



OFFICE OF THE BOARD OF TRUSTEES

Public Meeting Notice

January 12, 2024

TO: Southern Oregon University Board of Trustees, Executive, Audit, and Governance Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Executive, Audit, and Governance Committee

The Executive, Audit, and Governance Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below.

Action items on the agenda include a consent agenda of past meeting minutes.

The committee will discuss an internal audit report and receive an external audit update. The committee also will discuss an update on the implementation of Senate Bill 273 (2023) and the board's Officer Election Process. An internal audit report on financial aid will be discussed in an executive session pursuant to ORS 192.660 (2)(f).

The meeting will occur as follows:

Friday, January 19, 2024

9:30 a.m. to 11:30 a.m. (or until business concludes)

DeBoer Room, 3rd Floor, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/87641005377> at the time of the meeting.

Materials for the meeting are available at governance.sou.edu.

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If special accommodations are required, please contact Christina Martin at (541) 552-8055 at least 72 hours in advance.**

Public Comment

Members of the public who wish to provide live public comments in the meeting are invited to sign up to speak, or to submit their comments in writing at least 24 hours in advance of the meeting to the Board of Trustees email address: trustees@sou.edu.

Public comments also may be delivered by hand or mailed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.



Board of Trustees
Executive, Audit, and Governance Meeting
January 19, 2024

Call to Order / Roll / Declaration of a Quorum



**Board of Trustees
Executive, Audit, and Governance Committee Meeting**

**Friday, January 19, 2024
9:30 a.m. – 11:30 a.m. (or until business concludes)
DeBoer Room, Hannon Library, SOU Campus
Zoom: <https://sou.zoom.us/j/87641005377>**

AGENDA

Persons wishing to provide live public comments in the meeting or in writing may sign up at trustees@sou.edu.
Please note: times are approximate and items may be taken out of order.

5 min	1	Call to Order/Roll/Declaration of a Quorum	Chair Daniel Santos
	1.1	Welcome and Opening Remarks	
	1.2	Roll and Declaration of a Quorum	Sabrina Prud'homme, SOU, Board Secretary
	1.3	Agenda Review	Chair Santos
	2	Public Comment	
5 min.	3	Consent Agenda	Chair Santos
	3.1	October 20, 2023 Minutes	
	4	Reports	
20 min.	4.1	Internal Audit Report	David Terry; Portland State University, Internal Audit Contractor
	5	Action, Information and Discussion Items	
20 min.	5.1	External Audit Update	Dr. Neil Woolf, SOU, Executive Vice President; Jean Bushong, CliftonLarsonAllen, Principal; Agnes Maina, SOU, Controller
10 min.	5.2	Update on Implementation of Senate Bill 273	Sabrina Prud'homme
5 min.	5.3	SOU Board of Trustees Officer Election Process	Chair Santos
5 min.	5.4	Future Meetings	Chair Santos

Public Comment

Consent Agenda

**Board of Trustees
Executive and Audit Committee Meeting
Friday, October 20, 2023**

MINUTES

Call to Order/Roll/Declaration of a Quorum

Chair Daniel Santos called the meeting to order at 9:35 a.m. He welcomed everyone to the first committee meeting of the academic year. He welcomed new committee member, Trustee Brent Barry, who began chairing the Academic and Student Affairs Committee. He also thanked Trustee Lee for representing the board’s policy workgroup. He welcomed everyone for attending, including internal auditor, David Terry.

Board Secretary Sabrina Prud’homme called the roll and a quorum was verified.

Committee Members:

Chair Daniel Santos	Present	Liz Shelby	Present
Brent Barry	Absent	Bill Thorndike	Present
Sheila Clough	Absent	Shaun Franks	Present

Other trustees in attendance: President Rick Bailey and Trustee Debra Lee

Public Comment

No members of the public offered comments.

Consent Agenda

Trustee Shelby moved to approve the minutes of the June 16, 2023 meeting. Trustee Thorndike seconded the motion and it passed unanimously.

Reports

Internal Audit (IA) Report

David Terry, the internal auditor at Portland State University providing contracted IA services to Southern Oregon University (SOU), presented an update covering three main areas: services provided since he last met with the committee, hotline activity, and proposed changes to internal audit standards. Regarding services, Mr. Terry meets regularly with SOU management as well as the General Counsel and Chair Santos to promote independence and communication. He also stays abreast of information technology (IT) risks, and shares information with Tom Bataglia, as IT controls are always high risk. He also collaborated with the President's office to send out the “tone at the top” email to campus promoting ethical use of public resources and educating on the hotline resource. Mr. Terry also reviewed the four project areas for FY 2024, including financial aid process review and testing, Workday implementation, an audit of Veteran Services, and special projects as needed.

There was a total of three hotline reports since the last meeting, with no new management review consulting needs arising from those. Internal Audit worked with SOU management to review and address the hotline reports.

Mr. Terry discussed proposed changes to the Institute of Internal Auditor (IIA) standards, including a requirement for IA offices to undergo a full external review by a certified IA reviewer every five years. His office completed this recently and received the highest confirmed standard. Another proposal is for internal auditors to provide a “mandatory” summary opinion or overall conclusion like a risk rating. Chair Santos requested future updates on substantive changes to the standards and Mr. Terry assured the committee of timely communication.

In response to Chair Santos' question about concerns keeping the audit team up at night, Mr. Terry stressed the importance of cybersecurity, recognizing the dynamic nature of the industry and the challenge of addressing risks associated with human factors or weaknesses in IT security. He commended SOU's IT department for their transparency and collaboration in managing these risks.

Action, Information and Discussion Items
Amendments to Governing Documents (Action)

Chair Santos stated that members of the board’s policy workgroup began working on these revisions late this summer after the passage of Senate Bill (SB) 273, which required the board to codify a number of provisions from that bill. Trustee Lee, who is a member of the workgroup, will walk the committee through the proposed amendments and the new resolution regarding reporting compliance.

Trustee Lee thanked Sabrina Prud’homme and Rob Patridge for their help with the workgroup. The workgroup’s focus was to ensure there is plain language and clarity on the documents so most of it was taken directly from the bill and placed in various documents as appropriate.

Trustee Lee discussed the changes to its governing documents to adhere to Senate Bill 273 (SB 273). In the University Bylaws, the amendments involve clarifications and additions that align with SB 273, introducing definitions and terms for various members and updating the document for consistency with the new legislative requirements. Changes in the Board Statements on the Conduct of Public Meeting, Presidential Searches and Appointments, and Recommending At-Large Candidates for Board Positions were reviewed. The Resolution on the Responsibilities of Individual Trustees clarifies existing practices, now required by SB 273, and specifies the frequency of self-evaluations. Lastly, the Resolution on the Report to Legislative Assembly outlines the new reporting requirement to the legislature, including the need for input from representatives of official student, faculty, and non-faculty staff governance organizations. These comprehensive amendments aim to bring SOU's governing documents into compliance with SB 273.

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

2024-2025 Committee Meeting Schedule (Action)

Chair Santos reviewed the proposed meeting schedule included in the meeting materials. Committee members did not recommend any changes. Trustee Franks moved to approve the 2024-2025 meeting schedule as presented. 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 January 19, 2024 at 9:30 a.m., 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.

[Executive Session Pursuant to ORS 192.660(2)(f) and (i)]

Chair Santos 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. Pursuant to ORS 192.660(6), no final action would be taken or final decision made in the executive session. In addition to board members, the board secretary, Sabrina Prud'homme was permitted to remain in the room. In concluding the executive session, Chair Santos returned the meeting to open session.

University President's 2023-2024 Goals (Action)

President Bailey presented a set of five goals for the current academic year, emphasizing the need for measurable progress and accountability. These included student enrollment, support, and success. Strategies to increase enrollment will be replicated based on the success of the 2023 first-year gains. He also noted a focus on retaining students through wrap-around student services to enhance social and emotional wellness.

Goal #2 was to work toward fiscal stability by introducing new ways to share budget information and ensure fiscal stability. The president plans to build more resiliency into financial and budgeting processes; establish key performance indicators (KPIs) for targets and fiduciary guidance; cultivate a culture of accountability, transparency, and accessibility for the campus community; and launch requests for proposals for the senior living facility and university business district revenue diversification projects

Goal #3 in the area of equity, diversity and inclusion (EDI) will focus on crafting the optimal architecture for SOU's efforts; translating the EDI strategic vision into operational strategies; and working towards finalizing the memoranda of understanding with tribal governments.

Goal #4 is to maintain momentum for SOU's inaugural comprehensive campaign. President Bailey stressed the importance of maintaining the record-breaking momentum of the fundraising team to launch a comprehensive campaign. He will also promote a university-wide culture of philanthropy; explore opportunities for cost curve reductions; engage top-tier of philanthropic partners to solidify early lead gifts; and leverage philanthropy to support long-term fiscal sustainability.

Goal #5 pertaining to internal and external university communications is focused on institutionalizing the Super Cabinet structure for strategic decision-making; reengaging with the external community of the progress of *SOU Forward*; continuing campus conversations; expanding communications with media; and legislative advocacy. Responding to Trustee Shelby, President Bailey discussed the onboarding of new cabinet members, emphasizing the need for a balance between defining institutional goals and providing newcomers with agency and freedom for creative contributions. The “hard moves” have already been made and help set up new leaders for success.

Trustee Thorndike moved to approve the recommendation to the full board for the President’s 2023-2024 goals. Trustee Shelby seconded the motion and the motion passed unanimously.

Adjournment

Concluding the meeting, Chair Santos commented on great work and challenges the board has faced, the desire to support a culture of accountability, and the board’s role in implementing the [SOU Forward] plan. Referring to President’s Bailey’s phrase, “SOU is moving from defense to offense,” Chair Santos appreciated the difference in strategy.

Chair Santos adjourned the meeting at 11:18 a.m.

Internal Audit Report



Internal Audit Update

Presented by David Terry, CPA, CFE, CIA

Internal Audit Update



Objectives of Update

- 1) Update on services provided since last committee meeting.
- 2) Provide a status update on Hotline activity since last committee meeting.
- 3) Update on proposed changes to Internal Audit Standards.

Objective 1 – Internal Audit Update

- **Updates with SOU Management** – Held periodic meetings with General Counsel to provide status updates on internal audit projects and provided consulting on other SOU topics.
- **Debrief Meeting with Chair Santos** – Continuing to meet with Chair Santos periodically to discuss function and projects. Periodic meetings will continue into the future as this practice helps to support internal audit standards for independence.

Objective 1 – Internal Audit Update

- **Cybersecurity Conference Training**– Amy Smith and David Terry attended the October 4, 2023 Cybersecurity Resiliency Summit held by U of O to help stay abreast of IT risk trends and related risk mitigation controls and strategies.
- **Advertisement of Hotline Resource** – Working with the President’s Office to send out the annual Tone at the Top communication to help emphasize SOU’s stance on ethical use of resources and the SOU Hotline resource.

Objective 1 – Internal Audit Update

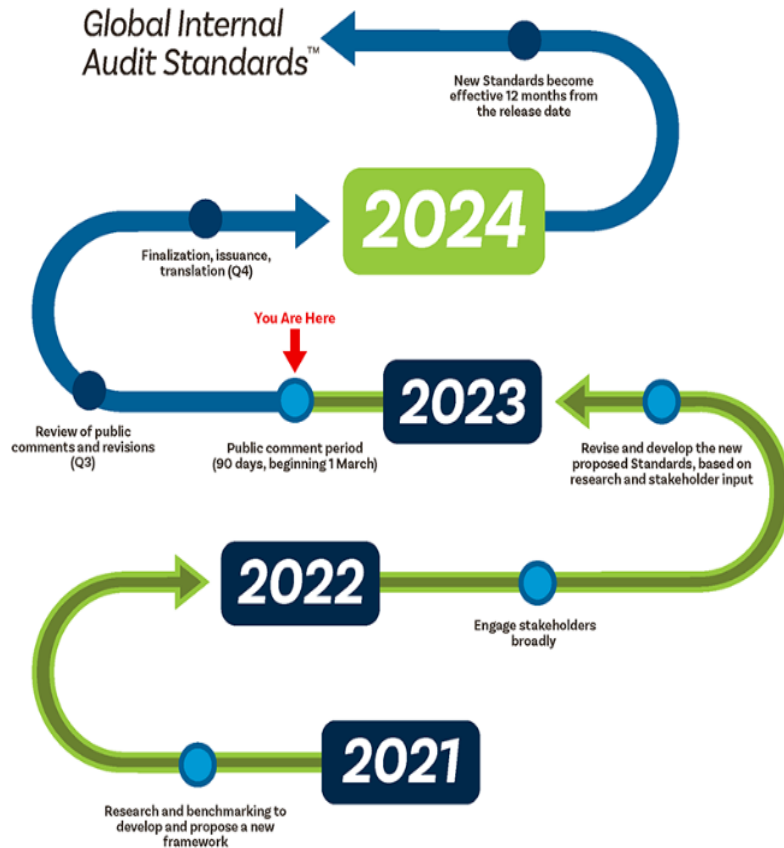
Projects for Fiscal Year 2024:

- 1) Financial Aid – Process Review – Draft report provided to management and working on finalizing project.
- 2) Workday Implementation – Amy and Dave met with peers in industry to receive some training on Workday implementation review projects and get lessons learned.
- 3) Veterans Services – Project to be formally started later this year.
- 4) Special projects and reviews as needed.

Objective 2 – Hotline Update

- 1 new Hotline report and no new management review requests since our last meeting and report out to the committee.
- Internal Audit worked with SOU management to triage and review the Hotline report to help ensure the allegations received were thoroughly reviewed. Adequate outreach and review by SOU management performed for the report received.

Objective 3 – IIA Standards Update



- **2021** – Research and benchmarking to develop and propose a new framework. **COMPLETED**
- **2022** – Engage stakeholders broadly. Revise and develop the new proposed *Standards*, based on research and stakeholder input. **COMPLETED.**
- **January – March 2023** – Translate the public comment draft. (**In Progress**)
- **March 1- May 30** – Expose the proposed draft of the new *Standards* for public comment. (**In Progress**)
- **Late 2023** – Release the new *Standards*.
- **2023** – Refresh the IPPF Guidance (Practice Guides) and relevant products.
- **Late 2024** – New *Standards* become effective 12 (TBD) months from the release date.

Objective 3 – IIA Standards Update

- New proposed standards for the Institute of Internal Auditors recently had public comment period.
- Awaiting final published standards after public comment considered and factored in.
- New standards most likely to be followed starting in late 2025 or 2026 based on IIA finalization date.
- Internal Audit will be undergoing a 5-year peer review for an assessment of our compliance with audit standards in summer of 2024 and those results will be shared with the committee once received. The next peer review after the summer 2024 review will likely be performed in accordance with the new standards.

Internal Audit Update



Questions?

External Audit Update

Updates on Implementation of Senate Bill 273

**Compliance with Non-Policy Provisions of [SB 273](#)
Board of Trustees of Southern Oregon University**

FOR DISCUSSION ONLY

SECTION 3 (11): Require that when a vacancy on the governing board is expected:

(a) At a public meeting, the governing board will assess the needs of the board and identify the ideal characteristics of any individual chosen to fill the vacancy, including but not limited to preferred skill sets, experience or geographic representation;

- The governing board already conducts this assessment. The next is scheduled to occur immediately following the addition of four new trustees in February. Results of this will be shared with the board for public acknowledgment in the April meetings of the Board of Trustees.

(b) The governing board will invite members of the public university community to submit recommendations about the ideal characteristics described in paragraph (a) of this subsection to the board;

- The board will maintain a form on its website to collect this information year-round, ensuring the availability of information at any time in order to support the executive appointments process in a timely manner.
- When a vacancy on the board is expected or occurs, the board will also announce the vacancy this in a public meeting, and invite members of the public university community to submit recommendations about the ideal characteristics (as was done in October 2023).

(c) That when the governing board notifies the Governor that there will be a vacancy on the board, the board also communicates to the Governor the ideal characteristics identified in paragraphs (a) and (b) of this subsection; and

- The board will comply with this subsection.

SECTION 4: No later than July 2 of each year, each public university listed in ORS 352.002 shall submit a report in the manner provided by ORS 192.245 to the interim committees of the Legislative Assembly related to higher education, detailing the degree to which the public university has complied with:

(a) Drafting the formal policies described in section 3 of this 2023 Act;

- This has been completed. A “crosswalk” has been prepared tracking compliance with each provision of the bill requiring codification in the board’s policies.

SOU Board of Trustees Compliance with Non-Policy Provisions of SB 273
(Continued)

(b) Fulfilling the obligations contained in the policies described in section 3 of this 2023 Act. Enrolled Senate Bill 273 (SB 273-B)

- In the aforementioned crosswalk, hyperlinks to artifacts are included.

(2) The report prepared under subsection (1) of this section must include input from representatives of official student, faculty and nonfaculty staff governance organizations.

- A report will be prepared with input from representatives of official student, faculty and nonfaculty staff governance organizations and submitted to the legislature in advance of the July 2, 2024 deadline.

SECTION 6. The Higher Education Coordinating Commission shall:

(1) Provide regular opportunities for members of governing boards from all public universities listed in ORS 352.002 to meet and discuss issues related to:

- (a) The work of governing boards; and**
- (b) Higher education throughout Oregon.**

(2) Provide opportunities for members of governing boards to meet with commissioners from the commission and members of the boards of education of community college districts.

(3) Provide opportunities for newly appointed members of governing boards to receive training necessary to understand the duties, including fiduciary duties, that members of governing boards have to Oregon.

- The board or members of the board will participate in opportunities related to this subsection.

SOU Board of Trustees Officer Election Process

**Board Statement on the Process for Officer Elections
Board of Trustees of Southern Oregon University**

1.0 Appointment of an Officer Election Work Group

1.1 By January 30 in even-numbered years, or as soon thereafter as is practicable, the Board Chair shall appoint an Officer Election Work Group for the purpose of receiving and presenting the names of candidates for election to two-year terms to begin July 1.

1.2 The Board Chair shall select one member to serve as Chair of the Officer Election Work Group.

2.0 Composition of the Work Group

2.1 The Officer Election Work Group shall be comprised of a diverse group of three-to-five trustees. At least one past Chair or Vice-Chair should be selected for the committee, if feasible. If necessary, a former trustee who served as an officer of the Board may serve in this role. At least one of the Board's current, "on-campus" trustees (i.e., student, faculty, or non-faculty staff trustees) should be selected for the committee, if feasible. The Board Secretary will serve as a non-voting, ex officio member of the Officer Election Work Group.

2.2 No member of the Officer Election Work Group will be permitted to recommend themselves during the process or otherwise accept a recommendation for Chair or Vice-Chair positions without immediately recusing themselves from further service in the group. Members of the group should have these considerations in mind before accepting membership in the work group.

3.0 Responsibilities of the Work Group

3.1 The Chair of the Officer Election Work Group will invite all trustees to submit suggestions for Chair and Vice-Chair to the Board Secretary.

3.2 The Officer Election Work Group will review all suggestions and contact each nominee to discuss their willingness to serve in either role. Trustees willing to serve will be asked to submit a brief statement of interest, explaining why they wish to serve as an officer, discussing relevant experience, specifying goals for their service as a Board officer, and any other additional information they would like the board to consider with respect to their nomination. Trustees may request consideration for only the Chair position, only Vice-Chair position, or for both.

3.3 The Officer Election Work Group will review the statements of interest, consider the past and current engagement of each trustee, and may request additional information from the candidates, if necessary. If review of the recommended trustee's information presents any issues or concerns important to the

trustee's potential candidacy, the Chair of the Officer Election Work Group will discuss those matters with the candidate and, at their discretion, other members of the work group.

A designated member of the Officer Election Work Group will seek the input of the President.

3.4 Thereafter, the Officer Election Work Group will finalize the list of trustees for presentation at a meeting of the Board of Trustees. All candidates who completed the work group's process will be included for discussion at the meeting unless they withdraw from consideration. Members of the Officer Election Work Group will present a summary of each candidate's experience, a summary of their statement of interest, and a member will nominate each trustee for consideration as Chair.

4.0 Board Election of Officers

4.1 Once all candidates have been presented for consideration and nominated, the Board will elect a Chair with the votes of a majority of the trustees present required to complete the selection. If no nominee receives the majority of votes, then the two initial nominees receiving the most votes will be subject to a second vote by the Board of Trustees with the Chair selected by majority vote.

4.1.1 All candidates who wish to be considered for Vice-Chair, will be nominated for the position using the aforementioned nomination and voting procedure described in sections 3.4 to 4.1.

4.1.2 Trustees may opt out from consideration for either position at any point during this process.

4.1.3 No officer will be eligible to serve more than two (2) consecutive, full, two-year terms in the same office.

4.1.4 Board officer elections may take place at any meeting of the Board.

5.0 Officer Vacancies

5.1 A vacancy in the position of Chair for reasons other than a term expiration shall be filled by the Vice Chair, consistent with Article III, Section 5.a. of the Bylaws of Southern Oregon University, unless the position of Vice Chair is vacant in which case the Board shall elect the Chair.

5.2 A vacancy in the position of Vice Chair for reasons other than term expiration shall be filled by an election of the board, consistent with this policy.

5.3 An officer vacancy shall be filled for the remainder of the unexpired term as soon as reasonably practicable.

This policy shall be reviewed by the Board in odd-numbered calendar years.

Approved on June 16, 2023.



Sabrina Prud'homme
University Board Secretary



Daniel P. Santos
Chair, Board of Trustees

Revision	Change	Date
	Initial Version	April 21, 2020
1	Diversity of the work group, elections in the case of officer vacancy, formatting	January 21, 2022
2	Basic edits for clarity, formatting	June 16, 2023

Future Meetings

Review of Internal Audit Report on Financial Aid

*Executive Session Pursuant to
ORS 19.660 (2)(f)*

Adjournment