

**Board of Trustees
Executive and Audit Committee Meeting
Friday, October 16, 2020
Videoconference**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Paul Nicholson	Present	Lyn Hennion	Present
Jonathon Bullock	Present	Megan Davis Lightman	Present
Sheila Clough	Present	Daniel Santos	Present

Chair Paul Nicholson called the meeting to order at 9:32 a.m. The board secretary recorded the roll and a quorum was verified.

Other trustees in attendance: Deborah Rosenberg and President Linda Schott.

Other attendees and Zoom webinar panelists 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; and Kathy Park, Office of the Board Secretary.

Public Comment

There was no public comment.

Consent Agenda

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

Reports

Internal Audit Report

Chair Nicholson said SOU's former internal auditor, Ryan Schnobrich, left SOU the previous month. In his absence, Jason Catz delivered the report. He clarified his role, saying he was not functioning as an internal auditor and would not be providing assurances on any matters. He is monitoring open matters and responding to EthicsPoint hotline complaints. Responding to Trustee Clough's later inquiry, Mr. Catz said the hotline complaints will continue to receive timely responses; none of them are of a nature that would necessitate the board's attention.

Mr. Catz then reviewed areas over which the board and university will need to keep a watchful eye. He said Mr. Schnobrich left a draft report on the student fee process; Mr. Catz will request a management response be completed. Mr. Schnobrich indicated in his draft report that he would be able to give reasonable assurance of compliance.

The audit on irregular employment agreements was stopped last year; a task force was created to determine when and how such agreements should be used. Other transitional items are not urgent and can be left for the next internal auditor.

Going forward, Mr. Catz said Mr. Schnobrich's opinion was that SOU may be better served by trying to strike a new balance between the assessment and identification functions of internal audit and providing assistance to employees on implementing recommendations. President Schott, Greg Perkinson and others share this opinion. Mr. Catz said Mr. Schnobrich's departure may present an opportunity to contract out the internal audit functions and invite the TRUs to join SOU in a joint procurement to obtain a better rate. Resources could then be shifted toward the compliance function.

Discussion ensued on the future of the internal audit function, including the cost of an external firm; Mr. Schnobrich's large workload; the board's relationship with an external firm; balancing the internal audit and compliance functions, with the consulting function being done by someone internally; and the anticipated timeline for the issuance of a request for proposals.

Chair Nicholson and Mr. Catz said the issue will come back to the committee as the contracting process moves along and that final approval of any contract for external auditing services should come from the committee.

Action, Information and Discussion Items

Proposed 2021-2022 Committee Meeting Schedule

Chair Nicholson referred to the proposed committee meeting schedule included in the meeting materials. The September 1 date is a placeholder in case a meeting is needed. None of the trustees had any concerns about the proposed schedule.

University President's Annual Evaluation [Executive Session Pursuant to ORS 192.660(2)(f) and (i)]

Chair Nicholson said the committee would go into executive session to review the president's evaluation. For the record, he said 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. Continuing, Chair Nicholson said, pursuant to ORS 192.660(6), no final action would be taken or final decision 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 to the videoconference. The board secretary confirmed that no members of the media were present.

In addition to the board members, the following persons were permitted to remain for the executive session: University Board Secretary, Sabrina Prud'homme, 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, Chair Nicholson returned the meeting to open session.

University President's 2020-2021 Goals (Action)

President Linda Schott said her four proposed goals are the big items upon which she will be focused next year. Goal One on financial viability [To work collaboratively with the campus leadership team, faculty, staff, Board, HECC and state leaders to ensure

the financial viability of the university] is the most important because the university cannot serve students if it is not viable.

Goal Two [To help make SOU a more diverse, equitable, inclusive community by advancing Strategic Direction IV and supporting the work of the Equity, Diversity and Inclusion team] is advancing Strategic Direction IV and supporting the equity, diversity and inclusion team, and students and employees of diverse backgrounds.

Goal Three [To improve the scope and effectiveness of our shared campus governance by implementing a Staff Assembly, updating the University bylaws and providing clear, effective communication] is the most specific. SOU has made progress on developing a Staff Assembly. President Schott said she hopes to have the Staff Assembly in place by January or at least in the winter or spring term. Once it is in place, the university bylaws will need to be revised and updated. The end result will be cleaner processes and greater transparency. There will be more involvement by staff who are very capable and dedicated to the university and need to have a voice.

Regarding Goal Four [To lead SOU with intelligence, compassion, transparency, and good humor, and to advocate tirelessly for the institution and its role in this region], President Schott said her team is great and can do a lot of the work. However, only she can do the top leadership pieces, which is appropriate to fulfilling the leadership role. For her own use, she may develop these into action steps. She appreciated Chair Nicholson's position that it is going to be a tough year with much to manage.

Committee members then discussed the four proposed goals. Trustee Clough said the outcomes for the first three goals were clear; however, she recommended Goal Four be reworded. President Schott did not agree but was willing to make changes if desired. She said both aspects are important, the leadership piece being internal and the advocacy piece being external. Chair Nicholson recommended revising Goal Four to read: To lead SOU with intelligence, compassion, transparency, and good humor, advocating tirelessly for the institution and its role in this region.

Chair Nicholson added that the feedback he and Vice Chair Santos received [during their listening sessions] was that it was not just what President Schott did in leading the university but it was how she did it and that is why these two concepts are linked. Trustee Clough said, based on that input, the goal makes sense as worded.

Trustee Lightman recommended that no revisions be made and that the trustees should let President Schott go out and accomplish them. Trustee Rosenberg concurred.

Trustee Lightman moved to move the four goals forward and recommend them to the board for approval. Trustee Bullock seconded the motion and it passed unanimously.

Future Meetings

The committee's next meeting will be on January 22, 2021.

Adjournment

Chair Nicholson adjourned the meeting at 11:02 a.m.

Date: January 22, 2021

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme". The signature is written in black ink and is positioned above the printed name.

Sabrina Prud'homme
University Board Secretary