

**Southern Oregon University  
Board of Trustees  
Executive and Audit Committee Meeting  
April 22, 2022**

**MINUTES**

Chair Daniel Santos called the meeting to order at 9:32 a.m. He welcomed David Terry from Portland State University for joining the trustees. He also thanked Jason Catz for his service to SOU.

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

Committee Members:

Chair Daniel Santos	Present	Lyn Hennion	Present
Jonathon Bullock	Present	Bill Thorndike	Present
Sheila Clough	Present		

Other trustees in attendance: Shaun Franks, President Rick Bailey

**Public Comment**

There was no public comment.

**Consent Agenda**

Trustee Thorndike moved to approve the consent agenda as presented. Trustee Bullock seconded the motion and it passed unanimously.

**Reports**

Internal Audit Report

Jason Catz introduced the item saying there have been conversations about the day-to-day contact with David Terry after his [Jason's] departure. Vice President Perkinson has graciously agreed to be that contact and Mr. Terry agrees with this. He will also have regular meetings with the board chair and the president as the previous internal auditor did, but he will report to the board chair. This being his last meeting at SOU, Chair Santos thanked Jason Catz for his service and Catz replied that serving the board has been a highlight of his professional career.

David Terry introduced the three objectives he would be presenting: 1) an update on services provided since the last committee meeting; 2) the status of hotline activity; and 3) the annual risk assessment, internal audit plan, and required annual disclosures to comply with audit standards. He also talked about working with management on the risk assessment, which led to the creation of the Internal Audit Plan for fiscal year 2023.

Since the last meeting, SOU received two reports from the hotline system that he worked on with Catz. For example one report was regarding legislation on textbook requirements and Terry and Catz provided advice to help SOU comply. Regarding the annual risk assessment, he reviewed a visual overview of the steps, then presented a

table/heat map that ranked each auditable entity's risk. He divided the university into thirty-four auditable entities based on budget and focus of operation. He explained the purpose is to help guide conversations and just because a unit is placed in the "red" category does not mean he thinks they are doing a bad job. It could mean they are handling a lot of money for the university or have a significant control process. There was some discussion on specific "red line" items including EDI and athletics and why they were deemed high risk. Responding to Trustee Hennion's question, Terry explained that the other hotline topic was about tuition and since the board approved tuition, it didn't rank on the heat map or raise any concern.

### **Action, Information and Discussion Items**

#### Fiscal Year 2023 Internal Audit Plan (Action)

David Terry reviewed the Internal Audit Plan for July 1, 2022 through June 30, 2023. He presented "Exhibit A," which was the professional recommendation of his time and the projects. He described the three planned audits: residency benchmarking and recruitment; equity, diversity, and inclusion (EDI) procurement; and a financial aid process review. The purpose of the residency benchmarking is to ensure that public universities and community colleges around the state have consistent reporting. This is important when reporting to the Higher Education Coordinating Commission and requesting funding.

The second proposed project would focus on EDI in SOU's formal procurement process of going through a request for proposals or qualifications. He explained that this is more of a performance audit which looks at the process, opportunities for improvement, and compares it to best practices. Terry talked about the financial aid review and that it is not to duplicate the external auditor's single audit but is a program review. He clarified that in addition to the three projects there is additional time for special reviews and consulting. He then fielded comments and questions from the group which led to a discussion on the frequency of audits.

Trustee Clough moved to approve the internal audit plan. Trustee Bullock seconded the motion and it passed unanimously.

#### Amendments to Bylaws of Southern Oregon University (Action) Jason Catz

Chair Santos introduced the topic by saying that changes to the board's officer elections process triggered a need for minor changes to the Bylaws. Jason Catz explained that the changes are to reflect the changes in the officer election process, which increases officers' terms from one year to two.

Trustee Bullock moved to adopt the amendments to the Bylaws. Trustee Thorndike seconded the motion and it passed unanimously.

#### Governance Work Group Update

Trustee Bullock, chair of the Governance Work Group, explained that the purpose of the work group was to address governance issues and determine whether the group thought it was necessary to create a standalone governance committee, which the group

is working on. Additionally, a new trustee mentoring plan will come forward in the June meeting along with a Board Statement on President Emeritus Status.

#### Discussion of President's Future Goals

President Bailey discussed his six draft 2022-2023 goals, as presented in the meeting materials. The six draft goals are: 1) long-term financial sustainability which includes revenue diversification and cost management; 2) JEDI (justice, equity, diversity, and inclusion) and translating strategy into practice; 3) developing an approach to the strategic plan 4) establishing a network of collaborators; 5) creating a robust communication strategy including internal communication; and 6) self-care and what can be done to support a culture of healing and cohesion. He suggested the board come up with some sort of matrix to ensure these goals are being accomplished.

Regarding self-care and a culture of healing, the committee entered into a broad and deep philosophical discussion about trustees' personal college experiences and college readiness versus that of students today. Trustee Bullock reminded the committee that students' lives and experiences are so drastically different and somewhat incomparable to what the committee experienced. He gave examples of active shooter drills in school, social pressures, social media pressures, media, video games, and a pandemic that add to anxiety and depression for young people.

#### Future Meetings

Chair Santos said the committee's next meeting would be on June 17, 2022 and asked that if any trustee on the committee has any topics they'd like to see on that agenda, to please send them to the board secretary or to him.

#### **Adjournment**

Chair Santos adjourned the meeting at 11:06 a.m.