

**Board of Trustees
Executive and Audit Committee Meeting
Friday, October 18, 2019**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Lyn Hennion	Absent	Paul Nicholson	Present
Sheila Clough	Present	Daniel Santos	Absent
Megan Davis Lightman	Present	Bill Thorndike	Present

In Chair Lyn Hennion's planned absence, Vice Chair Paul Nicholson called the meeting to order at 9:31 a.m. in the DeBoer Room of the Hannon Library. The secretary recorded the roll and a quorum was verified.

Other trustees in attendance: janelle wilson and Dr. Linda Schott.

Other attendees included: Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Greg Perkinson, Vice President for Finance and Administration; Dr. Susan Walsh, Provost; Jason Catz, General Counsel; Sabrina Prud'homme, Board Secretary; Ryan Schnobrich, Internal Auditor; Simone Stewart, SEIU and Center for the Arts; Joe Mosley, Marketing and Communications; Steve Larvick, Business Services; John Stevenson, Information Technology; and Kathy Park, Office of the Board Secretary.

Public Comment

There was no public comment.

Consent Agenda

Trustee Megan Lightman moved to approve the consent agenda, as presented. Trustee Bill Thorndike seconded the motion and it passed unanimously.

Reports

Internal Audit Report

Ryan Schnobrich reported that the Clery Act report is complete and appears on the electronic reporting website. While he could not offer assurance, the report continues to improve significantly year after year. Responding to Trustee Sheila Clough's inquiry regarding his inability to offer assurance, Mr. Schnobrich said it should not be troubling.

In the Clery Act audit, Mr. Schnobrich said he tested and found things that were not compliant, namely the analysis around the Violence Against Women Act (VAWA). He listed as observations and recommendations, the sections in the process that were not compliant. Management will respond with an action plan and will begin working those observations. Assurance is difficult to get because the standard is a 90 percent or higher degree of certainty.

Mr. Schnobrich did offer assurance on the Association for the Advancement of Sustainability in Higher Education Sustainability Tracking Assessment and Rating audit.

Responding to Vice Chair Nicholson's comment, Mr. Schnobrich said he would continue to review what management is doing with regard to the Clery Act audit and will provide updates on the progress toward assurance. Jason Catz added that he and Mr. Schnobrich meet regularly and worked together on the Clery Act audit. Although assurance could not be given, the list of noncompliant items differs from previous years and the most important items to address already are underway or done. For example, revisions to the Equal Opportunity, Harassment and Sexual Misconduct policy have been adopted.

Trustee Clough asked if any of the items for which Mr. Schnobrich was unable to provide assurance remain as red flags that would harm the institution. Mr. Schnobrich said he could review the audit report in detail if desired. Fines are in the mid \$50,000 per incident range. He did not see any such violations but there are areas where SOU is noncompliant. He will look for completion of the management action plan; at that point, it can either be noted that management worked the plan successfully or can be moved back into the risk assessment category and brought back to the board.

Mr. Schnobrich asked for trustees' guidance on whether his time is best spent re-performing a 35-page engagement plan or having management show him what has been done and saying that is sufficient to mitigate risk. Explaining the balance needed to answer that, Mr. Catz said Mr. Schnobrich has to identify existing risks and administration identifies the scope of those risks; Mr. Catz is comfortable that the items identified in the report are achievable. There is always need for improvement but in terms of red flags, SOU is far along on a much-improved path. Mr. Schnobrich agreed that it is significantly improved from the initial audit three and a half years ago.

President Schott asked for an explanation of the VAWA violations and how SOU is addressing them. Mr. Catz said many are policy violations and SOU has already issued some policy revisions. There also is a policy in development for VAWA training, which is close to adoption. Mr. Catz stressed that employees' actions are more compliant than SOU's policies. However, for statutory compliance, the policies need to be adopted.

Greg Perkinson mentioned the system developed to track previous audits and key aspects of the engagement plans, noting that a dashboard is reviewed monthly. President Schott said she is not worried that SOU suddenly will be fined because that happens in cases of gross violations, which SOU does not have. Mr. Catz added that SOU's process is good because SOU devotes an auditor to review Clery Act requirements, and has him do it again later. Although Mr. Schnobrich did not offer assurance, he said SOU is in a place where it is still improving but is not in red alarm territory. Mr. Schnobrich said the largest area of noncompliance is related to VAWA; now that Dr. Suresh Appavoo is here, SOU will be able to better work this item. Vice Chair Nicholson requested an update on steps taken to become further compliant, without having to complete another audit. Mr. Schnobrich said the results from this audit will be added to the dashboard and confirmed the process of tracking items in the

dashboard is working well. Trustee Lightman pointed out that recommendations on the Clery Act audit are in the audit report and trustees should go to the Internal Audit site to read the complete reports.

Mr. Schnobrich said the Student Fee Process is on the internal audit plan; leading up to the start of that audit, he has been offering assistance on areas for ASSOU to address. The audit of Oregon Equal Pay Act compliance will be in late spring or early summer.

Mr. Schnobrich said he has been all over campus talking about risk, internal controls, and areas to focus on to prevent problems from arising. He praised management's continuous process improvement and the areas they have identified.

Returning to Clery Act noncompliance, Vice Chair Nicholson sought clarification on fines being assessed for less-than-gross violations. Mr. Schnobrich confirmed that fines would be lower for such violations.

Responding to Trustee Clough's inquiry, Mr. Schnobrich said an audit from an outside entity could be prompted by actions such as a formal complaint, materially inaccurate statistics, a statistical change that is questionable, resubmitting statistics or a major event, such as rape. He said the risks have been driven down, but sought the committee's guidance on whether it wanted him to re-perform an audit in a couple of years or accept that management worked its management plan. Mr. Perkinson added that the former Campus Public Safety Director coordinated with the Department of Education on a help-needed basis to improve the process and product, which helps keep the campus off the radar. Trustee Thorndike stressed the importance of compliance and not putting students at risk for federal funding.

President Schott said SOU takes Clery Act-related issues seriously and is a leader in terms of its policies and approach in dealing with sexual assaults in particular. SOU's biggest protection is that employees take a very sensitive approach when something happens and in responding to it. Trustee Janelle Wilson added that SOU does a fantastic job procedurally serving the students and the campus community. Even though cuts are being made elsewhere, President Schott said SOU continues to invest in this area and is building Dr. Appavoo's office.

Trustee Clough and Vice Chair Nicholson requested a future educational session on the Clery Act and a summary of progress made and any gaps remaining, without another full audit being completed.

Action, Information and Discussion Items

Governance Work Group Update

Trustee Lightman and Vice Chair Nicholson said the group has talked about the right time to have a retreat, election of officers, keeping past trustees engaged, how to engage in difficult conversations in a public setting, and the board culture.

Regarding the retreat, President Schott said that, ideally, the board would own it more, rather than her and the board secretary. She is happy to be part of the group, but it should be the board's retreat and the board should be invested in it. Trustee Lightman

suggested having a non-officer trustee in charge of planning the retreat. Discussing potential dates for the retreat, Sabrina Prud'homme said the board could select another date for the regular retreat since September doesn't seem to work well for the trustees. Vice Chair Nicholson suggested splitting the retreat into two days that already have meetings scheduled. Trustee Clough recommended deferring to the Governance Work Group to work out the details.

Review of President's Evaluation – Executive Session [Pursuant to ORS 192.660 (2)(f) and (i)]

Vice Chair Nicholson said the committee would go into executive session to review the president's evaluation. For the record, he stated that, pursuant to ORS 192.660 (2)(f) and (i), the committee would enter into executive session to review and evaluate the employment-related performance of the chief executive officer, who does not request an open hearing, and to consider information or records that are exempt by law from public inspection. Pursuant to ORS 192.660 (4), representatives of the news media were allowed to attend the executive session; however, no members of the media were present. Continuing, Vice Chair Nicholson said, pursuant to ORS 192.660 (6), no final action would be taken or final decisions made in the executive session. At the end of the executive session, the meeting would return to open session and members of the public would be welcomed back into the room.

In addition to board members, the following persons were permitted to remain for the executive session: University Board Secretary, Sabrina Prud'homme; General Counsel, Jason Catz; and, for a portion of the executive session, President Schott.

The audio recording was stopped and the committee began its executive session. In concluding the executive session, Vice Chair Nicholson returned the meeting to open session. He closed the agenda item by telling President Schott the trustees are very glad she is at SOU, raising its profile with her national and statewide leadership.

President's 2019-2020 Goals (Action)

In generating her goals, President Schott said she contemplates what has been done, thinks about where the institution is and asks her direct reports for self-reflection and their focus areas. She had a cabinet retreat where they focused on big issues facing the institution. She drafted the goals immediately after the cabinet retreat and believes the goals will continue to move the strategic plan and the university forward.

Vice Chair Nicholson expressed the concern that, faced with financial challenges, SOU will focus on survival rather than stability and vitality. His hope is the university will be thriving at the end of the year, not just surviving. President Schott stressed that vitality is the goal.

Discussing goal two on shared governance, President Schott said it is important at this point in time and directly supports goal one because the campus has to be fully engaged. Shared governance should empower every person and should create a voice and process for staff so they can participate formally in governance.

To goal three, President Schott said she will add tribal partners as collaborative partners. The upcoming fall conference on creating “Seamless and Future Ready Education in Southern Oregon” is beyond education and is about bringing the region together to think about how to teach anyone anything, how to allocate resources, and how to get synergy and efficiency. This will help create a region that is more attractive to investment, businesses and employers.

President Schott said goal four – continue developing herself as a “higher education thought leader” – allows her to continue doing what she loves to do. She believes she is gaining traction in this area.

President Schott expressed her gratitude for the trustees’ willingness to allow her to work remotely over the summer.

Future Meetings

The next committee meeting will be on January 17.

Adjournment

Vice Chair Nicholson adjourned the meeting at 11:32 a.m.

Date: January 17, 2020

Respectfully submitted by,



Sabrina Prud'homme
University Board Secretary