raised at the last Committee meeting regarding Board of Trustee members who also sit on Affiliate Entity Boards and how to best manage wearing "Dual Hats". The Board requested that Mr. Larry Chan, vice president for legal affairs and general counsel, conduct a legal and ethical review and report back his findings.

Mr. Chan informed the Committee of situations where there could possibly be a conflict of interest with a Trustee member participating as a board member on a

Wright State University Affiliate Entity. If the Affiliate is supporting the vision of the University and doing “business of the University”, a conflict is not likely. However, each board member should be aware of the perception and work closely with Wright State’s legal counsel if there are ever questions about potential conflicts of interest, particularly with financial decisions affecting the Affiliate and the University.

Good of the Order

General Moore outlined the agenda for the next Compliance and Audit Committee meeting on April 7, 2017. The Committee will hear updates on the By-Law revision project as well as a progress report on the Affiliate Entity Implementation plan. In addition, there will be a discussion on the Contracting Policy, specifically how effectively it is capturing the desired attributes of right controls, process discipline and transparency in light of the University’s budget challenges.

The meeting was adjourned at 11:14 a.m.

Respectfully Submitted,
Deborah Kimpton