

**Board of Trustees  
Executive and Audit Committee Meeting  
Friday, April 21, 2023**

**MINUTES**

Chair Daniel Santos called the meeting to order at 9:30 a.m. He welcomed everyone to the meeting with a special thank you to SOU's internal auditor, David Terry and Tom Battaglia, SOU's chief information officer.

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

Committee Members:

Chair Daniel Santos	Present	Liz Shelby	Present
Jonathon Bullock	Present	Bill Thorndike	Present
Sheila Clough	Present	Shaun Franks	Present

Other trustees in attendance: President Rick Bailey

**Public Comment**

No members of the public offered comments.

**Consent Agenda**

Trustee Shelby moved to approve the minutes of the January 20, 2023 meeting. Trustee Franks seconded the motion and it passed unanimously.

**Reports**

Internal Audit Report

David Terry reviewed two Internal Audit (IA) objectives: services provided to SOU and the status update on the EthicsPoint Hotline activity since the last committee meeting. Mr. Terry held periodic meetings with the vice president for finance and administration and the general counsel to provide status updates on internal audit projects. He continues to meet with Chair Santos to discuss projects and hotline activity. Mr. Terry and his colleague, Amy Smith, updated key information on the Internal Audit website. Ms. Smith participated in a cybersecurity tabletop exercise in April hosted by SOU's Office of Information Technology. Mr. Terry commended management's proactive approach to cybersecurity. He also discussed his work with General Counsel to issue an informational email to the SOU community regarding the hotline, which led to increased activity. Regarding services, he reviewed the 2023 projects: residency benchmarking, for which a draft report was issued to management with a hope that it will be ready for executive management in June; equity, diversity, and inclusion (EDI) in procurement, which is in progress; and the process review of financial aid, which also is in progress.

Mr. Terry also provided an update on hotline activity, which included four new reports and two management review requests during the quarter. Management has been made aware of these and sufficient action has been taken. All four cases have been closed and there were no material findings, only suggestions for process improvement. In response to trustees'

questions, Mr. Terry said he thought the hotline was being used properly overall; although, many reports are human resources complaints and he questions whether this is a proper use of the hotline. He also explained that most hotline reporters are anonymous. There is an ability to contact those who report in order to get more information, but only a quarter to a one-third of reporters reply to this outreach.

Mr. Terry announced that at the next meeting he hopes to have a draft of the annual risk assessment. This will determine the planned audit projects for the following year. Chair Santos expressed his interest in the residency benchmarking, EDI procurement projects, and he is looking forward to seeing those reports.

### SOU Internet Infrastructure and Cybersecurity

Tom Battaglia stated that he would address questions that student, Chandler Campbell, made during the public comment period in a previous meeting. The first issue Mr. Battaglia addressed was that of internet speeds and access. He explained the difference between speed and capacity, and used a graphic to depict that SOU is not near capacity. As Mr. Chandler previously compared SOU's internet to the University of Oregon's, Mr. Battaglia showed the parallels and differences between the two universities, noting bandwidth and capacity differences corresponding to the size of each university's user group. Not all connections/networks on SOU's campus are equal, and upgrades are performed gradually, on an ongoing basis, and in concert with demand priorities.

There was a discussion regarding prioritizing IT projects on campus based on mission, public-safety, demand, and other factors. SOU has three open wireless networks and two secure wireless networks. If employees are docked at their desks and using the ethernet, it is much more secure but with all the wireless devices, wireless activity is high. In the residence halls, SOU spent \$165K increasing access points in Student and Family Housing. Battaglia further explained how wireless security works and the encryption of information.

Trustee Thorndike asked if progress was being made on securing 5G. Mr. Battaglia answered that SOU is not the limiting factor and does not have control over this. Mr. Perkinson said there are politics around 5G and noted that of the various carriers, AT&T is probably the closest to establishing a 5G network, as SOU is working on a potential lease agreement with the company, and SOU has been in talks with other carriers. President Bailey added that SOU is working with the City of Ashland to host an emergency operations center and the need for a fast, reliable communications is essential and must play into the community conversation, which even those who oppose 5G, can appreciate. Chair Santos thanked Mr. Battaglia for looking into the student's comments as risk issues.

### Amendments to Governing Documents

Vice Chair Clough provided background on the Policy Work Group including recognizing members Trustees Debra Lee and Dr. Jonathon, as well as Sabrina Prud'homme and Rob Patridge. On process, she noted that the group has a scheduled cadence in reviewing document throughout the year. They review the policies prior to the workgroup meetings, bring recommendations to the group, and discuss any changes, which takes two or three cycles per document.

Vice Chair Clough described that amendments to the Board Statement on Ethics and Conflicts of Interest included more plain language as well as basic edits. There was a lengthy discussion on compliance, what happens if a trustee is out of compliance, the responsibilities of the board and chair in such a case, and how that relates to federal and state laws. The committee agreed that the workgroup could revisit the statement to consider any further changes in concert with the discussion. For clarity, trustees requested that item 6.1 on “Official Record” become item 5.6 under “Conflicts of Interest,” and the subsequent section be renumbered accordingly.

The Board Statement on Policies underwent some minor grammatical and formatting corrections. Vice Chair Clough noted the most significant change—the removal of the long list of people who could be “responsible officers” under sections 3.2 and 3.3, simplifying how these officers are defined.

The vice chair reviewed the Board Statement on Recommending Candidates for At-Large Board Positions. There were some general edits, “cleanup,” and more inclusion of plain language. An important amendment was the addition of “A commitment to equity, diversity and inclusion,” in section 3.1 on Board Composition.

Ms. Prud’homme explained that pending legislation [House Bill 273] may require changes to the board and certain governing documents. She emphasized that this had not been finalized but wanted to notify the board that additional amendments may be necessary.

In reviewing the Board Statement on Investments for the SOU Endowment Fund, Clough said that the work group quickly deferred to the experts, Vice President Perkinson and Penny Burgess; neither recommended any changes. It was also reviewed by the Finance and Administrative Committee the previous day, which recommended approval without changes. The caveats to this recommendation were that inflation and market changes may require revisiting the statement to adjust asset allocation and distribution percentages.

Trustee Thorndike moved to approve the resolution to recommend these amendments to the full board for adoption, Trustee Shelby seconded the motion and it passed unanimously.

### **Future Meetings**

Chair Santos announced that the next meeting of the committee would take place on June 16, 2023, and asked that if any trustee had any topics they would like to see on that agenda, to please send them to the board secretary.

### **Adjournment**

Chair Santos adjourned the meeting at 10:48 a.m.

Date: June 16, 2023

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.

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Sabrina Prud'homme, University Board Secretary