

**Board of Trustees
Executive and Audit Committee Meeting
Friday, November 19, 2021**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Committee Members:

Daniel Santos	Present	Jonathon Bullock	Present
Sheila Clough	Present	Paul Nicholson	Absent
Lyn Hennion	Present	Bill Thorndike	Present

Chair Daniel Santos called the meeting to order at 9:30 a.m. in the Meese Room of the Hannon Library. The board secretary recorded the roll and a quorum was verified.

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

Other attendees and Zoom webinar panelists included: Greg Perkinson, Vice President for Finance and Administration; Dr. Neil Woolf, Vice President for Enrollment Management and Student Affairs; Dr. Susan Walsh, Provost; Janet Fratella, Vice President for University Advancement; Toya Cooper, Vice President for Equity, Diversity, and Inclusion; Jason Catz, General Counsel; Tom Battaglia, Chief Information Officer; Sabrina Prud'homme, Board Secretary; and Pamela Tomac, Office of the Board Secretary.

Welcome to the first REGULAR meeting of the academic year! The committee is pleased to welcome Bill Thorndike BACK to the Executive and Audit Committee and this is President Schott's last meeting with the committee. Welcome and thanks to trustees, as well as all of the staff who are presenting today. The committee welcomes Toya Cooper, the new VP of EDI.

Public Comment

No public comments were offered.

Consent Agenda

Trustee Clough motioned to approve the consent agenda as presented. Trustee Thorndike seconded the motion, and it passed unanimously.

Reports

Internal Audit Report and Proposal (Action)

Jason Catz reminded the committee of the history of internal audit at SOU and that when the board's internal auditor left last year, he [Ryan Schnobrich] recommended that SOU seek to outsource this function. With the board chair, and with the EAC's and board's support, such a proposal went to David Terry of PSU. His services would be billed at \$150 per hour; there is an auditor on his staff at \$90 an hour; and if necessary, they can help coordinate work with outside firms as needed. Mr. Terry's broad and deep expertise in internal audit and with Oregon's public universities was reviewed. There is no need to go out for a bid because procurement rules allow SOU to contract with other public bodies.

Mr. Terry reviewed the proposal information presented in the meeting materials: the

engagement would be a moderate level; this is typically up to \$105K per year; it would provide 600-759 hours of service to SOU including annual risk assessment and audit plan assistance; there is a possibility of doing external audit testing with an external audit firm for a reduction in CliftonLarsonAllen's bills to SOU; a planned full audit project is included; ad hoc consulting services if requested by management; and investigative services, which SOU's general counsel would specifically request if required.

Responding to Trustee Clough, Mr. Catz replied that nothing would necessarily be missing from the job that Mr. Schnobrich accomplished, it is just a matter of scope. Mr. Terry would propose the scope and audit plan for the year.

Trustee Thorndike asked Mr. Terry his thoughts about the many millions in federal funding flowing through the university and the requirements attached to that funding millions relative to internal versus external audit services. Mr. Terry believed that because the compliance requirements of the audit are clean a review may still be beneficial to look for opportunities for efficiencies and savings.

Mr. Catz answered Chair Santos that Terry's would be a year-to-year contract and not a 5-year engagement. Mr. Catz confirmed that there is not a minimum or maximum and that if the need is above or below, the rate will reflectively cost or save more. Chair Santos added that the information would be held confidentially and will not be stored on PSU's servers. Mr. Catz confirmed that safeguards will be in place. Responding to Trustee Hennion, Mr. Catz said that costs were expected to be more efficient than an outside firm not experienced with SOU.

Trustee Thorndike commented that this is an exciting, wonderful solution since the internal audit is so important. Trustee Thorndike added that his perspective was that under the Oregon University system did SOU rarely get enough attention. This is a model solution and agrees with the concept of having an effective compliance officer.

Trustee Thorndike moved to approve and recommend the internal audit proposal to the full board. Trustee Hennion seconded the motion, and it passed unanimously.

Action, Information and Discussion Items

Proposed 2022-2023 Committee Meeting Schedule (Action)

Trustee Hennion moved to approve the new calendar schedule as presented. Trustee Thorndike seconded the motion, and it passed unanimously.

Discussion of University Leadership Transitions

Acting University President and Transition Support for SOU President

Board Chair Santos said that as the board entered into negotiations with Dr. Bailey, a start date was agreed upon for January 15, 2022. As President Schott retires as of December 31, 2021, there will be a 2-week gap in leadership. Consistent with the board's policy on appointment of a university president, Board Chair Santos saw the need to have an acting president on campus, interviewed Provost Walsh, also reviewed other options and the policy. This committee meeting today fulfills the requirement of consultation with the Executive Committee on the matter. It is recommended for the committee's consideration that Provost Susan Walsh be appointed as acting president from January 1 to January 14, 2022. The committee does not need to act on this item but is requested to support this course of action

when presented to the board later this afternoon.

Trustee Clough noted that Provost Walsh has been an incredible leader. Trustee Hennion said that this is an excellent idea. Vice Chair Bullock added that having coverage over this period is a brilliant move and appreciates that Provost Walsh is available to serve the university in this capacity. Trustee Thorndike noted that the hierarchy relative to coverage in this role is usually the Provost's responsibility and he also fully endorses this action.

Regarding transition support for the new president, Dr. Schott has also agreed to a consulting contract to be available on reserve until June, as needed beginning January 1, 2022.

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

Chair Santos stated that the committee would enter into executive session to review and evaluate the employment-related performance of the chief executive officer and to consider information or records that are exempt by law from public inspection. Pursuant to ORS 192.660 (6), no final action would be taken or final decision made in the executive session. He said at the end of the executive session, the committee would return to open session and welcome members of the public back to the videoconference (if any remain).

Chair Santos asked if any members of the media were present, as pursuant to ORS 192.660 (4), representatives of the news media shall be allowed to attend this executive session, but were specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No members of the media were present.

In addition to the board members, the following persons were permitted to remain for the executive session: Dr. Linda Schott and Sabrina Prud'homme.

The audio recording was stopped and the committee began its executive session. In concluding the executive session, Chair Santos returned the meeting to open session.

University President's Goals (Action)

President Schott reviewed the highlights of her goals, which were written in August during the last COVID surge. President Schott said that the main goals were preparing a transition plan for the new president, continuing to make SOU a more diverse and equitable institution by hiring the VP of EDI, strengthening campus governance by creating the newly formed Staff Assembly, and the last goal was leading the campus through the Fall Term in the best interests of students, employees, and the larger community.

Vice Chair Bullock moved to approve the president's goals. Trustee Clough seconded the motion, and it passed unanimously.

Future Meetings

The next meeting of this committee is scheduled to take place on January 21, 2022.

Adjournment

The meeting adjourned at 10:45 a.m.

Date: January 21, 2022

Respectively 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