

**Board of Trustees  
Executive and Audit Committee Meeting  
Friday, June 22, 2018**

**MINUTES**

**Call to Order/Roll/Declaration of a Quorum**

Bill Thorndike	Present	Teresa Sayre	Present
Lyn Hennion	Present	April Sevcik	Present
Paul Nicholson	Present	Steve Vincent	Present

Chair Bill Thorndike called the meeting to order at 9:30 a.m. in the DeBoer Room of the Hannon Library. He thanked Trustees Sayre and Sevcik for their service on the board and welcomed two incoming trustees, Shaun Franks and Barry Thalden. The secretary recorded the roll and a quorum was verified.

**Public Comment**

There was no public comment.

**Reports**

Internal Audit Annual Report

Ryan Schnobrich described the assurance, consulting and investigative services he provided this fiscal year, as detailed in the meeting materials. Regarding risk assessment, Mr. Schnobrich said he continues to note in a matrix key risks, key internal controls by risk type and opportunities. He updated the internal audit charter, job description and website to comply with the new standards.

Responding to Trustee Nicholson's inquiry regarding the quality assurance self-assessment that was not performed in fiscal year 2018 as planned, and he did not want to request outside assistance until he was ready for a full quality assurance audit. Chief audit executives from other Oregon Public Universities have offered to assist in this way in 2020.

Chair Thorndike praised Mr. Schnobrich's work and the impact it is having throughout the university.

Responding to Trustee Vincent's inquiry regarding enterprise risk management, Mr. Schnobrich said management is designing the framework and has started its rollout. The implementation of the institutional effectiveness program will be a complementary aspect to enterprise risk management.

Responding to Trustee Vincent's further inquiry regarding the status of appointing a compliance officer, Mr. Perkinson said a compliance position has been funded in financial aid and a second position has been identified for the Service Center. Management also is exploring the idea of establishing a program area under Mark Denney who would oversee corrective actions, risk management and a continuous improvement process campus-wide.

Responding to Trustee Nicholson, Mr. Schnobrich said he does not feel any resistance from management as he does his work. He sometimes encounters some resistance when he conducts his investigations but people have been forthright. He may revisit the process for obtaining access to information, which currently requires concurrence from the general counsel.

### **Consent Agenda**

Trustee Hennion moved to approve the minutes from the January 19, 2018 meeting, as presented. Trustee Sevcik seconded the motion and it passed unanimously.

### **Action Items**

#### 2018-19 Internal Audit Plan

Ryan Schnobrich reviewed the audit plan for next year, as detailed in the meeting materials. Mr. Schnobrich created an ethics poster; Chair Thorndike thought it would be beneficial to send it to SOU's top ten vendors for their information.

Trustee Nicholson moved that it be resolved that the Executive and Audit Committee of the Board of Trustees recommends the board adopt the Internal Audit Plan. With the adoption, is the board's instruction to the Internal Auditor and the officers of the university to take all actions and steps deemed necessary and proper to implement this Internal Audit Plan. Trustee Vincent seconded the motion and it passed unanimously.

### **Information and Discussion Items**

#### Governance Discussion

Chair Thorndike said the board has existed for three years and asked for input from committee members on reviewing and revising the board's policies. Trustees Hennion, Nicholson, and Santos volunteered to assist with the review and revision process.

Discussing board evaluations, Chair Thorndike said the board secretary created an evaluation tool as part of the board's continuous improvement and for trustees to have an opportunity to provide input. There were no changes recommended to the evaluation tool.

Chair Thorndike discussed the value of conducting exit interviews with trustees whose terms are ending. He asked if the committee members agreed on the value of such interviews and, if so, what they would like to ask the departing trustees. Trustee Sevcik recommended the board's new officers have one-on-one interviews with members of SOU staff, students and faculty; she found such interviews very valuable. Trustee Nicholson thought the key points to cover were retiring members' reflections on what was accomplished, their own contributions to that and what they would like to have been different. Chair Thorndike would like to know of any barriers to involvement and participation on the board.

Turning to the board officer election process, discussion ensued on the roles of chair and vice chair. Chair Thorndike said nominations for the chair and vice chair positions would be sought at the board meeting and elections held. Trustee Sayre thought it was important for nominees to understand the time commitment involved.

Trustee Sayre added that, in completing the president's evaluation, the chair summarizes information from the whole board for the evaluation. Chair Thorndike said the Executive and Audit Committee would hold a special meeting as part of the evaluation. Chair Thorndike and President Schott thought it important to include the outgoing chair in the evaluation process; Trustee Sayre suggested accomplishing this by having the outgoing chair serve on the Executive and Audit Committee.

#### Future Meetings

The board secretary said the retreat would be held on September 27 or 28 and that she would be coordinating with the new trustees on a date for the new trustee orientation.

#### **Adjournment**

Chair Thorndike adjourned the meeting at 11:10 a.m.

Date: January 18, 2019

Respectfully submitted by,



Sabrina Prud'homme  
University Board Secretary