

MINUTES

**BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT
MEETING**

AUGUST 1, 2024

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

[Meeting Video](#)

I. CALL TO ORDER-II0 Tc 95 7006Tc 0.008Tw 4.5 0 Tdh1d -0.0

Executive Assistant Go announced that the Board Office did not receive any written testimony and that no one signed up to provide oral testimony.

IV. AGENDA ITEMS

A. Discussion of Committee Goals and Objectives for the 2024-2025 Academic Year

Chair Miyahira referenced the table of Committee Goals and Objectives for the 2024-2025 Academic Year noting that it is meant to serve as an outline of the work to be performed by the committee during the year. He stated it was a living document

Darren Suzuki, Director of the Office of Risk Management (ORM), provided background information on ERM and the development of a risk heat map that identifies the top risk categories for the university. He spoke about a recently completed external review of the university's ERM program which found that the risks faced by the university are comparable to those encountered by other public universities; the program is on the right path; and the risk heat map is an effective tool for managing the university's risk exposure. In July of this year, the administration also initiated a comprehensive review of the risk categories used by the university, which resulted in the updating of risk descriptions and recalibration of the heat map. Director Suzuki reviewed key risks and risk categories for the university and went over the shifts in impact and probability that have occurred with respect to the identified risks plotted on the heat map since it was last presented to the committee in April 2023. With regards to Risk Category No. 6 (Information Technology), Director Suzuki noted that although this risk category will remain high in probability and impact due to constant cyber incidents, especially with the two incidents UH had last year, he acknowledged the outstanding work done by VP Yoshimi and his team to bolster the UH system to prevent future incidents, which was validated by the fact that the cyber insurance underwriters were satisfied with the work done by VP Yoshimi and his team and the university was able to renew its coverage. He concluded by stating the administration will be closely monitoring all categories, especially Risk Category No. 7 (Maintaining Safety) and Risk Category No. 8 (Governance and Compliance), and will meet again next year to reassess and recalibrate the heat map.

Regent Higaki asked if the risks facing the university which have been identified by the administration mirrored those being seen by other institutions of higher education around the country. He also questioned whether there was a need to conduct a third-party review of the risk heat map given this was something generated by senior leadership at the university. Director Suzuki replied that

something of a concern. While this topic is on the administration's radar, Director Suzuki stated UH has not witnessed issues related to this matter as of yet.

In view of this response, Regent Wilson asked if the university is taking necessary actions to address potential problems the institution may encounter with respect to AI on both an academic as well as systemic level. VP Yoshimi replied that from an institutional perspective, addressing AI issues is definitely part of the university's portfolio, particularly in the areas of data governance, privacy, and the potential for exposure of regular and protected information. From the standpoint of academics, teaching, and learning, the university has begun to invest in AI tools and develop policies to address this issue, albeit slowly so as to ensure there is sufficient training and support for faculty and that faculty, staff, and students are properly grounded in terms of protections and privacy.

Mentioning challenges noted regarding the loss of institutional knowledge due to the retirement of long-term employees, Chair Miyahira questioned whether the university had standard procedural manuals which could help to mitigate this problem. Director Suzuki stated that, while many of the individual colleges, schools, or departments within the university have procedures in place for the transfer of this type of information between outgoing and incoming employees, to the best of his knowledge, a systemwide standard procedural manual did not exist. He also noted a general custom and practice among individuals who are retiring to share and pass on historical information and professional tips to new hires.

Chair Miyahira asked Director Suzuki if he believed regents should be made more aware about issues regarding compliance obligations such as those under Title IX. Although he stated this was something the board would need to ultimately decide upon, Director Suzuki reassured regents of the importance of compliance issues to the administration noting the existence of university departments devoted to addressing compliance with matters related to Title IX, Title IV, and Title VI, among other things, as well as personnel within the Office of General Counsel who are focused on these issues.

F. Discussion on the Search for a New Director of Internal Audit

Chair Miyahira noted the pending retirement of Internal Auditor Shizumura and spoke about the need to select his replacement. He informed regents that the Board Office has begun to work with the Office of Human Resources (OHR) to update the position description stating the position will be posted for recruitment once this task is completed.

Regent Abercrombie shared his thoughts on the search for a new Director of OIA stressing the need for committee and board involvement in the development of the position description. He also emphasized the committee's and board's role in the hiring of the Director of OIA as this position reports directly to the board. Chair Miyahira stated he would work with Board Secretary Lau to ensure regents receive a copy of the job description.

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