Update 10: Board Response to the December 16, 2015 Higher Learning Commission Determination

Update 3: 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.
Assurance Narrative Status:

**Board:**
- Opportunity to review draft response to Criteria 1, 2, 3; input provided.
- Opportunity to review draft response to Criterion 4; input pending.
- Criterion 5, draft in progress with Administration.
- Assurance Filing “no later than **February 2017**...”
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.

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: [1] charges for alcohol at the Waterleaf restaurant that violated administrative procedures; [2] monies paid to a former employee to his own private bank account for equipment and services not needed by the College; [3a] 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; [3b]

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

Update 10: 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): The Board of Trustees of the College did not provide effective leadership in the following circumstances:

1. 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;

2. 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

3. 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.

Faculty/administration governance.
5.B.(2), (3):

- 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;

Current BOT Progress: Done. Emphasize: use appropriate channels to resolve issues.
Meets with Concerns

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

Improved cooperation and communications

SLEA/Academic review, commitment to academic process/protocols

Current Progress: 1D (institutional mission evidences commitment to public good), 2C (integrity in decision-making, respecting institutional roles); 3A (protecting degree/credit quality); 4A (curriculum oversight).
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 (Done), buildings; Faculty (full time, adjunct set for January 2017).
  - 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; draft criteria 1, 2, 3, Done; 4 in progress; 5 forthcoming.
  - Board self-assessment, President evaluation. (President evaluation, Dec. 1, 2016 DONE; follow up Dec. 15 closed session; Board self-assessment to follow).
  - General Counsel hire. Done.
  - Special Board meetings: Policy review-combine with Committee of the Whole, DONE.
  - Further update meeting with HLC Liaison Barbara Johnson.
    - Begin to address issues raised by September 2016 Auditor General report (Nov/Dec).
    - Review process for HLC Assurance Filing, Board-specific items. DONE.

- 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, other committees. 1Q2017.

Recommendation 3: Evaluating the College President Annually: Done for 2016.

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.
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. Target 1Q 2017 present committee charter to the Board; improved reporting of project status in monthly Board book.


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.
-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. Vice-Chairman Olsen. DONE.
- Contract repository issues. General counsel.

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