

**Board of Trustees
Executive and Audit Committee Meeting
Tuesday, April 21, 2020**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

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

Chair Lyn Hennion called the meeting to order at 9:33 a.m. in the DeBoer Room of the Hannon Library. The secretary recorded the roll and a quorum was verified.

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

Other attendees included: Greg Perkinson, Vice President for Finance and Administration; Jason Catz, General Counsel; Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Dr. Susan Walsh, Provost; Sabrina Prud'homme, Board Secretary; Ryan Schnobrich, Internal Auditor; Josh Lovern, Budget Office; and Kathy Park, Office of the Board Secretary.

Reports

Internal Audit Report

Taking agenda items out of order, Ryan Schnobrich provided the Internal Audit Report. He referred trustees to the meeting materials, noting the Recreation Management and Veterans Management Action Plans were completed since the committee's last meeting. Housing and Deferred Maintenance are nearing completion and progress is being made on Athletics, but COVID has significantly disrupted operations in these areas. The audit of the student fee process will be complete after the May board meeting. This year's annual assessments of management responsibility and fraud risk control are also delayed because of COVID. Mr. Schnobrich said President Schott asked him to assist the incident response team, which he has been able to do in a capacity that has not affected his independence or objectivity nor caused him to participate in management. To assist with budget savings, he decided not to hire a student employee and not to pursue a quality assurance review of Internal Audit next year.

With COVID and management's push to close out management action plans, Mr. Schnobrich said he delayed his services that had not already started or that would require management involvement in the short term. He was pleased to observe SOU's new Compliance Task Force discuss student accessibility during remote instruction and he is looking forward to discussing various privacy-related compliance requirements in the future.

Mr. Schnobrich said he cancelled the Oregon Equal Pay Act audit and will reconsider it for next year based on the vice presidents' risk assessment and related feedback as they discuss next year's internal audit plan. There are many risk topics to consider and limited resources to engage, especially given the ongoing disruption to operations.

Responding to Chair Hennion's and Trustee Santos' inquiries, Mr. Schnobrich described his contributions on COVID-related issues and risks.

Responding to Trustee Sheila Clough's inquiry regarding the impact of putting audits and tasks on hold, Mr. Schnobrich said it is a matter of coverage and limited management compliance resources to engage on these topics. Although there is not as much coverage as desired, this does not pose a specific risk. Anti-fraud initiatives related to COVID fall under Business Services and he is assisting with those initiatives; this, however, does not stop management's anti-fraud efforts to mitigate risks, such as IT's cybersecurity program and the additional discipline and proposed organizational changes in Business Services.

Public Comment

There was no public comment.

Consent Agenda

Vice Chair Paul Nicholson moved to approve the consent agenda, as presented. Trustee Clough seconded the motion and it passed unanimously.

Action, Information and Discussion Items

Board Elections Process (Action)

Jason Catz reviewed the key elements of the proposed board elections process. There will be a work group of 3-5 trustees tasked with receiving and reviewing recommendations for the chair and vice chair positions. Included on the work group will be one past-chair or vice chair and at least one of the trustees who serves by virtue of their position as a student, staff or faculty. Trustees cannot serve on the work group if they intend to be nominated, recommend themselves, or would accept a recommendation; trustees would have to recuse themselves if that situation arose. The work group would review all recommendations and those recommended for the positions would be asked to submit a statement of interest. After reviewing the statements of interest, the work group may ask for additional information from the candidates. There will be an opportunity for the work group chair or designee to discuss concerns about any of the candidates. Candidates can withdraw at any time in the process. At the board meeting, all candidates will be discussed and nominated, at which point there will be a vote. The nominee receiving a majority of the votes will occupy the chair position. If no nominee receives a majority of votes, the top two would go through a run off and the person receiving a majority of votes would prevail. For those candidates interested in the vice chair position, the process would repeat itself.

Chair Hennion said the terms for the chair and vice chair would be two years. Mr. Catz, Sabrina Prud'homme and Trustee Megan Lightman said they thought two-year terms would be beneficial for the board.

Responding to Chair Hennion's comment, Ms. Prud'homme said that, despite the late date, the elections process could still be completed in 2020 but would be compressed. Having fewer trustees on the work group would allow the group to be more nimble in scheduling meetings and would accomplish the process more expeditiously.

Discussion ensued on the legal limits on trustees' terms and the impact of that limitation on a trustee serving a two-year term as a chair or vice chair. The consensus was to have the Board Statement remain silent on the topic at this time, which would provide the board flexibility and would not be overly constraining.

At Vice Chair Nicholson's request, President Schott provided input on the proposed process and her role in it, saying she is comfortable with the process but it is one the trustees need to feel comfortable with. She has good relationships with all of the trustees so it would be an easy transition to whomever becomes the chair. Mr. Catz added that there is language in the statement about the work group consulting with the president.

Trustee Bill Thorndike moved to accept the Board Statement on the Process for Officer Elections as presented. Trustee Santos seconded the motion and it passed unanimously.

Review of Authorities and Related Communication

Chair Hennion said this is a review item on the agenda just to remind trustees of the delegated versus retained authorities, and those which the board cannot delegate. Given the guidelines SOU must follow, which are changing on almost a daily basis during the COVID crisis, SOU must be able to remain nimble in order to manage the university and best serve students in compliance with state and federal laws.

It is important to remember that the Executive and Audit Committee has the authority to act on behalf of the board, but in case a quorum cannot be assembled in an emergent situation, the president may need to act in order to support the needs of students or the university. During this pandemic, this is precisely the time the president may need to rely on certain powers. The Board Statement on Delegation of Authority provides for this already, but it is important that the committee reminds itself of these authorities as well as expected communication in this area.

Mr. Catz said it is evident how emergent the current situation has been in terms of public health and safety issues and economic impacts. He referred to paragraph 2.3 of the Delegation of Authority which authorizes the president to take emergency and temporary actions when necessary, emphasizing invocation of this provision must be both emergent and temporary. President Schott added her appreciation that this provision is already included in the board's documents. If there is a case when she needs to act quickly, she does not need special action to do so, which would avoid causing unnecessary concern.

Future Meetings

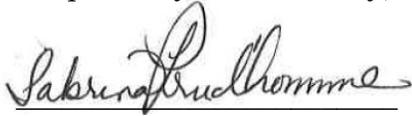
Chair Hennion said the next committee meeting will be on June 19.

Adjournment

Chair Hennion adjourned the meeting at 10:21 a.m.

Date: June 19, 2020

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme". The signature is written in black ink and is positioned above a horizontal line.

Sabrina Prud'homme
University Board Secretary