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Faculty Representative

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Student Representative

**The University of Rhode Island Board of Trustees
Institutional Risk and Compliance Committee Meeting
Thursday, September 10, 2020, 12:30 p.m.**

PURSUANT TO GOVERNOR RAIMONDO'S EXECUTIVE ORDER, THIS MEETING WAS HELD VIRTUALLY USING THE WEBEX PLATFORM (BOARD ONLY) AND FACEBOOK LIVESTREAM (PUBLIC VIEWING).

MINUTES

Chair Luna welcomed the members of The University of Rhode Island Board of Trustees Institutional Risk and Compliance Committee members, determined that a quorum was present, and called the meeting to order at 12:31 p.m.

Attendees present for this virtual meeting:

- Mr. Roby Luna, Chair (remote)
- Ms. Susan Carson Petrovas (remote)
- Mr. Richard S. Humphrey (remote-joined from 12:58-1:46 p.m.)
- Mr. David J. Martirano (remote)
- Ms. Jay Placencia (remote)

The University of Rhode Island Board of Trustees Institutional Risk and Compliance Committee ex-officio member:

- Mr. Tim DelGiudice—R.I. Council on Postsecondary Education (remote, phone)

The University of Rhode Island Board of Trustees member:

- Ms. Margo Cook (remote)

The University of Rhode Island Staff:

- Michelle Curreri, Chief of Staff and Board Liaison (remote)
- Kara Larsen, AVP for Enterprise and Risk Management (remote)
- Cynthia Mace, Associate Controller (remote)
- Melissa McCarthy, Director of University Research External Relations (remote)
- Abbigail Rider, Vice President for Administration and Finance (remote)
- Louis J. Saccoccio, General Counsel (remote)
- Peter J. Snyder, VP for Research and Economic Development (remote)
- Nelia Kruger, Audit Manager, O'Connor & Drew (remote)
- Melanie Dean, Audit Manager, O'Connor & Drew (remote)
- David Delulis, Principle, O'Connor & Drew (remote)

1. ACCEPTANCE OF THE AGENDA

Chair Luna called for a motion that The University of Rhode Island Board of Trustees Institutional Risk and Compliance Committee accept the Agenda for the meeting of September 10, 2020.

On a motion duly made by Mr. Martirano and seconded by Ms. Placencia it was

VOTED: THAT The University of Rhode Island Board of Trustees Institutional Risk and Compliance Committee accept the Agenda for the meeting of September 10, 2020.

VOTE: 4 members voted in the affirmative and 0 members voted in the negative.

YEAS: Mr. Roby Luna, Ms. Susan Petrovas, Mr. David J. Martirano, Ms. Jay Placencia.

NAYS: 0

ABSTAINS: 0

ABSENT: Mr. Richard Humphrey

2. APPROVAL OF THE MINUTES

Chair Luna called for a motion that The University of Rhode Island Board of Trustees Institutional Risk and Compliance Committee approve the minutes for the meeting of August 4, 2020.

On a motion duly made by Ms. Placencia and seconded by Ms. Petrovas it was

VOTED: THAT The University of Rhode Island Board of Trustees Institutional Risk and Compliance Committee accept the minutes for the meeting of August 4, 2020.

VOTE: 4 members voted in the affirmative and 0 members voted in the negative.

YEAS: Mr. Roby Luna, Ms. Susan Petrovas, Mr. David J. Martirano, Ms. Jay Placencia.

NAYS: 0

ABSTAINS: 0

ABSENT: Mr. Richard Humphrey

To start the meeting, Chair Luna announced that the committee vice chair is David Martirano and thanked him for his support.

Chair Luna shared that the committee has an incredibly challenging and important task ahead for them: Maintaining the integrity of the University of Rhode Island from a risk and compliance perspective. It is

an incredibly important task, one that is filled with challenges and triggers. The members of this group were specifically selected as collectively they have the core competencies and capabilities to address the challenges associated with this very important role.

“As we grow the core roles I anticipate and what I envision is that our roles will expand to more of a collaborative approach where we are reaching out to critical components of the University for a risk and compliance perspective,” he added. Chair Luna thanked the Committee members and shared that he looks forward to working with them in this critically important area.

3. DISCUSSION ITEMS

a. Review compliance on required training

Chair Luna began the discussion with the Committee members on the compliance required on training beginning with a presentation by URI Vice President, Abigail Rider.

Ms. Rider stated that the University of Rhode Island, as a large and growing state university, has always been very careful and thoughtful about managing its risks but has not had a unified enterprise risk management function until this June. The University has been setting up an enterprise risk management function which looks systematically at the array of risks that the University faces. There are certain risks which everyone understands, and which we insure for, but there is actually a broad range of risks, from financial risks, which is why we have external auditors, to reputational risks and many risks which may or may not have been articulated, measured, prioritized and treated. The enterprise risk management function has reporting into its compliance, environmental health and safety, and policy. Environmental Health and Safety is part of Enterprise Risk Management because there is a lot of compliance work in terms of handling chemical substances, fire safety, etc. Policy falls under Enterprise Risk Management because we have a big project underway to recast our policies in a standard format and make sure they are all up-to-date and easily accessible and available to anyone who wants to consult a policy.

Ms. Rider introduced Kara Larsen, Assistant Vice President for Enterprise and Risk Management, who gave a presentation entitled [“Enterprise Risk Management and Compliance Review.”](#)

Ms. Cook shared that in the URI Board of Trustees charter there is a Governance Committee where they develop and review policies. Ms. Cook inquired if the Governance Committee would approve the policies being presented by Ms. Larsen. Ms. Rider clarified that the Board has decided that Governance Committee will be the policy group for the Board. Any policies that are Board policies would be developed in the way Ms. Larsen described. If they are administrative policies, they would be reviewed and recommended by senior leadership to the Administrative Policy Committee, and then if pertaining to the Board’s statutory powers through the APC to the Board. If it is an academic policy, which is fairly well defined both in law and in the bylaws of the Faculty Senate, it would go through the Faculty Senate, to the President, and then to the Board. A Board policy affects areas over which the Board has oversight, such as employment. The University has created a central policies page, which is best practice if you look at other university websites across the country.

Ms. Cook shared that she can appreciate that and still thinks we need to clarify if this committee is charged with policies as it relates to institutional risk. Ms. Rider replied that the risk management portion of the policy is not so much about the content of individual policies. The policy **content** is not a risk management topic, but having a policy that is currently in place and easily accessed **is** part of risk management. There’s a lot of policy content that isn’t directly related to risk management.

Mr. Martirano expressed that the Board should make sure that they aren’t doing the same work twice.

A discussion followed about which Board committee should oversee policy development.

Ms. Cook stated that compliance and audits are the responsibilities of this committee. This committee is responsible for how policies get developed, improving the process around that, and the policy on policies. The Governance Committee reviews all of the policies that relate to the matters for which the Board is responsible in accordance with its powers.

Chair Luna stated that as we develop an understanding of the University's risk profile, we will have a better understanding of which Committees should be responsible for what. When we start looking at all the controls that we have to track in the risk register, or whatever the case may be, that will shed light on what policies need to be drafted, who needs to draft them, and from the governance perspective, who the stakeholders are.

Ms. Placencia shared that perhaps we consult with AGB and ask for clarification.

Ms. Cook agreed and said that this committee has its hands around governing how the University assesses its risk and governing that process, whereas the Governance Committee is responsible for approving or passing on to the full Board, for approval, the body of policies itself. Therefore, one is a process and understanding the process and the other is the policies themselves.

The Chair asked Ms. Larsen to explain the changes in the Title IX regulations and the new policy that the University has developed for review and approval by the Board.

Ms. Larsen shared that the biggest catalyst for the new Department of Education rules was the perception of Education Secretary DeVos that there was not sufficient due process being supplied to respondents in the Title IX hearing process at universities.

Ms. Rider stated that this is the first time that regulations have been issued under title IX. Hitherto, the Department of Education had issued Dear Colleague letters, which are guidance but not law. These new regulations are law and they implemented them very fast in the middle of the pandemic. The changes essentially are the scope of Title IX, that is to say, the Dear Colleague guidance said that events involving university community members off campus in a setting over which the University has no control were part of that jurisdiction. The new regulations limit the scope of Title IX to incidents that occur on the university campus. That doesn't mean the university can't address incidents that happen off campus under other means, such as code of conduct, but it does mean that it does not qualify as a Title IX administrative matter. In addition, the new regulations laid out a hearing process that is much closer to a trial procedure than most institutions had been using prior to that. Both the respondent and the complainant may have an advisor of their choice. There are no requirements attached to the advisor; they can be anyone the respondent or complainer chooses, and those advisors have the right to cross examine the other party, which was not the case before. The procedures are literally written into the regulation which makes it pretty clear what needs to happen. Per the law, these changes took effect on August 14th of this year.

Chair Luna thanked Ms. Larsen for her presentation.

b. Update from External Auditors, O'Connor and Drew, P.C.

Chair Luna shared that the discussion with the Committee members regarding the audit will be presented by members of O'Connor & Drew, P.C. They were introduced by Ms. Rider.

Mr. David Delulis, Ms. Nelia Kruger, and Ms. Melanie Dean of O'Connor & Drew, P.C. gave a presentation entitled, [*"Audit for the Year Ended June 30, 2020"*](#).

Ms. Placencia congratulated the University on the management letters, which showed no material concerns. She said that O'Connor & Drew had mentioned that separate from the management letter, they offered a list of additional services and wondered if the University had taken them up on any recommendations.

Mr. Delulis said that if they know of a better way of doing things they let the clients know right on site, as most of their recommendations would be oral during field work.

Ms. Kruger shared that the last major item that they helped URI implement was a reconciliation between capital projects, property management and the accounting office. The differences were not material, but the numbers did not tie out. O'Connor & Drew worked with the University to figure out the best way to make sure the numbers agreed exactly. O'Connor & Drew are now confident that fixed assets are properly accounted for across the entire campus, not just in different departments.

Mr. Deulice shared that O'Connor & Drew had done some Clery work in the past.

Mr. Martirano asked how long this firm had been doing the audit for URI and if they also do work for the state.

Mr. Delulis stated that every three years the state goes out to bid but thinks they may have recently changed to five years, because O'Connor & Drew were recently awarded a contract with the state for five years. This is the third year of a three-year contract. As part of best practices, the state requires the auditors to rotate partners on the case. Therefore, at the last renewal they have a different team on the audit. The audit RFP went out with CCRI, RIC and OPC as one bundle. Six or seven firms bid on it. He doesn't believe that any other firm has as much higher education experience as they do, except perhaps a national firm such as LPMG, who the State used for years.

Mr. Martirano asked how long O'Connor & Drew had been URI's auditor.

Mr. Delulis estimated that O'Connor & Drew had been doing the University's audit for approximately nine years. The state goes through a process every three years and analyzes bids. There is a representative from each institution on the committee to analyze all the RFPs. As far as price we were probably on the lower end compared to our competitors.

Mr. Martirano asked who makes the decision at the URI level now that we are separate from the other two colleges, and does the state make the decision on the auditor and pass it down to us because we are part of the state or does this Board make the decision?

Ms. Cook stated that the Board appoints the auditors and the recommendation would come from this committee as to the renewal process.

Ms. Rider shared that the selection of an auditor would be subject to State purchasing rules, and therefore, the contract would have to be competitively and publicly bid.

Mr. Delulis emphasized that the State requires O'Connor & Drew to issue final financial statements by September 30th; therefore, the statements will be final before the Committee or the full Board approves them. Perhaps next year the Committee might want to consider timing the meetings a little before September 30th so the Board could exercise that approval function.

Ms. Rider asked Tim DelGiudice to weigh in as this has been a perennial consideration in that the financials are finished in record time, right at the time that they have to go to the State. The University

