



**Executive and Audit Committee of the SOU Board of Trustees  
June 26, 2015 Meeting  
10:00am – 11:30am  
First Floor Conference Room, Churchill Hall**

**Minutes**

**Trustees Present:** Lyn Hennion, Paul Nicholson (arrived 10:15 am), Roy Saigo (ex-officio), Teresa Sayre, April Sevcik, Judy Shih, and Bill Thorndike.

**Trustees Not Present:** None

**University Staff Present:** Dr. Susan Walsh, Jason Catz, Liz Shelby, Craig Morris, and Ryan Brown.

**Guests:** James G. Parker, Davis Wright Tremaine LLP; Ryan Britz, Berkley Risk Administrators Company, LLP (phone call at 10:15 am).

**Call to Order**

Chair Thorndike called the Executive and Audit Committee meeting to order at 10:05 am. There was a quorum; all Committee members were present.

**Public Comment**

There was no public comment.

**Board Statement on Executive and Audit Committee**

Interim Board Secretary, Liz Shelby, stepped through the 2.0 section of the Board Statement on Board Committees, which pertains to the responsibilities of the Executive and Audit Committee. Today's agenda is particularly focused on Section 2.4. General Counsel Catz informed the committee of the protocols associated with Executive Session and voting. Discussion ensued. Trustee Sayre confirmed the types of discussions that should be conducted in Executive Session: Real estate transactions and personnel matters are examples. Trustee Shih had several questions about the committee membership and responsibilities. Since the full Board has previously adopted the "Board Statement on Board Committees," General Counsel responded to questions and proposed that he work with committee members if amendments to this document need to be developed.

## **Overview of SOU Risk Management Structure – Phone Conference**

**James G. Parker**

**Davis Wright Tremaine, LLP**

**Ryan Britz**

**Berkley Risk Administrators Company, LLC**

VP Craig Morris introduced the company representatives and explained how they are associated with SOU. James Parker offered a historical overview of the seven public universities risk management, the creation of an intergovernmental trust (PURMIT – Public Universities Risk Management Insurance Trust) to serve six institutions, the relation with the Oregon Insurance Division, and the trust administration and vendor management. SOU's appointee to the trust board is VP Craig Morris. Ryan Britz proceeded to explain the role of Berkley in administering the trust and their operating priorities in providing property and liability insurance coverage. Trustee Nicholson asked if there was a "dooms day" scenario, what SOU's liability would be. James explained that such a case is unlikely, but should it occur, it would trigger a retroactive assessment provision. Trustee Sayre explained that from her perspective, their insurance pool at the Phoenix-Talent District has functioned extremely well. Trustee Thorndike asked about the impact of UO's non-participation in the pool. James indicated that in some lines, it is an advantage that they are out, although their non-participation has increased the overall cost of insurance to the remaining six. At VP Morris' request, Ryan talked about the Directors and Officers Insurance provision. (\$25M each claim.) Trustee Sevcik asked about the retention amount. The first \$5K deductible would come from SOU.

VP Morris informed the Committee that the four TRUs have joined together to share the cost of an employee to work with all four to guide their institutions on how to improve their risk management and compliance. Going forward, the Executive Committee will receive reports from VP Morris on claims and premiums as well as receive reports from the internal and external auditors. The Committee was reminded that Craig will receive direction from the SOU Board as the VP of Finance and Administration, and he simultaneously has a fiduciary responsibility as a board member of insurance trust. Trustees inquired about the RFP process for the trust administration and about whether we have local agents. Chair Thorndike asked for a future report on properties that are not contiguous to the Ashland Campus.

### **Internal Auditor Search Update**

VP Morris gave an overview on the position description development and the search committee's process. Trustee Sevcik is serving on the search committee representing the Board. This position works for the President and reports to the Board. It was proposed that the final selection process be conducted similar to the Board Secretary selection. In response to the Chair's question about complaint management, VP Morris explained the "hotline" and how complaints would be handled as well as the Executive

Committee's oversight of this position. Trustee Shih suggested a few clarifications to the position description.

### **External Audit Draft RFP**

The document provided is a draft and will be refined. As a public university, we are expected to follow a specific selection process. Several Trustees asked about the scope of the audit. It will be a year from now before they audit SOU, since we will have an audit from OUS through June 30, 2015. VP Morris hopes to get the RFP finalized and out in circulation by the end of July. Chair Thorndike asked that a more finalized RFP, if available, be discussed at the next Committee meeting. Chair Thorndike asked Trustee Shih to represent the Committee in the process. Trustee Nicholson, as the Chair of the Finance Committee, also agreed to be engaged in the process.

### **Board Secretary Search Update**

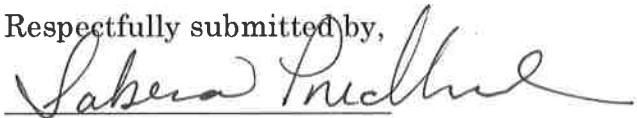
Provost Dr. Susan Walsh provided an update on the Board Secretary search. The process went smoothly and a selection has been made. She will begin on July 1.

### **Adjourn**

The meeting was adjourned at 11:40 am.

Date: JULY 28, 2015

Respectfully submitted by,



Sabrina Prud'homme  
University Board Secretary