Update 9: Board Response to the December 16, 2015 Higher Learning Commission Determination

Update 2: Board Response to the September 28, 2016 Performance Audit of the College of DuPage (Senate Resolution No. 55)
The period of Probation mandated by the Board is two years at the end of which the Commission will evaluate the College again. Therefore, the Board requires that the College file with the Commission an Assurance Filing no later than February 2017, or eight weeks prior to a comprehensive evaluation scheduled for no later than April 2017. The Assurance Filing should provide evidence that the College has ameliorated the findings of non-compliance identified in this action that resulted in the imposition of Probation and that the College meets all the Criteria for Accreditation, the Core Components, Federal Compliance Requirements, and the Assumed Practices. While the College must address all of these requirements in its Assurance Filing, its particular focus should be on integrity, governance, the role of the Suburban Law Enforcement Academy in the College and its intersection with the criminal justice program, and effectiveness of governance and administration.
Criterion Two, Core Component 2.A.

The College is out of compliance with Criterion Two, Core Component 2.A, “the institution operates with integrity in its financial, academic, personnel, and auxiliary functions; it establishes and follows policies and processes for fair and ethical behavior on the part of its governing board, administration, faculty, and staff,” for the following reasons:

2.1.(1):

- As documented in the College’s internal audit report, there have been regular breaches of the College’s investment policies including exceeding the limits of specific types of investments that do not meet dollar, maturity, or asset requirements required by the Board Policy, and employees in the Financial Affairs Office, although regularly notified about this situation, failed to bring these matters to the attention of appropriate individuals;

Update 9: (a) Investment policy-outside advisors

- Completed.
  - AG recommendations discussed at Nov. 10 2016 Committee of the Whole

(b) failure to notify the Board

- Training: Board ethics and governance training July 20, 27, Board members and Cabinet. Done.
- Improved: communication between administration, Board members, scope of information provided, Board book contents improved; more advance notice; communications from Dr. Rondeau to Trustees.
- November 10, 2016, Committee of the Whole: discussed potential improvements re strategic planning process.
Criterion Two, Core Component 2.A.

The College is out of compliance with Criterion Two, Core Component 2.A, “the institution operates with integrity in its financial, academic, personnel, and auxiliary functions; it establishes and follows policies and processes for fair and ethical behavior on the part of its governing board, administration, faculty, and staff,” for the following reasons:

2.1.(2): The College’s internal auditor brought 43 separate internal audits over the last three years about alleged illegal or unethical conduct or violations of College policy to the attention of senior administration at the College pursuant to the College’s audit plan, but the College could not document College actions taken in response to such information or that such information was regularly shared with the College’s Board;

2.1.(3): Other incidents at the College raise questions about whether the institution follows its own ethics policies and operates with integrity including charges for alcohol at the Waterleaf restaurant that violated administrative procedures; monies paid to a former employee to his own private bank account for equipment and services not needed by the College; awarding of non-competitive bid contracts to vendors whose owners were on the College of DuPage Foundation Board without a clear determination of whether such awards raised conflict of interest issues and in one case even though the contract was entered into after the stated contract deadline;

2.1.(4): The College provides limited or no robust ethics training programs for faculty, staff and students;

(a) Board has had access to all 43 internal ethics/illegal/policy violation allegations; audit committee has reviewed; confirmed DONE.

(b) 1: BOT alcohol resolution, house account prohibition continues; 2: Internal controls strengthened; improvement continues under new Interim Treasurer and Interim Controller and strengthened internal audit opportunities; new external audit firm; 3: more oversight on bid contracts/conflicts. Improved: standardizing Board packet items re bidding. To do: Board education on bid requirements, RFP vs. RFQ. Set for November 17 2016 Board meeting.

(c) BOT/SMT ethics and governance training: DONE.
Criterion Five, Core Component 5.B.

The College is out of compliance with Criterion Five, Core Component 5.B, “the institution’s governance and administrative structures promote effective leadership and support collaborative processes that enable the institution to fulfill its mission,” for the following reasons:

Specific Board leadership failures.

5.B.(1)(a)[1]: The Board of Trustees of the College did not provide effective leadership in the following circumstances:

- when it did not regularly receive and review financial statements in May-July of 2015; such statements had been prepared by financial staff in their regular course of work, but they were not presented to the full Board pending a complete review of, and changes made to, the reports;

Current BOT Progress: Done.

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Specific Board leadership failures.

5.B.(1)(a)[2]: The Board of Trustees of the College did not provide effective leadership in the following circumstances:

- when it did not enforce Board policies related to investments that had been placed in assets contrary to Board policy but were not apparent to the Board because of lack of detail in financial reporting; and
- when the Board or its members directly involved itself in matters appropriately delegated to the administration including management of the Waterleaf restaurant and hiring administrative staff.

Current BOT Progress: 2. Accountability for employee non-compliance; fully revised investment statements; independent investment advisor selected; additional internal controls by Treasurer, Internal Auditor, Audit Committee added. 3. Specific administrative issues mentioned resolved. Proposed 15-205 revisions: DONE.

Further Improvement opportunities: 2. Better compliance by hiring general counsel DONE; Audit Committee to issue “internal controls” audit; revisions strengthening Whistleblower protections in Board Policy No. 15-27: DONE. 3. Trustees meeting individually with Dr. Rondeau re better defining issues and lines of authority. Only Trustee remaining: Trustee Birt.
Criterion Five, Core Component 5.B.

The College is out of compliance with Criterion Five, Core Component 5.B, “the institution’s governance and administrative structures promote effective leadership and support collaborative processes that enable the institution to fulfill its mission,” for the following reasons:

Governance failures, ctd.

5.B.(1)(b), (c):

- Faculty governance did not function effectively at the College when neither the criminal justice faculty at the College nor Suburban Law Enforcement Academy instructors were consulted about or approved the increase in credit hours provided for non-credit courses taken in the Law Enforcement Academy;
- The administration of the College did not perform effectively when the faculty took a vote of no confidence, but the administration took no actions to address the concerns that led to the vote, and practices that led to faculty concerns continue unchanged; and

Current BOT Progress:

- Heard faculty position on status on outstanding “no confidence” issues; some have self-resolved; others remain open. Faculty Senate to present to Board Dec. 2016.
  - Certain issues appropriate for shared governance consideration or assigned to specific VPs.
  - Academic committee: evaluating specific issues.
  - Academic Affairs presentation in June 2016: DONE.

- SLEA presentation (academic quality, credit, students)
  - Accreditation Task Force plan needs to provide in detail where steps went wrong, proposed improvements; credit issues (HLC footnote). Update Nov. 17 2016.

Improvements:

- All new credit-awarding programs coming before the Board for approval now require certification in Board packet review went through appropriate channels, plus all supporting documentation.
Meets with Concerns

In addition, the College meets other Core Components but with concerns, as noted below.

Current Progress:

- Improving intra-Board cooperation: Board retreat, ethics/governance training: **DONE**.
  Parliamentary procedure training **DONE 8/18/16**.

- Administrative cooperation: improved; ongoing discussions with Trustees and Dr. Rondeau; review and revisions of Board policies remains ongoing, several recommended by Accreditation Task Force in **May 19, 2016** Board Packet discussed, several recommendations implemented, items not accepted identified and why and/or modified.

- Program review: Academic Committee; in progress by Dr. Rondeau, evaluation in 4Q 2016.

Improved cooperation and communications

SLEA/Academic review, commitment to academic process/protocols
Action Plan
As of April 21, 2016, Updated

-**Improvement Goals: From May/June**
  - New College President selection: **DONE**
  - Each Trustee to present goals for the year annually at June Board meeting. **Requested.**
  - Each Trustee to rank committee preferences. **DONE; committees assigned.**
  - Each Trustee to identify at least 3 areas for policy improvement; and 3 areas where we are doing well. **Requested, partially done; continue at Committee of the Whole.**
  - Each Trustee to identify at least 3 strategic planning priorities. **DONE.**
  - Each Trustee to review in-depth assurance filing; and provide position to Board Chair on information needed to become educated on core components as follows:
    - **Bernstein:** 1D, 3A, 4A; **Birt:** 3D, 4B, 4C; **Mazzochi:** 2A, 2B, 2C; **McGuire:** 1C, 2D, 3B;
    - **Napolitano:** 1A, 5A, 5C; **Olsen:** 2E, 3C, 5B; **Wozniak:** 1B, 3E, 5D; **Escamilla:** TBD.
  - Board ethics and governance training: **DONE.**
  - Board retreat: **DONE.**
  - The College’s HLC Liaison (Barbara Johnson) met with the Board May 5, 2016 (Trustees Bernstein, Mazzochi, Napolitano, Olsen, Wozniak, Student Trustee Escamilla). **DONE**

-Target goal: all HLC items addressed prior to **February, 2017.**
Action Plan
Updated November 17, 2016

-Improvement Goals: For 3/4Q 2016:
  - Remaining agenda for Board year for each regular meeting to systematically include education/training/presentation. **Audit: Done. HR, RFP/RFQ/RFI (tonight), buildings.**
  - Mid-year review of status in October. **Done.**
  - Each Trustee to identify at least 3 areas for policy improvement; and 3 areas where we are doing well. **Requested, partially done.**
  - Each Trustee to review in-depth assurance filing; comments to Jim Bente from some Trustees delivered Nov. 2016 for draft criteria 1, 2, 3 responses.
  - Board self-assessment, President evaluation. (November, 2016)
  - General Counsel hire. **Done.**
  - Special Board meetings: Policy review-combine with Committee of the Whole, **DONE.**
  - Further update meeting with HLC Liaison Barbara Johnson.

**NEW:**
  - Begin to address issues raised by September 2016 Auditor General report (Nov/Dec).
  - Review process for HLC Assurance Filing, Board-specific items. Discussed at 11/10/16 Committee of the Whole.

- Target goal: all HLC items addressed prior to **February, 2017.**
Board-Specific Recommendations:

Recommendation 1: Fiduciary Duties of Trustees: **Draft policy prepared.**

Recommendation 2: Establishing Standing Committees (finance/audit, budget, academic affairs): **Done; review and re-confirm charters.**

Recommendation 3: Evaluating the College President Annually: **In progress.**

Recommendation 5: Board Oversight of College Investments: **Done.**

Recommendation 6: Budget Transfers; Recommendation 9: Accounts Payable report: **In progress;** improved disclosures in Board book; draft policy in progress (re budget transfers, mandatory checkbook disclosure, defining cabinet officers); additional authority limits **DONE.**

Recommendation 8: Procurements and Contracts: **In progress;** draft policy revisions underway.
Auditor General Report
Recommendations

Recommendation 10: Bond Advisory Services: Draft policy for competitive procurement and public approval of bond services.

Recommendation 11: Facilities Construction Committee and Monthly Status Reports
The College of DuPage Board of Trustees should consider establishing a facilities/construction committee and including monthly reports of the status of individual projects in the Board packet for regular meetings.


Recommendation 16: Bid Openings and Board Approval of Final Contracts

Recommendation 18: Open Meetings Act Compliance

Recommendation 19: Board Correspondence and Actions
The College of DuPage Board of Trustees should maintain documentation of all Presidential employment correspondence between the President and the Board of Trustees.
Action Plan
Auditor General Report

-Policy Topics: Committee of the Whole, November 10, 2016.
  -Fiduciary responsibilities of individual Trustees
  -Standing committees (finance, budget, academic affairs, facilities/construction)
    -Monthly reports, construction projects.
  -Treasurer’s Advisory Committee
  -Budget transfers
  -Defining “Cabinet Officer”
  -Bidding processes and protocols; designating specific employees for public opening
  -Check reporting requirements
  -Competitive procurement of bond advisory services
  -Construction manager contracts, professional services, contractor/professional services
    evaluation processes, prequalification of contractors/vendors.

Proposed policy changes reviewed; with administration/general counsel for further review
before first public reading of revised versions.

-Presidential evaluations and process – ongoing discussions. Vice-Chairman Olsen.
-Contract repository issues. General counsel.

-Target goal: all Auditor General items addressed prior to April 2017.