



## Board of Trustees

Audit Committee

February 2, 2016

President's Boardroom, The Horace Mann Center

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**PRESENT:** Trustees Hagen (Chair), Martin, Slakey, and Sullivan.

Meeting called to order at 4:55 PM.

**UNIVERSITY INSURANCE POLICY PORTFOLIO.** Presented by Diane LeBeau, Director of Risk Management. The Audit committee oversees financials and risk management systems. One of the four responses to risk involves sharing. Chapter 258 of Mass General Laws. Three documents under this agenda item to review: current list of insurance policies, comp claims from last three fiscal years, and insurance policies.

Insurance agencies are chosen through proposals. Chris Raymond in Procurement manages this process to centralize and ensure the best rates. Looking into travel insurance for faculty and staff, and requiring students who travel through J-term to purchase separate insurance. Looking at policies that incorporate faculty and staff, and faculty, staff and students who travel together.

Cynthia Siegler, Director of International Programs, follows state department guidelines for travel abroad. Insurance companies also have a list of countries they will not insure.

Self-insurance was questioned by Trustee Slakey. The institution is responsible for up to \$100K. Tort claims are managed by the Director of Health and Safety. Any amount in excess of that goes to the Attorney General's Office. Trustee Sullivan clarified that workers comp is not a tort claim. The university pays the compensation until the employee returns to work. The university picks it up until they return then get a charge back from the state.

President Torrecilha and Trustee Slakey requested that the legal team be brought to a meeting and have them present scenarios so that they understand the rules and policies.

**Advisor Recommended Insurance Suggestions from 2012:**

Some may not be applicable to WSU. The first one is applicable for Mass Art. All of the recommendations we have done with the exception under auto liability. Their proposed limits were \$30M. Hanover would not go to that amount. Did \$1M in excess of \$1M.

Other recommendations taken into account include eliminating D&O for trustees but we have it for the Foundation board. The savings is roughly \$9K. Not a significant amount. In total premiums paid annually is \$54K, not including the \$40 paid by students for international travel. Can have someone from Rubin and Rudman to come in and explain.

**Workman's Comp Injury Cases.** The number of claims is too high. An assessment needs to be done to determine why there are so many injuries. We rate 3<sup>rd</sup> in the state within the COP. Diane will follow-up with Human Resources to see if it includes student employees, how they are tracked and reported. The kinds of injuries reported are should also be taken into account.

**Action items (sent to trustees):**

**Diane will send a copy of the report for distribution to the trustees.**

**Work with the Director of OSHA**

**Arrange Skype with Rubin and Rudman to explain self-insurance**

**Follow up with HR to see where most of the claims occur**

**Send an email about the comptroller training date**

The Office of the State Comptroller is coming to campus Friday, March 4 from 10:00AM to 12:30 PM to certify that all employees are trained in Fraud Awareness and Prevention. Open to everyone. Interactive training.

Whistleblower. Reports to Kim and Jim Hagen. Now has an online reporting system where people can submit anonymously or call and meet with her. Part of fraud abuse training.

The University's Risk Management team has reviewed Facilities and Operations, accessibility needs, particularly Title I under ADA, structure and structural access, mental illness and suicide prevention, emergency response plan, and crime prevention.

Trustee Slakey inquired about how long we can feed students in an emergency such as a blizzard. Diane discussed the Emergency Response Managers Committee. When risk management initiatives arise, they are in communication with the budget committee to ensure they are in line with the budget committee. Internal control plans identifying risk area. Want to make sure they are identifying the same risks as the VPs.

**Other Business.** Internal audits are in process. They will receive a summary report like they did last year.

Pace put out an RFP for audit proposals. Due back February 12. Audit committee has a charter to select the audit firm. Will have information for the audit committee for the April meeting. Motion to adjourn. Moved by Trustee Slakey, seconded by Trustee Martin.

Meeting adjourned at 5:45 PM.