

**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.

Respectfully submitted by,



Sabrina Prud’homme University Board Secretary