

**Notice of Meeting
UNIVERSITY OF HAWAI'I**

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT

Members: Regents Miyahira (Chair), Akitake (Vice-Chair), Abercrombie, Higaki, and Paloma

Date: Tuesday, January 7, 2025

Time: 11:00 a.m.

Place: University of Hawai'i at Mānoa
Bachman Hall
1st Floor Conference Room 106A/B
2444 Dole Street
Honolulu, Hawai'i 96822

See the Board of Regents website to access the live broadcast of the meeting and related updates: www.hawaii.edu/bor

ORDER OF THE DAY

- I. Call Meeting to Order**
- II. Approval of Minutes of the December 5, 2024 Meeting**
- III. Public Comment Period for Agenda Items:**

All communications from the Public to the Board of Regents is welcomed and distributed to all regents. To enable the Board to conduct its business, public comments at meetings may only be provided on agenda items noted below. Individuals who are unable to provide testimony at this time will be allowed an opportunity to testify when specific agenda items are called.

All written testimony on agenda items received after posting of this agenda will be distributed to the board. Written testimony may be submitted via the board's website through the testimony link provided on the Meeting Agendas, Minutes and Materials page. Testimony may also be submitted via email at bor.testimony@hawaii.edu, U.S. mail at 2444 Dole Street, Bachman 103, Honolulu, HI 96822, or facsimile at (808) 956-5156.

Those wishing to provide oral testimony virtually may register [here](#). Individuals wishing to orally testify virtually are requested to register no later than 9:30 a.m. on the day of the meeting in order to be accommodated. Registration for in-person oral testimony on agenda items will also be provided at the meeting location 15 minutes prior to the meeting and closed at the posted meeting time. It is highly recommended that written testimony be submitted in addition to registering to provide oral testimony. Oral testimony will be limited to three (3) minutes per testifier.

If you need an auxiliary aid/service or other accommodation due to a disability, contact the Board Office at (808) 956-8213 or bor@hawaii.edu as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

Although remote oral testimony is being permitted, this is a regular meeting and not a remote meeting by interactive conference technology under Section 92-3.7, Hawai'i Revised Statutes (HRS). Therefore, the meeting will continue notwithstanding loss of audiovisual communication with remote testifiers or loss of the public broadcast of the meeting.

All written testimony submitted are public documents. Therefore, any testimony that is submitted orally or in writing, electronically or in person, for use in the public meeting process is public information and will be posted on the board's website.

IV. Executive Session (closed to the public):

Personnel and Legal Matters: (To consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), HRS; and to consult with the board's attorneys on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities, pursuant to Section 92-5(a)(4), HRS.)

1. Interviews of Director of Internal Audit Candidates
2. Possible Decision Making on Director of Internal Audit

V. Adjournment

DISCLAIMER – THE FOLLOWING ARE DRAFT MINUTES AND ARE SUBJECT TO FURTHER REVIEW AND CHANGE UPON APPROVAL BY THE COMMITTEE

MINUTES

BOARD OF REGENTS COMMITTEE ON INDEPENDENT AUDIT MEETING

DECEMBER 5, 2024

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

[Meeting Video](#)

I. CALL TO ORDER

Chair Michael Miyahira called the meeting to order at 9:03 a.m. on Thursday, December 5, 2024, at the University of Hawai'i (UH) at Mānoa, Bachman Hall, 1st Floor Conference Room 106A/B, 2444 Dole Street, Honolulu, Hawai'i, 96822, with regents participating from various locations.

Committee members in attendance: Chair Michael Miyahira; Vice-Chair Lauren Akitake; Regent Neil Abercrombie; and Regent Wayne Higaki.

Committee members excused: Regent Diane Paloma.

Others in attendance: Board Chair Gabriel Lee; Board Vice-Chairs Laurie Tochiki and Laurel Loo; Regent Joshua Faumuina; Regent William Haning; Regent Ernest Wilson (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Academic Strategy Debora Halbert; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; Interim VP for Community Colleges Della Teraoka; UH-Mānoa (UHM) Provost Michael Bruno; UH-Hilo Chancellor Bonnie Irwin; UH-West O'ahu Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Yvonne Lau; and others as noted.

II. APPROVAL OF MINUTES

Chair Miyahira inquired if there were any corrections to the minutes of the November 7, 2024, committee meeting which had been distributed. Hearing none, the minutes were approved.

III. PUBLIC COMMENT PERIOD

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

Regent Abercrombie arrived at 9:04 a.m.

IV. AGENDA ITEMS

A. **Review and Acceptance of the University of Hawai'i Audit Reports as of June 30, 2024, including:**

- 1. External Auditor Required Communications**
- 2. Audited Financial Compliance Reports**
- 3. Corrective Action Responses for the Federal Compliance Findings**

Ryan Horiuchi, a principal with Accuity LLP, explained that, in addition to auditing the university's consolidated financial statements, Accuity conducts what is known as a single audit, which is a federally required audit performed on non-federal entities expending \$750,000 or more in federal awards during the entity's fiscal year and consists of both financial and compliance reviews regarding federal rules and regulations. He reported on several aspects contained within the single audit highlighting the expenditure of approximately \$624 million by 13 major federal programs at the university in fiscal year (FY) 2024, as well as four reportable compliance findings, all of which involved minor control deficiency issues relating to student financial aid. Since none of the compliance findings were deemed to be significant deficiencies or material weaknesses, Accuity was prepared to issue what is known as a "clean" or unmodified opinion on the university's compliance with the requirements of its major federal programs. Mr. Horiuchi also drew attention to the internal control and business issues report (ICBIR) contained within the committee meeting materials packet, noting it consisted mainly of comments about observations made by Accuity in the course of auditing the university's consolidated financial statements and compliance reports for the year ended June 30, 2024. A total of seven comments regarding issues involving either university or board policies were included in this year's ICBIR, none of which were of significance.

Erin Takamine, an audit partner with Accuity LLP, reviewed Accuity's audit of the university's consolidated financial statements, stating this matter is presented to the committee each year to satisfy annual audit requirements and expectations. She noted that, for the FY ended June 30, 2024, total assets of the university increased by \$265 million while total liabilities increased by \$123 million and provided a synopsis of the main elements contained within the financial statements reviewing increases and decreases in cash and investment revenues; pension and other post-employment benefit (OPEB) liabilities; deferred inflows and outflows of resources related to OPEB; and operating, as well as non-operating, revenues and expenses. She also went over several required communications pertaining to the conduct of an audit under generally accepted auditing standards within the United States that are intended to ensure the committee receives information on the scope and results of the audit.

Referencing the increases in accrued payroll and fringe benefits attributed to compensation for temporary hazard pay, Vice-Chair Akitake asked if Accuity could speak more to this matter. Ms. Takamine stated approximately \$42.5 million in costs relative to temporary hazard pay was accrued by the university as of June 30, 2024,

with \$21.25 million being paid out in October and the remaining \$21.25 million scheduled to be paid out in March 2025.

Committee members lauded and thanked Accuity for the thoroughness of its reports and the clarity of the information presented, commended VP Young and his time for their work on this issue, and expressed their happiness with the university receiving a clean opinion regarding its compliance with federal financial reporting requirements.

Regent Abercrombie moved to accept the University of Hawai'i audited financial reports for the year ended June 30, 2024, seconded by Vice-Chair Akitake, and noting the excused absence of Regent Paloma, the motion carried with all members present voting in the affirmative.

B. Professional Development: Review of Accuity Audit Committee Toolkit, Part II

Cory Kubota, managing partner of Accuity LLP, talked about, and presented information on the primary duties, roles, functions, and responsibilities of the committee with respect to ensuring the administration has appropriate internal controls in place regarding the university's financial reporting requirements and compliance with statutory and other regulatory matters; the prevention, deterrence, investigation, and detection of fraud; the establishment and oversight of a whistleblower policy containing sufficient protections for whistleblowers; committee meetings held in executive session; and communicating with the independent auditor. He also reviewed the major components of the Committee on Sponsoring Organizations, or COSO, framework, which is a tool used by the university to establish internal and regulatory monitoring controls; spoke about the importance of clear communications in developing a sound internal control environment; went over definitions of terms used by auditors to describe varying degrees of internal control deficiencies; and highlighted some of the key roles and responsibilities of the administration, internal auditor, and Accuity regarding matters of internal control.

Vice-Chair Akitake engaged Mr. Kubota in a conversation about the relationship between the committee, the Office of Internal Audit (OIA), and university management; the mission and purpose of OIA; processes used for creating the annual internal work plan, which is something spearheaded by OIA, and best practices for the development of topics to be included in the work plan, such as brainstorming sessions with the Director of OIA, in addition to some best practices which the committee may not be observing; the ability for the committee to add topics or projects to the aforementioned work plan as needed; the appropriateness of, and limitations on, using an executive session to develop audit topics in light of Hawai'i's Open Meetings Law, more commonly referred to as the Sunshine Law, and the university being a public institution; and obligations of the committee with respect to ensuring corrective actions noted in an audit are carried out. While the committee has a duty to address and vet risks it is made aware of which could jeopardize the reputation of the university, and dialogue should be taking place between the committee, OIA, and management regarding an audit's findings, recommendations, and suggested corrective actions, Mr. Kubota stressed the committee is a governing body and not a managing body. As such, the committee's responsibility lies in holding

management accountable for whether or not a situation is remediated in an appropriate and timely manner rather than delving into the details of its corrective actions.

Regent Abercrombie shared his thoughts on the applicability of the Sunshine Law to the board as well as the committee, particularly when discussing audits and audit topics, and suggested the board have a serious conversation about executive sessions and when they should be entered into. Chair Miyahira mentioned the possibility of having the Office of General Counsel brief the committee on this topic at a later meeting.

C. Review and Acceptance of the UHM Intercollegiate Athletics Audit Reports for the Year Ended June 30, 2024

Mr. Horiuchi provided context to, and an overview of, Accuity's report on agreed-upon procedures engagement to ensure the UHM Athletic Department's statement of revenues and expenses for the year ended June 30, 2024, was compliant with the National Collegiate Athletic Association bylaws. He stated that Accuity's review did not detect any material misstatements and did not identify any internal control matters or operational deficiencies warranting communications with the committee, board, or university.

Regent Abercrombie moved to accept the UHM Intercollegiate Athletics Audit Reports for the Year Ended June 30, 2024, seconded by Vice-Chair Akitake, and noting the excused absence of Regent Paloma, the motion carried with all members present voting in the affirmative.

D. Review and Acceptance on the Annual Report to the Legislature on Material Weaknesses and Fraud

Peter Lee, Interim Director of OIA, explained that OIA prepared a report on material weaknesses and fraud in accordance with statutory requirements. He noted that this report, the contents of which are based upon Accuity's audit of the university's financial and compliance reports, is submitted to the Legislature each year prior to the convening of the legislative session, and stressed the lack of findings with respect to material weaknesses, fraud, or illegal acts. Upon its approval, the report will be sent to the Legislature on behalf of the committee.

Regent Abercrombie moved to accept the annual report to the Legislature on material weaknesses and fraud, seconded by Vice-Chair Akitake, and noting the excused absence of Regent Paloma, the motion carried with all members present voting in the affirmative.

E. Waikīkī Aquarium (Aquarium) Update – Status of Corrective Action

Provost Bruno delivered an update on the status of six pending corrective actions related to the Aquarium as detailed in a July 2024 report published by OIA entitled *University of Hawai'i at Mānoa Waikīkī Aquarium Status of Corrective Actions -Follow Up* which, along with efforts undertaken by the administration to address the documented issues, were discussed at the September 19, 2024, committee meeting. Steps being carried out by the administration to take care of the noted corrective actions include

working with the vendor for RocketRez, the point-of-sale (POS) system which the Aquarium migrated to earlier this year, to resolve inventory valuation issues and other system discrepancies mainly attributable to software issues with the new system and developing temporary workarounds to these issues; manually calculating, confirming, and reconciling true cost of sales and inventory figures for the period between April and July to ensure data entered into the Kualii Financial System (KFS) was accurate and correct, although it was stressed this action was not a sustainable solution to addressing software challenges; sending of a Notice of Default to the Waikīkī Aquarium's luau concessionaire, Kings Luau, for failure to adhere to contract requirements concerning the engagement of an independent certified public accountant to audit and issue a report on the concessionaire's receipts, and Travelers, the issuer of surety on the concessionaire's bond; engaging with the luau concessionaire about the establishment of a formal payment plan for any outstanding concession fees; obtaining confirmation from the Friends of the Waikīkī Aquarium (FOWA) about the entity's commitment to certain accounting practices pertaining to the receipt and disbursement of revenues for the benefit of the Aquarium via a resolution passed by the FOWA board at its September meeting; the provision of documentation to OIA concerning the proper recordation of FOWA and University of Hawai'i Foundation (UHF) vendor payments made on behalf of the Aquarium in KFS along with the administration's responses to additional inquiries posed by OIA in relation to this matter; updating of the Aquarium's fiscal policies and processes for the handling of cash and credit card receipts to be in accord with university policies about the timely deposit of payments, copies of which were distributed to all Aquarium staff; and the provision of refresher training on the revised policies and processes. It was also noted that, on December 2 and December 3, 2024, the administration provided additional summaries of progress it has made in addressing the various issues to OIA. While the administration is forging ahead with implementing the foregoing changes and continues to undertake measures to deal with the identified corrective actions, Provost Bruno emphasized it is doing so with the goal of developing sustainable, long-term solutions to the noted challenges.

Regent Wilson arrived at 10:11 a.m.

Vice-Chair Akitake requested Interim Director Lee to confirm the administration's efforts relative to the POS system issues. Interim Director Lee verified that workarounds to software issues were developed and manual calculations were done to ensure accuracy of cost of sales and inventory figures as mentioned. However, OIA concurs with Provost Bruno's assessment calling into question the sustainability of these efforts and the necessity of the RocketRez vendor finding a long-term solution to the problem. As such, OIA considers this matter to be a work-in-progress.

Referencing comments made by Byron Apo, Aquarium Administrative Officer, during the September 9, 2024, committee meeting regarding communications with RocketRez and fixes to issues with its POS system, Vice Chair Akitake asked about the status of these exchanges. Alexandra 'Sandy' French, UHM Chief Business Officer, responded that Aquarium staff have been actively engaging with representatives from the RocketRez vendor via regular emails, zoom meetings, and the like. While the vendor has informed the administration about its placing a high priority on finding a solution to

deal with software issues being experienced with the Aquarium's POS system, a fix has yet to be developed. In the meantime, as previously mentioned by Provost Bruno, the vendor has developed a temporary workaround to address this matter.

Chair Miyahira shared his thoughts on the situation with the Waikīkī Aquarium's POS system stating the length of time which has passed since the concerns were first identified has been far too long and perhaps the administration needs to consider parting ways with the RocketRez vendor. Both Provost Bruno and Chief Business Officer French agreed with Chair Miyahira but expressed a desire to try to find a solution for this issue amenable to all parties involved given the inordinate amount of time and effort spent by staff on this matter. Even so, they stated the administration was of the belief the path suggested by Chair Miyahira should be taken if a fix could not be made in the near future or additional challenges with the system are encountered.

Vice-Chair Akitake sought clarification as to whether the corrective actions with respect to the preparation of gift shop periodic and annual financial reports comparing actual to target gross margins and the conducting of reviews and approvals of gift shop inventory adjustments could not be closed out until bugs within the Waikīkī Aquarium's POS system were dealt with and evidence of this was provided to OIA. Provost Bruno responded in the affirmative stating the abovementioned corrective actions could not be closed out until the administration afforded OIA with satisfactory evidence of bugs within the Aquarium's POS system being addressed and OIA verifies the fixes have been made and are sustainable.

Similar to the opinion offered earlier by Chair Miyahira, Regent Abercrombie noted his concerns as to the apparent inability of the RocketRez vendor to find a solution to software problems with the POS system used by the Aquarium and emphasized the need for the administration to consider terminating the vendor's contract.

Citing the potential establishment of a payment plan for outstanding concession fees, Chair Miyahira suggested the administration have the principles or owners of Kings Luau guarantee adherence to any proposal entered into.

Vice-Chair Akitake asked if the administration knew the exact amount owed by the luau concessionaire and if so, whether this figure was accurate. Provost Bruno stated the administration has a firm idea of what, at a minimum, it is owed by the luau concessionaire predicated on the per event fee of \$4,000. However, it remains unclear as to whether additional funds are due to the university for things such as a stipulation in the luau contract relating to the payment of \$4,000 per event or 15 percent of gross revenues earned by the concessionaire, whichever is greater. While overall attendance figures for each event are known, details of these figures, such as the number of children versus the number of adults attending the event which could have an impact on gross revenues and was something the end-of-year audit was intended to capture, remain in the hands of the luau concessionaire and are not readily available to Aquarium staff. As such, a decision will need to be made as to whether the total compensation owed to the university by the luau concessionaire should be simply based upon the per event and other related fees or for another sum to be calculated taking into account more detailed event attendance information which would be an

additional undertaking for Aquarium staff and may not be worth the effort should the difference in amounts due be insignificant. Provost Bruno noted all of these factors would be considered and could be incorporated into a payment plan should one be developed.

A discussion ensued on potential next steps which could be taken concerning the luau concession issue including, among other things, having Aquarium staff conduct a deeper analysis of luau event data across the year to determine if there were instances where 15 percent of gross revenues could have exceeded the standard fee of \$4,000, and figuring out whether the difference in the amount of funds generated by each was significant and deciding whether or not to proceed with the creation of a payment plan for the concessionaire.

Chair Miyahira sought comment from Interim Director Lee on the issue regarding the Aquarium's timely deposit of cash and credit card payments. Interim Director Lee stated OIA is still monitoring this matter to ensure the recent policy and processes changes referred to by Provost Bruno are working as intended. Additionally, OIA needs to ensure full payments associated with the use and services of the Aquarium for scheduled events are being received prior to the event taking place which was another matter noted in OIA's initial and follow-up reports.

Vice-Chair Akitake asked Interim Director Lee about the status of the issues related to FOWA's commitment to certain accounting practices and the proper recordation of FOWA and UHF vendor payments in KFS. Interim Director Lee stated he was aware of, and has seen, correspondence relating to FOWA's pledge to adhere to certain accounting practices as referenced by Provost Bruno. Thus, OIA considers this corrective action as having been addressed by the administration. With respect to the proper recordation of FOWA and UHF vendor payments in KFS, OIA is in the process of reviewing the materials provided by management on this issue. Once the information and data submitted are verified, OIA will be able to make a determination as to the corrective action's final status.

Chair Miyahira, Vice-Chair Akitake, and Interim Director Lee had a brief conversation on the timeframe for OIA conducting another review of the corrective actions taken by Aquarium management and the administration which were reported on by Provost Bruno and the presentation of this information to the committee. Although OIA has already begun to look at some of these measures, others, such as the situation with the luau vendor, will require more time to review. Interim Director Lee stated it would be OIA's preference to report on all of the corrective actions in totality at a single meeting. It was also noted that the next regular meeting of the committee was currently scheduled for April 2025.

Vice-Chair Akitake provided a recap of the status of the six corrective action items mentioning that for items number one and two, the ongoing communications with RocketRez regarding the POS system and the possibility of selecting a new POS vendor and the conducting of an assessment on whether there was a significant difference between luau revenues generated by a per event fee as opposed to a percentage of gross receipts and the incorporation of this information into a potential

payment plan for the luau concessionaire, may take more time to achieve closure on; the resolution of item number three, the FOWA matter concerning a commitment to certain accounting practices pertaining to the receipt and disbursement of revenues for the benefit of the Aquarium; and the anticipated closing out of issues four, five, and six, regarding proper recordation of FOWA and UHF vendor payments made on behalf of the Aquarium in KFS, full payments for scheduled events at the Aquarium prior to their taking place, and the timely deposit of cash and credit card receipts, upon verification of data by OIA.

Provost Bruno called upon Dr. Charles “Chip” Fletcher, Interim Dean of the School of Ocean and Earth Science and Technology (SOEST), to say a few words about the incorporation of the Aquarium into SOEST as one of its major Organized Research Units (ORU), as well as future plans for the facility. Dr. Fletcher spoke about some of the expected benefits of integrating the Aquarium into SOEST, including improving upon the Aquarium’s ability to meet the educational, research, and community service missions of the university while at the same time, expanding the capabilities of the various SOEST departments and centers, in particular those with educational, research, and public outreach programs that can benefit from the Aquarium’s collections, facilities, expertise, and location; pointed out the formation of a working group consisting of individuals from the Oceanography Department, the Hawai’i Institute of Marine Biology, the Department of Ocean and Resources Engineering, the Pacific Biosciences Research Center, Hawai’i Sea Grant, SOEST, and the Aquarium, to discuss and brainstorm ideas on how to inject new educational and research opportunities into the Aquarium; highlighted meetings and conversations held with area legislators, Aquarium staff, the current Director of the Aquarium, FOWA, and other interested parties to better understand their concerns with regard to the Aquarium and garner ideas on how to enhance the facility; shared his thoughts about, and offered insights on, the potential for developing a synergistic relationship between the Aquarium and the Kewalo Marine Lab (KML), something along the lines of what is occurring at the Monterey Bay Aquarium; and noted SOEST’s intent to move forward with fiscal and physical improvements with respect to the Aquarium once issues identified in the audit are cleared-up and closed out.

Regent Haning asked whether there were any problems identified by the Office of Hawaiian Affairs (OHA), the owner of the land upon which KML sits, which could jeopardize future extensions of the facility’s lease for the parcel. Dr. Fletcher replied that he has been in communication with OHA trustees regarding plans for the area of land owned by OHA known as Kaka’ako Makai, which encompasses KML. However, questions remain as to whether OHA will retain control of this land given legislative discussions over the last two legislative sessions about developing these parcels.

Committee members praised Dr. Fletcher’s and SOEST’s efforts to think outside the box and generate innovative ideas on how to improve the Aquarium’s public facing side while enhancing the facility’s research capabilities and infrastructure.

F. Audit Project Status Update

Interim Director Lee gave an update on the projects and audits outlined in the approved Internal Audit Work Plan for Fiscal Year 2024-2025 and presented a chart indicating new, ongoing, and carryover projects as well as their current status.

G. Whistleblower Report

Interim Internal Auditor Lee reviewed information contained with the whistleblower summary and tracking reports noting that incidents involving employment or human resources-related issues constituted the majority of whistleblower cases for the current reporting period.

Chair Miyahira asked if there was any rationale for some whistleblower cases remaining open in excess of 90 days or longer. Interim Director Lee stated, in many instances, the length of time a whistleblower case remains open can be attributed to ongoing communications with the reporter or difficulties in contacting the reporter to gather further information on the matter. However, OIA does monitor and conduct follow-up in these situations, particularly when a case has remained open for a significant length of time.

H. Enterprise Risk Management: Office of Risk Management (ORM) Fiscal Year (FY) 23 and FY 24 Biennium Report

Darren Suzuki, Director of ORM, reported on various provisions of the university's risk management program stating the institution has a combined program of self-insurance and excess insurance to cover its losses and liabilities. While the university purchases insurance directly through United Educators (UE) to cover some of these exposures, it also has access to insurance coverages and limits under certain insurance policies maintained by the State Department of Accounting and General Services (DAGS) Risk Management Office. Director Suzuki then proceeded to talk about the types of liability coverages contained within the university's Risk Financing Program including general liability, management liability, crime liability, cyber liability, and property insurance on the university's real and personal property and summarized loss experiences associated with each of these areas over the last five fiscal years. He stated the university will continue to work with its insurers and DAGS in promoting a management and financing strategy to reduce risks and effectively adjust claims as they arise across the ten-campus system.

Chair Miyahira asked whether the administration believes premiums paid by the university for excess insurance coverage will remain stable. He also inquired if there were any areas of concern with respect to insurance coverages the administration felt the board needed to be made aware of. Director Suzuki replied that while there has been a small increase in premiums for the coverages purchased directly by the university, the amount of the increase appears to be reasonable. He also noted the university's loss history, which has been relatively minimal, as well as internal actions taken by the institution to reduce and manage risks, have resulted in fairly stable insurance costs over the past few years. As far as areas of concern regarding insurance coverages, Director Suzuki stated the university has insurance policies in place to cover the vast majority of risks it may experience and self-insures claims for various exposures

excluded from coverage by State of Hawai'i or university insurance policies. Additionally, several departments and professional programs have purchased smaller policies for specific purposes related to those departments or programs.

The meeting recessed at 10:57 a.m.

The meeting reconvened at 11:42 a.m.

V. EXECUTIVE SESSION (closed to the public)

Regent Abercrombie moved to convene into executive session, seconded by Vice-Chair Akitake, and noting the excused absence of Regent Paloma, and with all members present voting in the affirmative, the committee approved convening in executive session to consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), Hawai'i Revised Statutes.

The meeting recessed at 11:42 a.m.

Regent Wilson left at 12:37 p.m.

Chair Miyahira called the meeting back to order at 1:17 p.m. stating the committee met in executive session to discuss the matters as noted on the agenda.

VI. ADJOURNMENT

There being no further business, Chair Miyahira adjourned the meeting at 1:17 p.m.

Respectfully Submitted,

Yvonne Lau
Executive Administrator and Secretary
of the Board of Regents

Item IV.

Executive Session

**ITEM TO BE
DISCUSSED IN
EXECUTIVE
SESSION**