



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

October 13, 2016

TO: Southern Oregon University Board of Trustees, Executive and Audit Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Executive and Audit Committee

The Executive and Audit Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below.

Topics of the meeting will include a discussion and action on a board governance and self-evaluation recommendation. The committee will receive updates on external and internal audits. Other topics include discussion of a presidential evaluation and policy, the accreditation site visit, and future meetings.

The meeting will occur as follows:

Thursday, October 20, 2016
10:30 a.m. to 12:00 p.m. (or until business is concluded)
Hannon Library, DeBoer Room, 3rd Floor, Room #303

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If special accommodations are required or to sign-up in advance for public comment, please contact Kathy Park at (541) 552-8055 at least 72 hours in advance.**



**Board of Trustees
Executive and Audit Committee Meeting
October 20, 2016**

Call to Order and Preliminary Business



**Board of Trustees
Executive and Audit Committee Meeting**

**Thursday, October 20, 2016
10:30 a.m. – 12:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

AGENDA

Persons wishing to participate during the public comment period shall sign up at the meeting. Please note: times are approximate and items may be taken out of order.

	1	Call to Order and Preliminary Business	Chair Thorndike
	1.1	Welcome and Opening Remarks	
	1.2	Roll Call	Sabrina Prud'homme, SOU, Board Secretary
	1.3	Agenda Review	Chair Thorndike
	1.4	Consent Agenda: Approval of June 17, 2016 Meeting Minutes (Action)	Chair Thorndike
	2	Public Comment	
~ 20 min.	3	Board Governance and Self Evaluation Recommendation (Action)	Trustee Shih
~ 15 min.	4	External Audit Update	Chair Thorndike; Jean Bushong, CliftonLarsonAllen
~ 20 min.	5	Internal Audit Update	Chair Thorndike; Ryan Schnobrich, SOU, Internal Auditor
~ 20 min.	6	Presidential Evaluation and Policy Discussion	Chair Thorndike; President Linda Schott

**Board of Trustees
Executive and Audit Committee Meeting**

**Thursday, October 20, 2016
10:30 a.m. – 12:00 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

AGENDA (Continued)

~5 min.	7	Accreditation Site Visit	Dr. Jody Waters, SOU, Associate Provost
~ 5 min.	8	Future Meetings	Chair Thorndike
	9	Adjourn	Chair Thorndike



**Board of Trustees
Executive and Audit Committee Meeting**

**Friday, June 17, 2016
10:30 a.m. – 11:30 a.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order and Preliminary Business

Chair Thorndike called the meeting to order at 10:36 a.m.

The following committee members were present: Bill Thorndike, April Sevcik and Judy Shih. Trustee Paul Nicholson participated by teleconference. The following members were absent: Lyn Hennion and Teresa Sayre. Trustee Dennis Slattery also attended.

Others attendees included: Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Craig Morris, Vice President for Finance and Administration; Sabrina Prud'homme, Board Secretary; Ryan Schnobrich, Internal Auditor; John Stevenson, IT User Support Manager; Don Hill, Classroom and Media Services Manager; and Kathy Park, Executive Assistant.

Trustee Sevcik moved to approve the April 15, 2016 meeting minutes as drafted. Trustee Shih seconded the motion and it passed unanimously.

Public Comment

There was no public comment.

Internal Audit Charter (Action)

Ryan Schnobrich began his presentation by saying there were no changes to the documents presented earlier to the committee. Trustee Nicholson said he was very impressed with the internal audit charter. Mr. Schnobrich said he followed closely the standards used by the Institute for Internal Auditors.

Mr. Schnobrich said he is pleased with the framework the board and management have setup for the internal audit function with having him report directly to the Executive and Audit Committee and administratively to the president. He feels independent, objective and able to interact with everyone on campus. He has had an initial discussion with the external auditors, will stay in touch with them, and will provide any assistance needed for the external audit.

Comparing the current and the prior systems, Craig Morris said there will now be more internal audit presence on campus. Before there were one or two audits every year or two; now there will be several audits every year and SOU will have someone who can

interact with management directly. Mr. Morris added that Mr. Schnobrich is clearly a value-added employee.

For efficiency, Chair Thorndike combined action on this item with the following item.

Internal Audit Plan (Action)

Responding to Chair Thorndike's request for input, Trustee Slattery said he reviewed the documentation and would give it an "A+" grade. The only thing he worried about was whether Mr. Schnobrich has the resources to implement the plan. Mr. Schnobrich admitted it is an ambitious plan and he has received guidance from other auditors on creating the internal audit function from scratch while simultaneously performing the function. Trustee Slattery praised Mr. Schnobrich's contact with stakeholders, who are viewing the function as an asset rather than as a watchdog. Mr. Schnobrich said he has been able to engage with many stakeholders on campus and has received many requests for assistance.

Mr. Schnobrich said the purpose of the internal audit plan is to outline internal audits and other activities for the next year. The charter authorizes him to make any changes he deems necessary and he will inform the committee of any changes made. His goals are to balance capacity-building with engagement while seeking to add value, and to better understand management's internal control and risk management practices.

Mr. Schnobrich then highlighted the top ten risk areas, some of which came from his interviews with about 20 of the auditable-area risk owners. He is currently conducting the presidential separation audit which focuses on the former president and issues such as employment contract compliance, purchasing activities and accomplishment of mission and goals. Answering Trustee Sevcik's inquiry, Mr. Schnobrich said all final audit reports will be shared with the Executive and Audit Committee and he described the process by which information is compiled and shared. He mentioned some of the areas he will focus on in the coming year, including coordination with stakeholders, fraud, and supporting the board secretary with governance initiatives. He recommends internal audits be conducted on the Student Health and Wellness Center's compliance with privacy and accreditation standards, Clery Act compliance, and Title IX compliance. He will provide the board an annual assessment of management responsibilities and a report on the human resources plan. He also mentioned the external peer review that will be conducted as part of best practice standards.

Trustee Sevcik moved to approve the Resolution: Adoption of Internal Audit Charter and FY17 Internal Audit Plan. Trustees Shih and Nicholson jointly seconded the motion; it passed unanimously.

Governance Discussion

Chair Thorndike opened the discussion by saying he and Sabrina Prud'homme have had several conversations about the board's governance function and have gathered information from other universities. There is work to be done and issues to address, such as whether the function should be integrated into the Executive and Audit Committee's charter, assigned to an ad hoc or a new permanent committee, and what topics should be included. Chair Thorndike said his preference was to modify the

Executive and Audit Committee's charter to include the governance function.

Ms. Prud'homme said many governance issues come to her because this function does not "live" anywhere on the board. Without much vetting, the issues are then taken to the full board. She believed it would enhance the capacity and functioning of the board and the trustees if this function were assigned to a committee. Her preference also would be to add the governance function to the Executive and Audit Committee's responsibilities. Ms. Prud'homme expressed concern with having governance assigned to an ad hoc committee because such issues will be ongoing.

Following a discussion among the trustees, Chair Thorndike suggested recommending to the full board the formation of a working group to address governance issues (e.g., board development, board performance, board compliance, board orientation, continuing education, board policies and board structure) and present recommendations to the full board. The committee members concurred with this recommendation.

Adjourn

Chair Thorndike adjourned the meeting at 11:29 a.m.

DRAFT

Public Comment

Board Governance and Self Evaluation Recommendation (Action)

Internal Governance Work Group Report

At our September meeting, our Board established an Internal Governance Work Group. This group was tasked to define the internal governance structure and function for the board and bring that information to the full board for consideration and action.

The proposed function of a governance committee:

1. Internal Governance
2. Board Composition
3. Board Engagement
4. Board Education
5. Board Assessment

We defined an action plan to fulfilled these proposed functions:

I. Internal Governance

- Review bylaws and board policies
- Monitor compliance to bylaws and board policies
- Identify best practices in higher educational governance
- Communicate recommendations for changes, updates, and concerns to the Full Board

II. Board Composition

- Identify current board composition
 - Demographics (i.e., race/ethnicity, gender)
 - Educational background and affiliation, e.g., CPA
 - Organization and institution affiliation
 - Professional experience
 - Expertise area, interests, and skill sets
 - Participation on other boards
 - Volunteer and philanthropic participation
- Identify gaps in current board composition (i.e., gaps in skills and experience) that could be filled with new board members
- Consider constraints on serving: distance, length of committee meetings, work schedules, family commitments, times or days of committee meetings
- Serve in a consultative role regarding recommendation of new candidates for board trustees

- Develop a systemic plan for filling board vacancies, including ongoing recruitment
- Draft a plan of Board composition
 - Identify the combination of expertise and talents that the Board needs to fulfill its goals
 - Emphasize the need for diversity of demographics as well as talents, experiences, and background to support the work of all the committees

III. Board Engagement

- Track board engagement
 - Dates of Board service (dates of entry and exit)
 - Offices held and committee participation (term and dates)
 - Attendance at Board and committee meetings
 - Participation in Board and Campus activities
- Orient New Board Members
 - Develop orientation process
 - Develop orientation handbook
 - Provide mentorship to new board members
 - Provide a formal statement regarding the roles and responsibilities of each board member. Clearly communicate expectations regarding attendance, participation, and adherence to the legal standards of serving as a fiduciary and to recognize that those principles are about individual responsibility and making decisions as a collective body
- Provide opportunities for leadership training
- Develop succession plan
 - Develop an exit plan for the inaugural board members all of whom has the same entry and exit dates.
 - Stagger the exit dates to provide for smoother transition
 - Determine those willing to serve another term
- Develop plan for movement between committees

IV. Board Education

- Identify content areas for board education
 - Institution's strategic vision, goals, and priorities
 - Institutional accomplishments as well as challenges and obstacles
 - Key issues and trends in higher education

- Finances
- Academic programs
- Effect of rising tuition and cost of higher education from both the student and institutional perspective and its policy consequences
- Funding sources
- Higher education's foundational principles of diversity, inclusion, and freedom of expression
- Campus climate regarding current issues
- Tour of campus
- Opportunities to meet one-on-one with the president and other institutional leaders

V. Board Evaluation

- Develop performance criteria for trusteeship
- Develop board assessment tools
- Conduct self-assessment
 - Semi-annual performance check
 - Annual performance review
- Conduct comprehensive board evaluation
 - Assess performance of committees
 - Assess the Board as a whole
 - Conduct a comprehensive assessment of the Board using external evaluators every 4-5 years?
- Collect and analyze assessment results
- Provide assessment feedback

Suggested Next step:

1. We suggest that the functions of internal governance be absorbed by the Executive/Audit Committee.
2. Board Evaluation:
 - Approve the draft Board Assessment tool
 - Conduct our annual board assessment asap. (HECC requires an annual board evaluation and we have not met that requirement this year.)
3. Internal Governance:
 - Remind board of our role and function as a governing board.
 - Remind board of process for introducing agenda items to the board.

- Discuss term limits for the chair, vice chair, committee members, and board members to ensure a smooth transition and to promote the development of new leadership. (At this time, the Bylaws state that chairs serve one year and can be re-elected to serve again, without limit to the number of terms. We suggest that considerations be made to limit the number of consecutive terms that a person can serve as chair.)
4. Board Composition:
- Identify the capabilities and skill set needed to function as a governing board
 - Create a matrix of the current composition of our board.
 - Identify gaps in our board composition so that we can approach recruitment of new board members in a more systemic fashion.
 - Develop succession plan.

THE BOARD

1. How would you rate yourself on the following expectations for all board members that are described in the board's "Resolution on the [Responsibilities of Individual Trustees?](#)"

	Not Effective at All	Slightly effective	Moderately effective	Very effective	Extremely effective
Evaluation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fiduciary Duties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Respect	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal Behavior	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Are there any barriers to your participation and/or fulfillment of responsibilities that the board or university staff can address?

- No
- Yes

3. If yes, please explain.

4.a. Have you participated in other activities in the "life of the university" aside from required board and committee meetings?

- Yes
- No

4.b. Please indicate if you have attended the following (check all that apply):

- Commencement
- Convocation
-

Student Activities (ex.: Luau)	Not Knowledgeable at All	Slightly Knowledgeable	Moderately knowledgeable	Very Knowledgeable	Extremely Knowledgeable
<input type="checkbox"/> ROARS					
<input type="checkbox"/> ASSOU Meetings					
<input type="checkbox"/> Faculty Senate Meeting					
<input type="checkbox"/> Athletic Events					
<input type="checkbox"/> SOU-related Community Events					
<input type="checkbox"/> Fundraising Events					
<input type="checkbox"/> Others					

5. Please assess what you believe to be the board's collective knowledge and experience in the following areas. Note: this does not mean knowledge or experience with regard to SOU-specific issues, but professional experience, outside knowledge, etc.

	Not Knowledgeable at All	Slightly Knowledgeable	Moderately knowledgeable	Very Knowledgeable	Extremely Knowledgeable
Strategic planning and execution (mission, goal-setting, measurement)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Academic affairs (Faculty matters, curriculum, academic support programs)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Student affairs (student life, student government, student success, issues)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Higher education (trends, issues, history, nuances, emergent issues)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board-president/CEO relationships (management, development, evaluation, employment)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enterprise management (internal/external audits, business affairs, internal controls, processes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial management (financial audits, budgets, investing, bonding)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Philanthropy (Fundraising, stewardship, endowment investment)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government relations (federal affairs, state affairs, appropriations, legislative process)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal affairs (policies, risk, litigation, employment matters)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Not effective at All	Not really Knowledgeable	Serve Slightly Knowledgeable	Slightly effective	Have Moderate knowledge	Extremely effective	Very effective Knowledgeable	Future Interest	Extremely Effective Knowledgeable
Physical plant and planning (construction, capital projects, maintenance, planning)	<input type="radio"/>			<input type="radio"/>			<input type="radio"/>		<input type="radio"/>
Research (grants, federal funding, commercialization, internal review board/safety)	<input type="radio"/>			<input type="radio"/>			<input type="radio"/>		<input type="radio"/>
Compliance (state statutes, policy development, performance assessment)	<input type="radio"/>			<input type="radio"/>			<input type="radio"/>		<input type="radio"/>

6. How would you rate the overall performance of the board?

	Not effective at all	Slightly effective	Moderately effective	Very effective	Extremely effective
Performance Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Please fill in the blanks with whatever comes to mind:

In 2016-17, I would like to see the board:

In 2016-17, personally, I would like to really engage with or focus on:

8. Please mark those committees of the board that you presently serve on, those for which you have professional expertise, and those you would like to serve on in the future.

	Currently Serve	Have Expertise	Future Interest
Academic and Student Affairs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Executive and Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finance and Administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. If you are eligible and have the time to dedicate, would you be interested in serving in a board leadership position in the future? If so, in what capacity? (select all that apply)

- Yes, I would like to be considered for the board chair position in the future.
- Yes, I would like to be considered for the vice chair position in the future.
-

No, I am not eligible to serve in a chair or vice chair capacity.

- Yes, I would like to be considered for a committee chair position in the future.
- Yes, I would like to be considered for a special committee chair position in the future (ex.: presidential search committee).
- No, I am fine serving in my current trustee position but I'll let you know if I change my mind.

10. Please provide feedback for the following individuals with respect to their board leadership roles. Constructive input can be about what they do well and/or what they can do to improve functioning of the board.

Chair Thorndike	<input type="text"/>
Vice Chair Sevcik	<input type="text"/>
ASAC Chair Sayre	<input type="text"/>
EAC Chair Thorndike	<input type="text"/>
FAC Chair Nicholson	<input type="text"/>

11. What specific suggestions can you make for policies and practices that would improve the performance of the board?

12. Do you have any general comments/suggestions regarding the board:

MEETINGS

13. The full board had _____ meetings in 2015-16.

- Too few
- Too many

- Just enough
- Too many but unavoidable under the circumstances

14. The Academic and Student Affairs Committee had _____ meetings in 2015-2016.

- Too few
- Too many
- Just enough
- Too many but unavoidable under the circumstances

15. The Executive and Audit Committee had _____ meetings in 2015-2016.

- Too few
- Too many
- Just enough
- Too many but unavoidable under the circumstances

16. I would like us to consider occasional committee meetings at other SOU locations, such as other buildings, the student union, and the Medford campus.

- Yes, it's good to see these places
- Yes, but only if it logically makes sense with our agenda to hold meetings in those spaces
- No. For consistency and accessibility, the BOT should try to stay in the same place for each meeting

17. For quarterly board meetings, I would _____ more meetings on the Medford campus.

- Very much like to have
- Strongly urge against having many
- Be indifferent to

18. Please provide any other feedback about the board's meeting schedule.

19. Regarding board and committee agendas, chairs currently invite suggestions for future topics. Do you find this satisfactory or would you like to have some other formalized way to suggest future topics?

- Yes, and it should be as simple as emailing the chairs and/or board secretary with suggestions.
- No, I'm fine with the current process.
- No, I already have the ability to make suggestions to the chairs and/or board secretary.
- Yes, and we should include it as a topic on meeting agendas.

20. Please provide general feedback on presentations provided by the administrative units and staff to help presenters deliver information to meet the board's needs. (Great as is? Too much? Not enough?)

21.a. The board uses some common parliamentary procedures to conduct meetings. Would you be interested in implementing much more formal procedures for both the chairs and trustees to follow?

- Yes, our meetings need to be more structured/would benefit from the enhanced procedures.
- No, the meetings are going just fine/too much procedure gets in the way of progress.
- No, but I do suggest the following specific improvements to meeting procedures:

21.b. Specific procedures:

22. At full board meetings, we spend _____ time discussing seconded motions from committees.

- Too much
- Not enough
- The appropriate amount of

23. Please provide feedback on the lunchtime and campus update portion of meetings (HECC overview, Diversity and Inclusion, Safety and Security, Sustainability, Science Building Tour,

etc.) What has been useful or educational? Should we continue this practice? Is there anything you really want to see and haven't?

24. Regarding the downloadable materials we receive for meetings, I think the materials:

- Need to be simplified and made shorter.
- Should be more in-depth.
- Are fine the way they are and provide the appropriate information that we need.

25. Are you interested in different or more formal style of of materials?

- Yes, I think the formality would be a welcome change.
- No, I think the formality/increase in materials would be an unwelcome change.
- I'm not sure/I'm comfortable with our current format.

26. Would you like to complete a short assessment survey at more frequent intervals or following quarterly meetings to gauge progress and/or performance of the board?

- Yes
- No

MISCELLANEOUS

27. What can the board secretary or other staff members do to better serve you/the board? (Don't go easy just because Sabrina is reviewing these responses.)

28. Do you get too much communication from the board office? Too little? What can we do to improve this in either direction?

IDENTIFIER

. Please provide your name for recording purposes.

External Audit Update

Internal Audit Update

Southern Oregon University
Quarterly Update to the
Executive & Audit Committee
By: Ryan Schnobrich, CPA, Internal Auditor
October 20, 2016

When we met in April we finalized the Internal Audit Charter and Fiscal Year 2017 Internal Audit Plan. (<https://inside.sou.edu/ia/electronic-reports.html>)

We discussed the top 10 areas of accepted risk and chose three audit topics:

1. Family Educational Rights and Privacy Act (FERPA) compliance at the Student Health & Wellness Center
2. Clery Act reporting compliance with Campus Public Safety & Parking; and
3. Title IX which is looking to be an audit of recently revamped processes.

Victor Chang and I moved the FERPA audit to the spring to accommodate bandwidth at the Student Health & Wellness Center.

I stopped the Clery Act reporting audit for 2014 and referred it back to management with recommendations so that the 2015 report they were working on, and recently submitted, would benefit from the attention prior to its October 1, 2016 due date. I've read the final version of the 2015 report and it improved significantly year-over-year.

Marjorie Trueblood-Gamble and I recently met to start discussing the Title IX audit engagement outline. She will be presenting Title IX at the Student & Academic Affairs Committee meeting starting at 1:30pm this afternoon.

Finally, President Saigo requested that I audit the Office of the President before his departure to assure the board that "his business affairs with SOU are in order." I reviewed all of the office's transactions for May 2016 and a sample of personal expense reimbursements during his tenure. Unfortunately, I cannot provide the board the requested assurance. Although the conclusions were relatively immaterial, Chair Thorndike and I reviewed the report with President Saigo before his departure. I later reviewed the final audit conclusions and recommendations with President Schott, Craig Morris and others as appropriate. They agreed with my recommendations and have made process improvements. I invite any Trustees that would like to review the audit report to go to internal audit's Trustee resource and reporting webpage (link above) or otherwise indicate their interest to me. As always, I would be happy to meet with any Trustees on a one-on-one basis.

In April we also identified several areas that would benefit from consulting services:

1. Parking
2. The Service Center
3. Human Resources
4. Major Facility Construction
5. Athletics
6. Enterprise Risk Management

Among other things, Parking is considering a software upgrade. I plan on meeting with Fred Creek in the next few months to see how I can best help Parking during the remainder of this fiscal year.

Brian Kinsey and I executed a consulting agreement related to digitizing processes at the Service Center. He has, for example, included me in discussions regarding internal controls around implementing a software called DocuSign for electronic signatures on contracts.

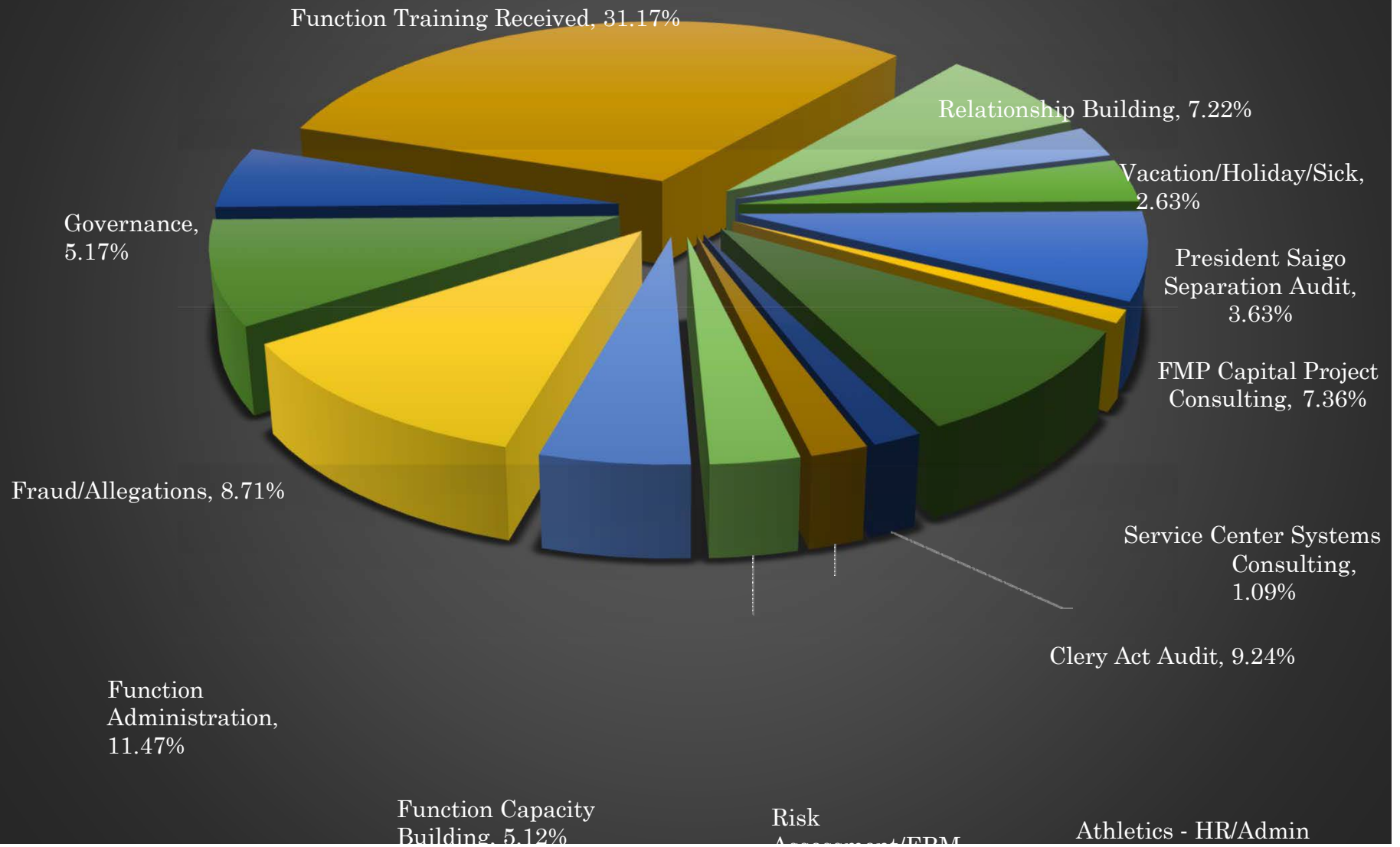
Alana Lardizabal and I have been working on some fraud allegations. I have received thirteen fraud allegations in the last six months. The topics are varied and generally include waste, abuse and theft. Of the seven allegations that have been closed out, they were resolved with a certain degree of management discussion or intervention. I created a fraud presentation which is available on my website as well as provided as a link in my email signature block. I'm attending a fraud program training next week. After I've had a chance to incorporate what I learn there into my presentation I will schedule some in-person sessions.

Drew Gilliland and I have a consulting agreement related to internal controls around capital projects billing. I've spent a fair amount of time becoming familiar with the McNeal/Student Recreation Center and Theater/Jefferson Public Radio projects.

Matt Sayre and I are working on creating a consulting agreement related to Athletics integration with Administrative & Human Resources policy and procedure; especially as it relates to National Association of Intercollegiate Athletics compliance. I'm in the process of meeting with various process participants.

Finally, we have a policy that calls for us to use the Committee of Sponsoring Organizations (COSO) Integrated Framework of Internal Control. In July, the Office of Management and Budget issued an update to Circular A-123 that requires implementation of enterprise risk management for "extended enterprises" like universities that participate in the federal loan and grant programs. I encourage and hope to support management and the Board discussing risk appetite, risk assessment and Enterprise Risk Management.

FY17 Internal Audit Time Keeping



Presidential Evaluation and Policy Discussion

Board Statement on Evaluation of the University President

It is the policy of the Board of Trustees of Southern Oregon University (“Board”) to review the performance of the President annually.

The primary purposes of the annual review are to enable the President to strengthen their performance and effectiveness in leading the institution to success and to allow the President and the Board to set mutually agreeable goals. The review process is not intended as a substitute for regular and ongoing communication about progress toward goals between the President and the Board.

Annual reviews will inform decisions regarding compensation, although compensation adjustments are not necessarily awarded simultaneously with a positive performance review. Adjustments to, or renewal of, the President’s contract will be handled as a separate matter, taking into account presidential performance, peer-group comparisons and other factors.

The annual review process will occur on a July 1-June 30 cycle. The annual review will cover the preceding year.

The criteria for evaluation and information responsive to those criteria will be based principally on the President’s self-assessment with respect to goals mutually set by the Board and President for the year in review.

The retrospective elements of the President’s self-assessment will customarily include:

- A copy of the mutually-agreed upon goals, with a description of efforts to meet them and the President’s progress assessment.
- A description of other personal or institutional achievements of which the Board should, or might, be informed by the President as aspects of performance or accomplishment.
- Identification of significant institutional or personal challenges the President faced over the course of the review year that affected progress toward goals, with particular focus on those that are likely to persist into the upcoming year or beyond.
- Comments regarding the vice presidents and other equivalent University officers who report directly to the President.
- Key areas in which the Board has been especially supportive.

The prospective elements of the President’s self-assessment will customarily include:

- Goals the President proposes for their individual performance and the institution over the course of the upcoming year and for three to five years.
- The President’s professional development plans and any associated requests of the Board.

- The President's assessment of the University's principal current opportunities and challenges.
- Key areas in which the President would especially benefit from Board

support. Review Process

The President will submit their self-assessment to the Board Chair by July 31 of each year. The Board Chair and the President will then meet to discuss the self-assessment. The Board Chair shall, in a timely manner, seek confidential input and comments from trustees and, as the Board Chair deems appropriate, from members of the University community selected by the Board Chair, as the Board Chair deems appropriate.

The President's self-assessment will be provided to the Board, along with any other information determined by the Board Chair. The Executive and Audit Committee may meet in executive session for the purpose of evaluating the President, during which the President is to present their self-assessment and engage in a discussion with the Committee regarding both the retrospective and prospective elements of the assessment. The President may be excluded from any portion of such an executive session at the discretion of the Board Chair.

Following the meeting of the Executive and Audit Committee, the Board Chair will prepare an evaluation of the President and a summary of the Committee's comments. The evaluation and self-assessment will be shared with the full Board prior to any Board's meeting in which the Board will discuss the evaluation.

At the Board's October meeting, or as soon thereafter as the Board's calendar will reasonably allow, the full Board may go into an executive session to discuss the evaluation of the President. The President may be excluded from any portion of such an executive session at the discretion of the Board Chair. After the Board discusses the evaluation of the President, the President will then present to the Board for approval the goals that the President proposes for their individual performance and for the institution for the upcoming year and for three to five years. The President's presentation of their goals and the Board's consideration of such goals shall take place in public session.

After the October meeting, the Board Chair will meet with the President to communicate verbally and/or in writing to the President the conclusions of the evaluation and any recommendations, concerns, or priorities arising out of the evaluation.

The Executive and Audit Committee may, at its discretion perform a comprehensive performance review of the President, including a 360-degree review. A comprehensive review of this nature should generally be performed prior to consideration of the renewal of the President's contract. When a comprehensive review is performed, it is to be incorporated into the annual review process described above, with such adjustments to the schedule as may be necessary.

Pursuant to ORS 351.065, documents regarding the President's performance, including the Board's evaluation, the 360-degree review, and the President's self-assessment, are faculty personnel records and are not public records.

The Board will periodically review and, as necessary or desirable, revise this policy and its associated procedures in light of experience gained, best practices, and legal developments as 30

applicable.

APPROVED BY THE BOARD OF TRUSTEES
_____ 2017.

DRAFT

Accreditation Site Visit

Future Meetings

Adjourn