



OFFICE OF THE BOARD OF TRUSTEES

**Public Meeting Notice**

June 14, 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 consisting of past meeting minutes, and a draft risk assessment and Fiscal Year 2025 Internal Audit Plan.

Other agenda items include an internal audit report and an information technology risk assessment to be held in an executive session, pursuant to ORS 192.660 (2)(f); a review of the board's needs assessment, and the university president's 2024 performance evaluation process.

The meeting will occur as follows:

Friday, June 21, 2024

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

DeBoer Room, 3<sup>rd</sup> Floor, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/88099525169> at the time of the meeting.

Materials for the meeting are available at [governance.sou.edu](https://governance.sou.edu).

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If ADA or special accommodations are required, please contact Holly Frazier 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: [trustees@sou.edu](mailto: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**  
**June 21, 2024**

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



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

**Friday, June 21, 2024  
9:30 a.m. – 11:30 a.m. (or until business concludes)  
DeBoer Room, Hannon Library, SOU Campus  
Webinar Link: <https://sou.zoom.us/j/88099525169>**

**AGENDA**

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

5 min.	<b>1</b>	<b>Call to Order/Roll/Declaration of a Quorum</b>	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
	<b>2</b>	<b>Public Comment</b>	
5 min.	<b>3</b>	<b>Consent Agenda (Action)</b>	Chair Santos
	3.1	April 19, 2024 Minutes	
	<b>4</b>	<b>Reports</b>	
15 min.	4.1	Internal Audit Report	David Terry, Portland State University, Internal Audit Contractor
	<b>5</b>	<b>Action, Information and Discussion Items</b>	
20 min.	5.1	Draft Risk Assessment and Fiscal Year 2025 Internal Audit Plan and (Action)	David Terry
20 min.	5.2	Information Technology Risk Assessment [Executive Session Pursuant to ORS 192.660 (2)(f)]	David Raco, SOU, Information Security Manager
10 min.	5.3	Review of Board Needs Assessment	Sabrina Prud'homme
10 min.	5.4	President's 2024 Performance Evaluation Process	Chair Santos
5 min.	5.5	Future Meetings	Chair Santos
	<b>6</b>	<b>Adjournment</b>	Chair Santos

# Public Comment

# Consent Agenda (Action)

**Board of Trustees  
Executive, Audit, and Governance Committee Meeting  
Friday, April 19, 2024**

**MINUTES**

Chair Daniel Santos called the meeting to order at 9:31 a.m. He welcomed and thanked attendees and presenters.

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

Committee Members:

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

Other trustees in attendance: Trustee Christina Medina

**Public Comment**

No members of the public offered comments.

**Consent Agenda**

Trustee Barry moved to approve the minutes of the January 19, 2024 meeting. Trustee Thorndike seconded the motion and it passed unanimously.

**Internal Audit (IA) Report**

Internal Audit Contractor, David Terry, updated trustees on services provided and hotline activity since the last committee meeting; progress of the annual risk assessment and project planning; and fielded additional discussion and questions. Mr. Terry meets periodically with management and with the board chair to support the independence and the dual reporting structure for internal audit. Of the four 2024 projects for 2024 the financial aid process review was completed; the Workday implementation continues after the departure of the chief information officer; consulting on Veterans services is moving forward, as are special projects as needed. There were four hotline reports shared with management, three of which were on collective bargaining pay increases against SOU forward, and heavy workloads impacting staff morale. The concerns were addressed with management.

Mr. Terry then provided an overview of the annual risk assessment process noting that at the next committee meeting, he will summarize the results and will recommend audits or consulting projects for fiscal year (FY) 2025 based on the assessment. At the next meeting, he will also request the committee's review and approval on the annual work plan for internal audit based on the annual risk assessment and planning process. Mr. Terry also provided an update; the Future Act impacts financial aid and the Internal Audit team ensured that data is properly controlled; a spot check and review for a new formal document that is required to be sent to the US Department of Education; met with Becks Walker and discussed tax rebate incentives that the Federal Government could offer SOU with the Solar Projects and other projects that SOU has planned.

Vice Chair Clough commented that risk has been rising with cybersecurity and due to the increase in attacks nationwide; this should be added to the next audit and an in-depth look into information technology (IT) at SOU in general. Mr. Terry assured trustees that IT risk is considered and taken seriously, as his team engages with IT.

Audited Financial Statements and Annual Financial Report for Fiscal Year 2022-23  
(Action)

Jean Bushong from CliftonLarsonAllen (CLA), SOU's external auditor, explained the scope of what an external audit is and what it is not. The firm audits the financial statements to determine reliability and tests federal compliance for federal aid and COVID funds. They rely on Generally Accepted Auditing Standards (GAAS) to fulfill their responsibilities and tell readers if they can rely on numbers that are free from material misstatements. The auditors are not part of SOU's internal controls structure and as such, CLA opines on SOU's numbers but not the internal controls, as management is responsible for that.

There were two impacts to financial statements regarding public-private and public-public arrangements, and how they relate to assets and capital infrastructure. The Governmental Accounting Standards Board (GASB) 96 rule, transitioning from software to subscription-based applications, affects fiscal liabilities like Workday and alters accounting practices. Bryan Simkanich of CLA noted that GASB 94 changes the disclosure of public-private arrangements to asset and capital infrastructure inclusion on financial statements, reflecting their value at the end of 2023. While future revenue is not impacted, full depreciation and utilization assumption occurs when assets are returned to SOU. In response to President Bailey's question regarding contracts and accounting implications using La Clinica as an example, Agnes Maina explained that she receives the contracts and accounts for public-private arrangements.

The result of the audit was an unmodified opinion, the best and highest level of assurance that CLA can provide over SOU financial statements as a whole. Mr. Simkanich commended Agnes Maina and her team for the efforts that led to this result. He emphasized that there were some prior year statement changes, however, nothing was wrong. One adjustment was about correct lease income for long-term contracts that increased revenue by \$109K. There were no significant deficiencies or weaknesses, there were some transition issues affecting user access because of the Banner/Workday Transition, and an adequate segregation of duties is needed. The university also needs to evaluate resources to ensure timely reporting as Workday is implemented.

Moving to the financial statements, it was emphasized that all universities will have an operating loss because the government appropriations, financial aid, grants, and gifts must be reported as non-operating. Overall, the increase in net position was about \$5.3M due to increases in capital grants and gifts. After Agnes Maina mentioned her team's commitment to getting the reports out on time, Vice Chair Clough commended the financial controller and her team for working with through the difficulty of a system transition and preparing the reporting by April. President Bailey expressed his gratitude for everyone's hard work.

Devin Holmes of CLA informed the committee that on the single audit, CLA had an unmodified opinion. When looking at compliance in the financial aid cluster, the noncompliance items were simply administrative; there were findings on student reporting

information, outstanding refund checks, and third-party servicer contracts. Dr. Matt Stillman later commented that data flow from Workday is cleaner than from Banner, which will help with student reporting in the future. Auditors explained that outstanding refund checks must be remitted back to USDOE in 240 days, and 9 checks were not returned. The university also needs to provide contracts with third parties who process student refunds to the USDOE and one record was not provided. Chair Santos thanked the SOU and CLA teams for their work.

Trustee Shelby moved to approve the Audited Financial Statements and Annual Financial Report for Fiscal Year 2022-23, Vice Chair Clough seconded the motion, and it passed unanimously.

#### Board Statement on Social Justice, Anti-Racism and Non-Discrimination (Action)

Trustee Christina Medina, chair of the board's EDI Work Group, presented the statement for the committee's recommendation to the full board for adoption. Vice Chair Clough emphasized the importance of taking a stance on social justice, with an acknowledgment of the collaborative effort to craft a statement that is both inclusive and boldly assertive. The aspiration is for all stakeholders—students, faculty, and staff—to embrace the statement. There's recognition of Southern Oregon University's commitment to respecting everyone regardless of demographics, ensuring a safe space for open dialogue without alienating any community. President Bailey affirmed the statement's strength as a foundation for operationalizing and implementing equity, diversity, and inclusion initiatives.

Discussion ensued regarding the alignment of the board statement with campus-wide EDI efforts, emphasizing the need for visibility and integration across all levels of the institution. Suggestions were made to ensure partners are aligned with EDI principles, underscoring the commitment to fostering a culture of inclusivity and equity.

#### Update on Implementation of Senate Bill 273

Sabrina Prud'homme, board secretary updated the board on SOU's successful implementation of Senate Bill 273 and sought the committee's and the board's action on converting the board's Resolution on the Responsibilities of Individual Trustees to a Board Statement on the Responsibilities of Individual Trustees. Additionally, the Board Statement on Policies was updated. Minor amendments to the statements were made to add more explicit language to address the requirements of SB 273.

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

#### Future Meetings

Chair Santos announced that the next meeting of the committee would take place on June 21, 2024.

#### **Adjournment**

Chair Santos adjourned the meeting at 10: 57 a.m.

# Internal Audit Report

# 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) Annual risk assessment and proposed audit plan for fiscal year 2025.

# Objective 1 – Internal Audit Update

- **Updates with SOU Management** – Continue to hold periodic update 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

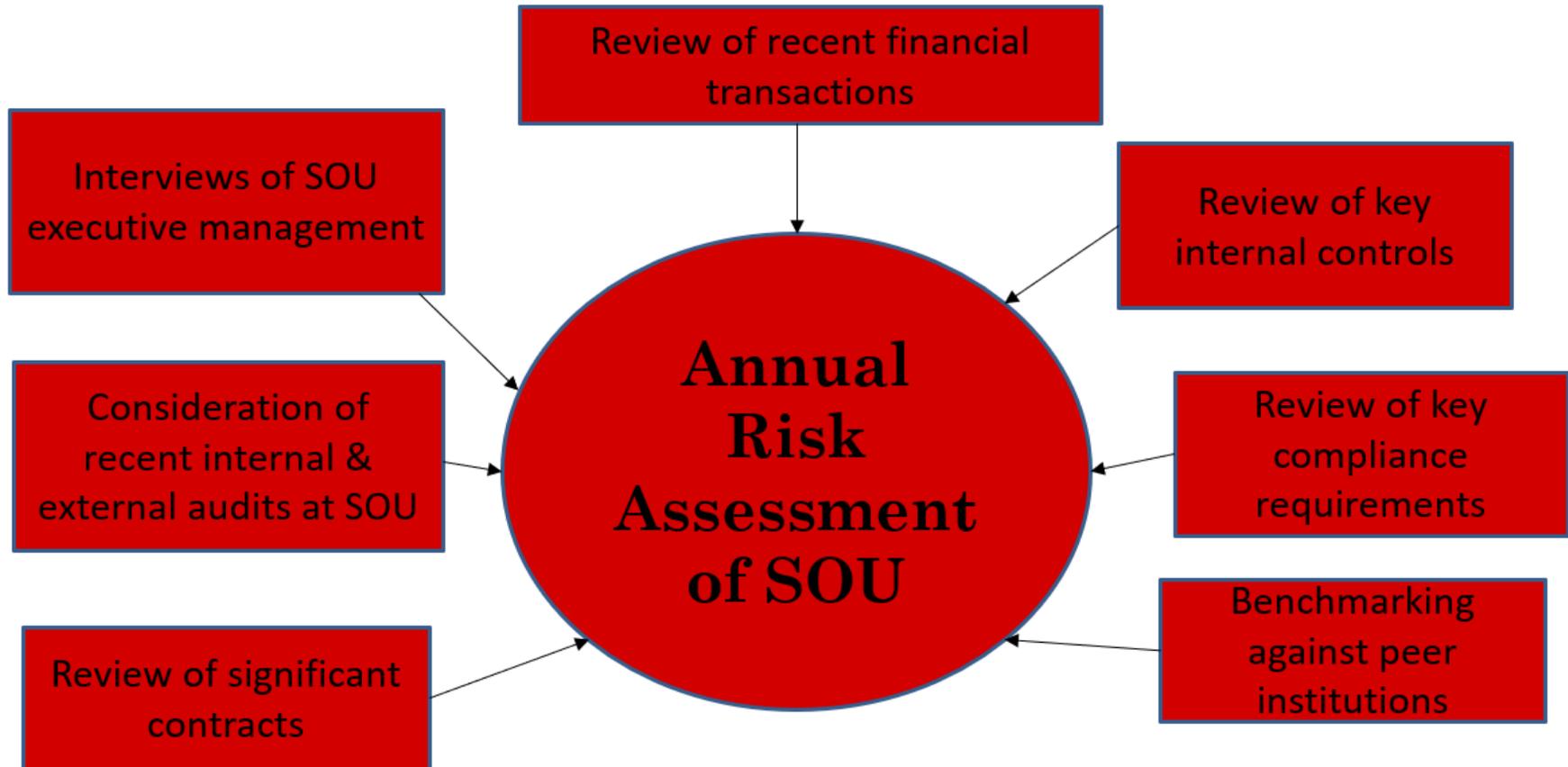
## Projects for Fiscal Year 2024:

- 1) Financial Aid – Process Review – **Project completed and results provided.**
- 2) Workday Implementation – **Plan to continue to consult with SOU's IT department on the Workday implementation.**
- 3) Veterans Services Consulting– **Benchmarking of services to other institutions.**
- 4) Special projects and reviews as needed.

## Objective 2 – Hotline Update

- 3 new Hotline reports since our last meeting in April 2024.
- Internal Audit triaged reports and helped to coordinate initial steps to review allegations received. 3 reports remain under review at this time and communicating periodically with General Counsel and Human Resources on the reports.

# Objective 3 – Annual Risk Assessment and Audit Plan



# Objective 3 – Annual Risk Assessment and Audit Plan

## FY 2025 Prioritized Audit Risk Model – Auditable Units

Auditable Entity/Unit	Risk Ranking	Total Risk Score	PY Risk Score	IA Planned for FY25?
Office of Information Technology (IT)	1	37.6	37	Yes
Athletics	2	34.6	31.7	Yes
Payroll and Human Resources	3	33.0	33	No^
Financial Aid Office (FAO)	4	32.4	33.6	No^
Enrollment Management and Student Affairs	5	31.7	33	No^
Environmental Health and Safety	6	31.5	31.5	No
Equity, Diversity, and Inclusion (EDI)	7	29.4	30.2	No
Student Health and Wellness Center	8	29	29	No
Facilities, Maintenance, & Plant (FPM)	9	29	29	No^
Housing, Family Housing, and Food Services	10	29	29	No^
Title IX	11	28.9	28.9	No
Oregon Center for the Arts	12	28.8	28.8	No
Division for Business, Communications, and Environmental Science	13	28.8	28.8	Yes
Division of Education Health and Leadership	14	28.8	28.8	No
Division of Science, Tech., English, & Math	15	28.8	28.8	No
Division of Social Sciences	16	28.8	28.8	No
Finance and Administration	17	27.6	27.3	Yes
Provost Office and Bridge Program	18	27.6	27.6	No
Dean of Students, Gender and Sexuality Justice	19	26.4	26.4	No
Division of Undergrad Studies	20	26.4	26.4	No
Division of Humanities and Culture	21	26.4	27.6	No
Honors College	22	25.2	25.2	No
Office of International Programs	23	25.2	25.2	No
Campus Public Safety Office (CPSO)	24	20.9	20.9	No
Jefferson Public Radio (JPR)	25	19.8	19.8	No
President's Office	26	19.8	19.8	Yes
University Advancement and Grants Administration	27	19.8	19.8	No
Parking Services	28	18.9	18.9	No
Student Activities and Clubs	29	18.9	18.9	No
Registrar's Office and Admissions	30	16.5	16.5	No
Schneider Museum of Art	31	15.1	15.1	No
Hannon Library	32	13.2	13.2	No
Bookstore (Barnes and Noble Outsourced)	33	12.6	12.6	No
Office of Institutional Research	34	12.6	12.6	No

# Objective 3 – Annual Risk Assessment and Audit Plan

Based on annual risk assessment, the following projects are proposed for fiscal year 2025:

1. Workday Implementation – continue consulting review/assistance;
2. STARS sustainability audit;
3. Athletics audit;
4. Hotline report review and assistance services; and
5. Ad hoc consulting services throughout the year.

# Objective 3 – Annual Risk Assessment and Audit Plan



The proposed audit and consulting projects will provide coverage over:

- 2 high risk audit units;
- 2 moderate risk audit units; and
- 1 low risk audit unit.

# Objective 3 – Annual Risk Assessment and Audit Plan

Audit standards require Internal Audit to make annual disclosures to the Board:

1) Organizational Independence (Standard 1110) –

No independence impairments for the planned audit projects for fiscal year 2024

2) Quality Assurance and Improvement Program (QAIP)

(Standard 1320) –

Internal Audit has QAIP procedures in place.

3) Communication & Approval (Standard 2020)

4) Reporting to Senior Management & the Board (Standard 2060)

# Internal Audit Update



Questions?

# **Draft Risk Assessment and Fiscal Year 2024 Internal Audit Plan (Action)**

Southern Oregon University  
Fiscal Year 2025 Internal Audit Plan



June 2024

Prepared by:  
David Terry, CPA, CFE, CIA  
*Internal Audit Office*

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# PLAN OVERVIEW

This document provides the FY 2025 Internal Audit Plan as required by professional auditing standards.

## **AUDIT PLAN – Exhibit A**

The final audit plan covers a 12-month period beginning July 1, 2024 through June 30, 2025. This plan includes internal audits selected based on the results of the entity wide risk assessment performed by Portland State University’s (PSU) Internal Audit Office (IAO), who has been contracted by Southern Oregon University (SOU) to provide internal audit services.

## **PRIORITIZED POTENTIAL AUDITS – Exhibit B**

The IAO prioritized the university’s departments, or auditable units, by sorting the units from highest risk to lowest risk based on scoring criteria used for the entity wide risk assessment. The IAO analyzed the results to determine if risk ratings were consistent with what professional judgment would expect. In addition, the IAO considered significant changes in processes units are currently undergoing and/or will be undergoing in the near future to help identify the timing of when an Internal Audit should occur. This resulted in the prioritized ranking of audits.

## **RISK FACTOR DEFINITIONS AND SCORING CRITERIA – Exhibit C**

The IAO established risk criteria, based on best practices implemented by other Internal Audit Departments throughout governmental and higher education entities, to be used in determining the overall risk for each potential audit unit. The IAO scored risk for each auditable unit by: receiving input from key stakeholders throughout the university; scoring the complexity of each unit; scoring the significance of the impact an error and/or weakness would have to the college as a whole if a detrimental event were to occur in that unit; scoring the significance of revenues and expenditures flowing through the unit; and scoring risk based on the IAO’s professional judgment.

## **AUDIT ENTITIES – Exhibit D**

Exhibit D provides an overview of the audit universe at the university (i.e. “what is auditable”). Defining the audit universe is a critical step in helping plan future internal audits at the university. Each auditable unit must be distinct and contain activities structured to obtain common objectives. For the FY 2025 entity wide risk assessment, there are 34 auditable units.

# FY2025 INTERNAL AUDIT PLAN & BUDGETED HOURS

## EXHIBIT A

### Internal Audit Plan July 1, 2024 through June 30, 2025

<b>Audit #</b>	<b>Engagement Title</b>	<b>Hours*</b>	<b>Timeframe**</b>	<b>Comments</b>
Annual Risk Assessment	FY24 Annual Risk Assessment	40	June 2025	Required annually by IIA auditing standards.
<b>Planned Audits</b>				
2025-1	Workday Implementation – Consulting Review Cont.	Estimated at 250 hours	July-June 2025	
2025-2	STARS Audit	Estimated at 80 hrs	Oct 2024-Mar. 2025	
2025-3	Athletics	Estimated at 250 hrs.	Nov. 2024 -May 2025	
<b>Other Services</b>				
SPECIAL REVIEWS	Special reviews	50	Fiscal Year 2025	Investigative reviews as requested by mgmt.
CONSULT	Consulting Work	55	Fiscal Year 2025	Consulting work as requested by mgmt.
	<b>Total Audit Hours for FY 2025</b>	<b>725</b>		

\* Hours may be adjusted as needed based on scope and objectives of the planned audit and potential issues identified during fieldwork.

\*\* Dates may be adjusted as needed to avoid a negative impact on SOU projects, available staff and resources.

**Internal Audit Plan**  
 Description of Audits  
 July 1, 2024 through June 30, 2025

Audit #	Description
2025-1	Continued work on consulting project that will help review the implementation of the Workday system and will spot check new processes and systems to help ensure critical controls and processes are implemented and working effectively before the system goes live and the organization moves away from utilizing Banner.
2025-2	Internal Audit plans to assist in the annual STARS (Sustainability, Tracking, Assessment & Rating System) that SOU's Institute for Applied Sustainability compiles and submits to The Association for the Advancement of Sustainability in Higher Education (AASHE). The internal audit review can help enhance SOU's STARS assessment score as outlined at <a href="https://stars.aashe.org/resources-support/help-center/planning-administration/reporting-assurance/#are-points-for-reporting-assurance-guaranteed">https://stars.aashe.org/resources-support/help-center/planning-administration/reporting-assurance/#are-points-for-reporting-assurance-guaranteed</a>
2025-3	Planned project will cover general internal control and compliance requirements over revenues and expenditures and key compliance requirements that the Athletic department manages.
Risk Assessment	The annual risk assessment forms the basis of the audit plan. Auditing standards require the IAO to conduct an annual risk assessment to conform to standards.
Consulting	SOU management may ask Internal Audit for consulting services to be performed in accordance with the Mission & Authority Statement for the Internal Audit Department.
Special Reviews	Includes hours for unplanned, special requests for audit reviews and investigations arising from allegations received and/or actual detrimental events occurring at the university.

# FY2025 ENTITY WIDE RISK ASSESSMENT

## EXHIBIT B

### FY 2025 Prioritized Audit Risk Model – Auditable Units

Auditable Entity/Unit	Risk Ranking	Total Risk Score	PY Risk Score	IA Planned for FY25?
Office of Information Technology (IT)	1	37.6	37	Yes
Athletics	2	34.6	31.7	Yes
Payroll and Human Resources	3	33.0	33	No^
Financial Aid Office (FAO)	4	32.4	33.6	No^
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Bookstore (Barnes and Noble Outsourced)	33	12.6	12.6	No
Office of Institutional Research	34	12.6	12.6	No

^ External audit testing helps provide some coverage for these audit units. For example, IT receives some review each year under the external audit for GLBA compliance requirements.

# FY2025 RISK FACTORS, SCORING CRITERIA, & AUDIT PLAN APPROVAL PROCESS

## EXHIBIT C

### Overview of Entity Wide Risk Assessment

**A**                      **B**                      **C**                      **D = A+B+C**

Auditable Unit	Risk Assessment Interview Score	Financial Significance Score	Last Time Audit by IA Score	Total Risk Score
Example Auditable Unit A	30	6	7.2	43.2
Example Auditable Unit B	10	0.5	0	10.5

**Risk Assessment Interview and Survey Score** – The IAO held interviews with SOU managers to help gain an understanding of risks and obstacles each unit was facing and to gain a more thorough understanding of the duties and responsibilities of each unit. The IAO asked stakeholders questions on where these managers saw risks at SOU, both internal risks and external risks. The IAO also reviewed prior risk assessment materials and results prepared by SOU’s former Internal Auditor.

IAO scored the responses provided by stakeholders interviewed based on IAO’s collective professional experience and observations of these auditable units and related risks in higher education. The IAO assessed an initial risk score based on the risk assessment interviews and placed this score into Column **A** above. The highest score possible for this section of the risk assessment was 30 points and the lowest was 10 points.

**Financial Significance Score** – The IAO also assigned a risk score to each auditable unit based on how much revenues the unit processed during fiscal year 2023 (FY23) or how much expenditures the unit incurred during FY23. The primary concept of the risk scoring for this attribute was that as the amount of revenues and/or expenditures increases in a unit the risk for that unit also directly increases. The IAO primarily used financial data extracted from FY23 using

Banner’s FGIBDST report to obtain the revenue and expenditure amounts. The greater of revenues or expenditures being processed through the unit for FY23 was used to score the financial risk for the unit using the scoring matrix outlined below:

**Risk Score Matrix for Financial Significance:**

<b>Revenue or Expenditure Total for FY23</b>	<b>Multiply Risk Score in Column A by the Percentage Below and Place the Results in Column B</b>
> \$5,000,000	20%
\$4,999,999 to \$3,000,001	15%
\$3,000,000 to \$1,000,001	10%
\$1,000,000 to \$0	5%

The highest score an audit unit could obtain from the financial risk scoring here would be 6 points, and the lowest possible score an audit unit could obtain from this scoring would be .5 points.

**Last Time Audited Score** - The IAO also assigned a risk score to each auditable unit based on how much time has elapsed since an internal or external audit was conducted over all or a portion of the respective auditable units. A risk score was added onto each auditable unit using the scoring matrix below based on the length of time that has elapsed from the IAO’s last audit of the unit.

<b>Last Time Unit was Audited</b>	<b>Risk Points Scale</b>
Audited 5+ years ago	20%
Audited 2 to 5 years ago	10%
Audited within 1 to 2 years ago	0%

The risk scores from the length of time elapsing since an audit had been conducted at the auditable unit was placed in Column C above by taking the sum of risk score attribute A plus attribute B and multiplying that sum by the percentage in the Last Time Unit Was Audited matrix above. The highest risk score possible for Column C would be 7.2 and the lowest risk score possible for Column C would be 0.

**Total Risk Score** - To obtain the total risk score for each auditable unit, the IAO took the sum of the risk scores noted in Columns A through Column C, which was then placed in Column D as the auditable unit’s total risk score. These risk scores are the scores presented in Exhibit B and these risk scores were used to sort the various auditable units from high risk (i.e. units scoring 30 points or more) down to low risk units (i.e. units scoring below 20 points). The highest total risk score an audit unit could obtain using the risk scoring criteria above would be a score of 43.2 points, and the lowest score an audit unit could obtain would be a score of 10.5 points. Finally, to help designate high, moderate, and low risk audit units, the IAO took any audit unit that scored 30 points or higher and classified this as high risk. Units scored between 29.9 to 20.0 points were assessed as moderate risk. Units scored 19.9 points or less were assessed as low risk.

## Internal Audit Plan Approval Process Flowchart

IAO conducts a financial analysis over each audit unit's fiscal year 2023 financial transactions. This analysis is scored into a portion of each audit unit's risk assessment score.



IAO interviews a sample of key stakeholders at SOU to receive input into the annual risk assessment and audit plan and to discuss potential risks to SOU and controls implemented to mitigate those risks. The input from the interviewees is then scored as a portion of the risk assessment scores



Draft annual audit plan and results of annual risk assessment presented to Executive and Audit Committee (EAC) at June meeting. EAC and IAO finalize the areas to be audited over the next fiscal year based on review and discussions over the results of the annual risk assessment.



IAO projects conducted in accordance with the approved audit plan.

# AUDITABLE UNITS DEFINED

## EXHIBIT D

### Auditable Units Summary Descriptions

- 1. Athletics** – Athletics includes: Athletic Administration and general athletic operations; men’s sports program, women’s sports programs, Sports Information, sport camps, Marketing Department, Raider Athletics, Dance Team, Cheerleading, Sports Band, IFC Revenue Pool, Athletic Game Management, sports travel, and the Trainer department. Athletics is budgeted under Organization Codes 261100 through 270000 in Banner.
- 2. Bookstore (Barnes and Noble)** – This audit unit encompasses the outsourced bookstore operations at SOU and the contractual agreement with Barnes and Noble for outsourced bookstore services.
- 3. Campus Public Safety Office (CPSO)** – CPSO provides a safe and secure environment for SOU students, employees and visitors to express freedom of intellectual growth and responsible global citizenship. CPSO is budgeted under Organization code 481000.
- 4. Dean of Students, Gender & Sexuality Justice** - The Office of the Dean of Students, along with the various resource centers offered to SOU students, helps to support the campus community and promotes individual student success and retention. This audit unit is budgeted under Organization Codes 510000 through 533000 in Banner
- 5. Division for Business, Communications, and Environmental Science** – This auditable unit represents one of the seven academic divisions at SOU and includes all academic courses and financial transactions under the Division for Business, Communications, and Environmental Science. This audit unit is budgeted under Organization Codes 354000 through 354030 in Banner.
- 6. Division of Education, Health, and Leadership** – This auditable unit represents one of the seven academic divisions at SOU and includes all academic courses and financial transactions under the Division of Education, Health, and Leadership. This auditable unit is budgeted under Organization Codes 355000 through 355022 in Banner.
- 7. Division of Humanities and Culture** – This auditable unit represents one of the seven academic divisions at SOU and includes all academic courses and financial transactions under the Division of Humanities and Culture. This auditable unit is budgeted under Organization Codes 356000 through 356022.
- 8. Division of Science, Technology, English, and Math** – This auditable unit represents one of the seven academic divisions at SOU and includes all academic courses and financial transactions under the Division for Science, Technology, English, and Math. This audit unit is budgeted under Organization Codes 357000 through 357025 in Banner.

- 9. Division of Social Sciences** – This auditable unit represents one of the seven academic divisions at SOU and includes all academic courses and financial transactions under the Division of Social Sciences. This auditable unit is budgeted in Banner under Organization Codes 358000 through 358025.
- 10. Division of Undergrad Studies** – This auditable unit represents one of the seven academic divisions at SOU and includes all academic courses and financial transactions under the Division of Undergrad Studies. This auditable unit is budgeted under Organization Codes 359000 through 359100 in Banner.
- 11. Enrollment Management and Student Affairs – Enrollment Management and Student Affairs helps to provide access to students interested in attending SOU.** Departments included in this unit include Veterans Services, Disability Resources, Recreation Center, Student Union, eSports Program, Career Fair, and Sign Interpretation. This audit unit is budgeted under Organization Codes 536010 through 544241 and includes 583000 through 586300, but excludes 543100 through 543761 and 544211 in Banner.
- 12. Environmental Health and Safety** – Environmental Health and Safety helps to ensure a SOU is safe for employees, students, visitors and the environment. Environmental Health and Safety is budgeted under Organization Code 482000 in Banner.
- 13. Equity, Diversity, and Inclusion (EDI)**- EDI is committed to promoting an inclusive process by working together to ensure equitable access to opportunities, benefits, and resources for all faculty, administrators, students, and community members. EDI is budgeted under Organization Codes 110021 and 321300 in Banner.
- 14. Facilities, Maintenance, and Plant (FMP)** – FMP strives to expertly maintain the SOU campus and provide exceptional services to support the education and development of SOU students. FMP includes surplus property sales, fleet management, and campus sustainability. FMP is budgeted under Organization Codes 471009 through 476400 in Banner.
- 15. Finance and Administration**- The Finance and Administration audit unit includes the Budget Office, Business Services, Departmental Services, the Service Center, Student Services, Printing & Copy Services, Mail Services, Campus Planning, and the budget for the SOU Board. Finance and Administration is budgeted under Organization Codes 422100 through 460910 and includes Organization Codes 476500, 484200, and 484210 in Banner.
- 16. Financial Aid Office (FAO)** – The Financial Aid Office assists SOU students with merit scholarships, departmental scholarships, and external scholarships. FAO is budgeted under Organization Codes 560000 in Banner and includes all Title IV financial aid and state aid funds. **Note - The Internal Audit Office broke the Financial Aid Office out separately from Enrollment Management and Student Affairs as Financial Aid has unique federal regulations to comply with related to the handling of Title IV federal financial aid funds.**
- 17. Hannon Library** – SOU’s Library is integral to the success of all learners at SOU. The Library helps to advance information literacy and lifelong learning by teaching diverse learners to navigate and understand increasingly complex information environments. Library is budgeted under Organization Codes 361100 through 366100 and 544211 in Banner.

- 18. Honors College** – Combining real world projects with intellectual rigor, the Honors College at SOU aims to provide a challenging learning environment for SOU students. The Honors College is budgeted under Organization Codes 331790 through 331802 in Banner.
- 19. Housing, Family Housing, and Food Services** – This audit unit includes Housing Administration, Housing Conferences, Residence Life, Food Services & Contracted Food Services, Residence Hall Maintenance, and the EAAC Bike Program. These functions are budgeted under Organization Codes 543100 through 543700 and 547100 and 336100 in Banner.
- 20. Jefferson Public Radio (JPR)**- The mission of the JPR is to help feed the human intellectual and creative spirit of Southern Oregon and Northern California communities striving to build a diverse community of informed citizens through fact-based journalism and programs that stimulate civic discourse, inspire community engagement, celebrate music and foster the art of storytelling. JPR is budgeted under Organization Codes 231000 through 237000 in Banner.
- 21. Office of International Programs** – International Programs is SOU’s resource for international educational activities and works closely with faculty, staff, students, scholars, the local community, and international alumni in supporting initiatives to internationalize the university. This unit also is responsible for SEVIS compliance at SOU. International Programs is budgeted under Organization Code 325100 in Banner.
- 22. Office of Information Technology (IT)** – SOU IT helps to support students and employees with their technology needs at SOU. In addition to supporting students and staff, IT provides enterprise system support, cybersecurity and training, assistance with software and telecommunication needs, and general IT governance at SOU. IT is budgeted under Organization Codes 371000 through 378680 in Banner.
- 23. Office of Institutional Research** – The Office of Institutional Research provides timely and accurate statistical analyses that are integral to the strategic planning process for SOU including support for internal decision making and overall institutional effectiveness. The Office of Institutional Research is budgeted under Organization Code 255100 in Banner.
- 24. Oregon Center for the Arts**– This audit unit covers all academic departments under the Oregon Center for the Arts. This audit unit is budgeted under Organization Codes 335000 through 335013 in Banner.
- 25. Parking Services** – The Parking Services department provides parking services for the campus community through the use of creative, innovative and proactive measures that support the SOU mission. Parking Services is budgeted under Organization Code 483000 in Banner.
- 26. Payroll and Human Resources** – Payroll and Human Resources is part of the Division of Finance and Administration. Human Resources contributes to the educational mission of SOU by developing, implementing, and administering a wide range of personnel programs within the guidelines provided by State and Federal regulations, University Shared Services

Enterprise, and SOU. Payroll functions as part of the broader Business Services Administrative Support Unit for SOU. Payroll is responsible for handling all aspects involving the processing of payroll for the campus, ensuring the accuracy of all compensation, deductions, benefits, the fundamental application of the collective bargaining agreements and complying with all State and Federal regulations. Payroll and Human Resources is budgeted under Organization Codes 461000 through 464300 in Banner. **Note - The Internal Audit Office broke Payroll and Human Resources out separately from the Finance and Administration audit unit as Payroll and Human Resources have unique State and Federal regulations to comply with related to the hiring, employing, and paying for employee services at SOU.**

- 27. President's Office** - The President's Office includes Government Relations, the Office of General Counsel, and Internal Audit at SOU. The President's Office is budgeted under Organization Codes 110000 through 110070, but excludes 110021 in Banner.
- 28. Provost Office and Bridge Program** – The Provost Office plays a leading role in sustaining an environment of academic excellence at SOU with a strategic focus on the academic success of SOU students. The SOU Bridge Program is available to students graduating from an Oregon high school and is designed to help incoming students be successful via a pre-Fall session program. The Provost Office and Bridget Program is budgeted under Organization Codes 311000 through 313110, 321300 through 325999, and 359100; however, this audit unit excludes 313150 through 313207, 321300, and 323100.
- 29. Registrar's Office and Admissions** – The Registrar's Office assists both the university and students with many different services including, but not limited to, student records, FERPA compliance, coordination of course schedules and the course catalog, and review of graduation requirements for students. The Admissions Office assists students interested in attending SOU with the application process. The Admissions Office also provides resources to the parents of students interested in SOU or students attending SOU. The Registrar's Office and Admissions is budgeted under Organization Codes 351000 through 352000 in Banner.
- 30. Schneider Museum of Art** – The Schneider Museum of Art, part of the Oregon Center for the Arts at SOU, is a vital force in the intellectual life of SOU that promotes an understanding of the visual arts within a liberal arts education. The Schneider Museum of Art is budgeted under Organization Code 380000 in Banner.
- 31. Student Activities and Clubs** – Student Activities and Clubs serve as a means to connecting with other students, providing leadership development and opportunities, appreciating diversity, encouraging civic engagement, and enhancing students' college experience. Student Activities and Clubs is budgeted under Organization Codes 544242 through 544810 in Banner.
- 32. Student Health and Wellness Center** – The Student Health and Wellness Center provides access to a wide range of health services including primary medical care, mental health care, psychiatric care, preventive services and campus-wide health promotion. The Student Health and Wellness Center is budgeted under Organization Code 570000 in Banner.
- 33. Title IX** – SOU is committed to a timely, thorough and thoughtful response to concerns of alleged equity violations. SOU is also committed to providing an educational environment

that is safe and accessible to all. In addition, SOU values due process, clarity of procedure and strives to ensure equal access for all members of the campus community. Title IX is budgeted under Organization Code 465000 in Banner.

**34. University Advancement and Grants Administration** – University Advancement and Grants Administration helps SOU with donor and alumni relations and the administration of state, federal, and local grants that SOU may receive. University Advancement and Grants Administration is budgeted under Organization Codes 210000 through 220000 and 323100 in Banner.

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

**RESOLUTION  
Adoption of Fiscal Year 2025 Internal Audit Plan**

Whereas, Southern Oregon University has a duty to responsibly manage, invest, allocate, and spend its resources;

Whereas, Southern Oregon University has contracted a certified internal auditor to provide independent, objective evaluations and advisory services that add value to the University;

Whereas, the internal auditor will work closely with the Board of Trustees, University leadership, faculty, and staff to conduct and coordinate a range of internal audit functions for the University; and

Whereas, the internal auditor has developed, for approval by the Board, an internal audit plan for Fiscal Year 2025 as described in the June 21, 2024 meeting materials;

Now therefore, be it resolved, the Executive, Audit, and Governance Committee of the Board of Trustees has reviewed the Fiscal Year 2025 plan, and recommends its adoption by the Board of Trustees.

VOTE:

DATE:

# **Information Technology Risk Assessment**

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

# 2024 INFOSEC REPORT

DAVID RACO, INFORMATION SECURITY MANAGER  
CERTIFIED INFORMATION SYSTEMS SECURITY PROFESSIONAL (CISSP)

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# CONTENTS

- **THE IMPORTANCE OF INFOSEC**
- **INFOSEC GOVERNANCE**
- **WHAT'S DONE**
- **WHAT'S NEXT**
- **WHAT'S NEEDED**



# THE IMPORTANCE OF INFOSEC

**Ransomware**  
encrypts an  
organization's data,  
rendering it  
inaccessible until a  
ransom is paid.



# THE IMPORTANCE OF INFOSEC

TRUMP GUILTY POLITICS U.S. NEWS WORLD BUSINESS SPORTS SHOPPING NBC NEWS TIPLINE WATCH LIVE

More lawsuits filed over Knox

Ransom  
to colle

A hacker group  
common rans

## Should Higher Education Be Worried About the Future of Cyber Insurance?



More frequent attacks and rising costs are causing insurers to re-evaluate their offerings. How can colleges and universities respond and remain protected?

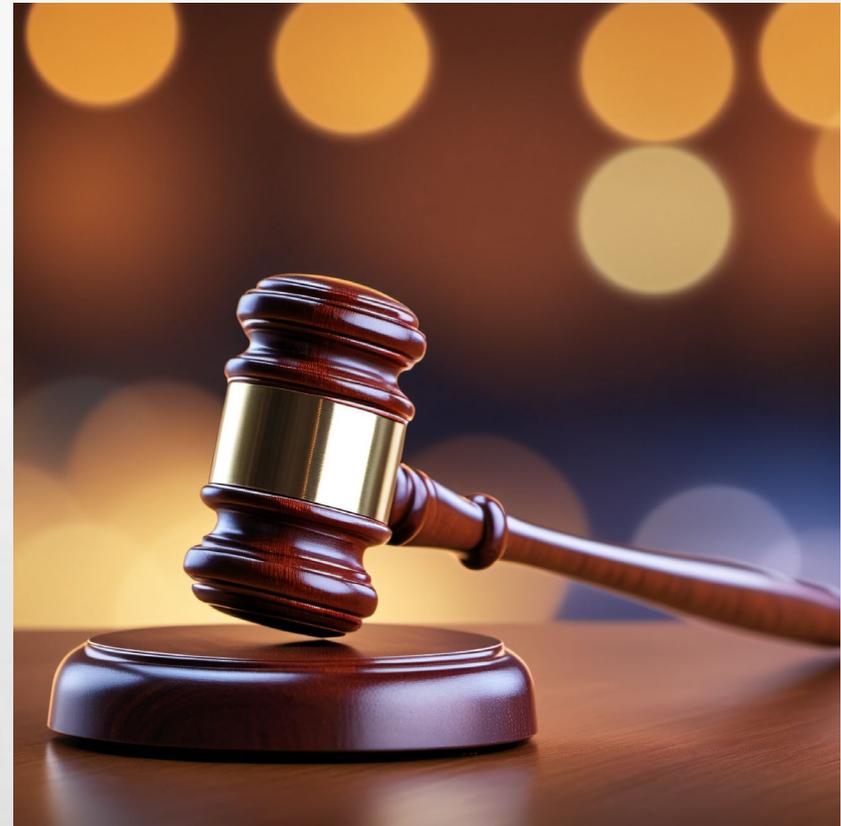


— Knox College students have been threatened by hackers who breached their school's computer systems. NBC News / Getty Images

Jimmy Thomas / Creative Commons

# INFOSEC GOVERNANCE

- 1. PROVIDE STRATEGIC DIRECTION**
- 2. ACHIEVE MISSION AND OBJECTIVES**
- 3. MANAGE RISKS**
- 4. USE RESOURCES RESPONSIBLY**
- 5. MAINTAIN COMPLIANCE WITH REGULATIONS**



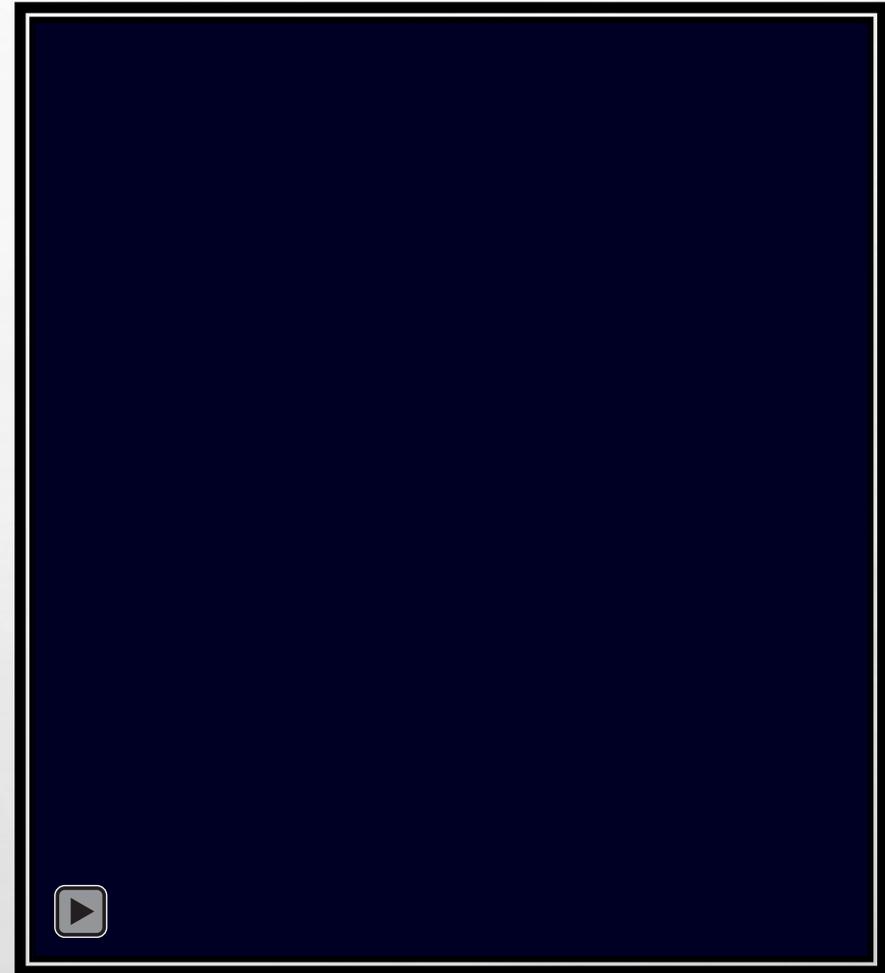
# WHAT'S DONE

- ✓ **ADOPT A CYBERSECURITY FRAMEWORK**
- ✓ **PERFORM A WRITTEN RISK ASSESSMENT**
- ✓ **CROWDSTRIKE**
- ✓ **OKTA**
- ✓ **PHISHING TRAINING**



# WHAT'S NEXT

- **FORMALIZE OUR INFOSEC PROGRAM**
- **BETTER AUDITING AND MONITORING**
- **DATA GOVERNANCE**
- **MORE TRAINING**
- **ARTIFICIAL INTELLIGENCE**



**Microsoft VASA-1 Demo**

<https://www.microsoft.com/en-us/research/project/vasa-1/>

# WHAT'S NEEDED

- **PERSONNEL**
- **CYBERSECURITY BUDGET**
- **INFRASTRUCTURE UPGRADES**
- **STATE INVESTMENTS**
- **GRANTS**



# Review of Board Needs Assessment



## Board of Trustees Needs Assessment Survey Results

### SUMMARY

The Board of Trustees of Southern Oregon University is made up of a rich diversity of individuals, considering both trustees' expertise as well as their self-identified demographic backgrounds. A survey seeking information about desirable knowledge, skills, and abilities as well as demographics of trustees was completed. The results were used to analyze the current "strengths" of the board and especially, the "opportunities" to fill any gap areas with the recruitment of new trustees when the opportunity presents.

In response to this Qualtrics survey, all trustees completed the 19-question survey. Responses to general questions not relevant to the board's composition are not reflected in the summary of responses below. A brief summary of the results appears below.

#### Expertise and Service

The areas in which board members reported the highest subject matter expertise reflect strengths in strategic planning, financial management, social justice, board governance, and government relations. The greatest opportunities to augment the board's subject matter expertise are in the areas of research, legal affairs, environmental sustainability, compliance, and enterprise management.

Regarding relationship capital/connection, the board's strengths were reported in the areas of community building/leadership, Southern Oregon region, and in the nonprofit sector. Also, of importance are the opportunities to increase the number of trustees with relationship capital/connections in other geographic regions of the state or country, national field/industry network, and the government sector, which ranked lowest for the board. It is important to note that a consistent high need for the board is always relationship capital/connections with the government sector or specifically, legislators.

Regarding service abilities and strengths, the board's strength is in the area of mission/passion/ and connection to SOU. The greatest opportunity in terms of

service abilities and strengths is the availability/capacity of trustees to do board work.

When asked for ideas about other gifts and talents the board should consider when recruiting new trustees, one trustee commented, “Would love to see a trustee with deep branding and marketing expertise.”

### Demographics\*

The demographics of the board are notable and reflect positively on the state governor’s and the board’s shared goals of ensuring a diverse board.

Including the president of the university (ex officio), there were 7 men, 9 women, and 1 nonbinary trustee.

- In terms of race and ethnicity, there are 7 White, 6 Hispanic or Latin-X, 1 Black or African American, 3 Asian or Asian American, 1 Mesoamerican Indian trustee, and 1 Egyptian, Coptic trustee.
- Currently, the board has 3 early-career professional, 5 young professionals, 5 established professionals, and 4 retirees or late-career professionals. One trustee is a veteran and one is a current service member.

\* For all demographic qualities, answers were optional; some responses may add up to less than 17.

\* Respondents were able to specify as many selections as were applicable to their identities, so some responses may add up to more than 17.

\* For all demographic questions, a write-in option was offered so that respondents had the ability to self-identify.

## **RECOMMENDATIONS**

### Experience

The SOU Board may benefit most from the future recruitment of trustees with **relationship capital and connections in other geographic regions, national field/industry network, and especially in the governmental/legislative sector.** Strong statewide political capital, especially among lawmakers, would benefit the board and the university greatly.

The SOU Board may benefit from the future recruitment of a trustee with **expertise in environmental sustainability, compliance, and enterprise management.** While other areas also were identified, these match closely with the university’s expected priorities over the next several years.

Recruiting prospective trustees who have a **high capacity for board** service also may be of great benefit to the board.

### Demographics

The SOU board may benefit from increasing any of the following:

- The number of trustees with demographics currently unrepresented or underrepresented on the board, such as American Indian/Alaska Native/Native American (0) and Black or African American (1); and/or
- The number of LGBTQIA-identifying trustees.

However, expertise and ability to serve present greater needs on the board than demographic composition, which currently reflects significant general diversity with a majority of women members, and a minority of White members.

Criteria beyond those measured in the survey also may figure prominently into the identification of future trustees. Such criteria include connections to the university, other demographic diversity, physical/geographic location, the ability to assist SOU with strategic directions, and other qualities and characteristics deemed essential by the board, board chair, and university president at the time that any recruitment may take place.

# President's 2024 Performance Evaluation Process

## **Board Statement on Evaluation of the University President Board of Trustees of Southern Oregon University**

### **1.0 Purpose**

It is the responsibility of the Board of Trustees of Southern Oregon University (“Board”) to review the performance of the President annually.

The primary purposes of the annual review are to enable the President to strengthen their performance and effectiveness in leading the institution to success and to allow the President and the Board to set mutually agreeable goals. The review process is not intended as a substitute for regular and ongoing communication about progress toward goals between the President and the Board.

Annual reviews will inform decisions regarding compensation, although compensation adjustments are not necessarily awarded simultaneously with a positive performance review. Adjustments to, or renewal of, the President’s contract will be handled as a separate matter, taking into account presidential performance, peer-group comparisons and other factors.

The annual review process will occur on a July 1 to June 30 cycle. The annual review will cover the preceding year.

### **2.0 Criteria**

2.1 The criteria for evaluation and information responsive to those criteria will be based principally on the President’s self-assessment with respect to goals mutually set by the Board and President for the year in review.

2.2 The retrospective elements of the President’s self-assessment customarily will include:

- A. A copy of the mutually-agreed upon goals, with a description of efforts to meet them and the President’s progress assessment, including the identification of significant challenges;
- B. A description of other personal or institutional achievements of which the Board should be aware; and
- C. Comments regarding university officers and other campus leaders who report directly to the President, as they pertain to the President’s goals or achievements.

2.3 The prospective elements of the President’s self-assessment customarily will include:

- A. Goals the President proposes for their individual performance over the course of the upcoming year;
- B. The President's professional development plans and any associated requests of the Board; and
- C. Key areas in which the President would especially benefit from Board support.

### **3.0 Review Process**

3.1 President's Self-Assessment. The President will submit their self-assessment to the Board Chair before September 1 of each year. The Board Chair, Vice Chair, and the President will then meet to discuss the self-assessment. The President's self-assessment will be provided to the Board, along with any other information determined by the Board Chair.

3.2 Board Chair's Evaluation. The Board Chair will prepare an evaluation of the President. The evaluation and self-assessment will be provided to the Board of Trustees prior to any meeting in which the Board or committee of the Board will discuss the evaluation.

3.3 Evaluation of the President. The Executive, Audit, and Governance Committee may meet in executive session for the purpose of evaluating the President, during which the President is to present their self-assessment and engage in a discussion with the committee regarding both the retrospective and prospective elements of the assessment. The President may be excluded from any portion of such an executive session at the discretion of the Board Chair.

At the Board's fall meeting, or as soon thereafter as the Board's calendar will reasonably allow, the Board of Trustees may go into an executive session to discuss the evaluation of the President. The President may be excluded from any portion of such an executive session at the discretion of the Board Chair.

3.4 Presentation and Approval of Goals. After the Board discusses the evaluation of the President, the President will then present to the Board for approval the goals that the President proposes for their individual performance for the upcoming year. The President's presentation of their goals and the Board's consideration of such goals shall take place in a public session.

3.5 Board Feedback to the President. After the meeting in which the evaluation of the President takes place, the Board Chair will meet with the President to communicate verbally and/or in writing to the President the conclusions of the evaluation and any recommendations, concerns, or priorities arising out of the evaluation.

#### 4.0 Additional Considerations

The Executive, Audit, and Governance Committee may, at its discretion, perform a comprehensive performance review of the President, including a 360-degree review. A comprehensive review of this nature should generally be performed prior to consideration of the renewal of the President’s contract. When a comprehensive review is performed, it is to be incorporated into the annual review process described above, with such adjustments to the schedule as may be necessary.

Pursuant to Oregon Law, documents regarding the President’s performance, including the President’s self-assessment, the Board’s evaluation, and the 360-degree review are faculty personnel records and are not public records.

The Board periodically will review and, as necessary or desirable, revise this policy and its associated procedures in light of experience gained, best practices, and legal developments as applicable.



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University Board Secretary



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Chair, Board of Trustees

<b>Revision</b>	<b>Change</b>	<b>Date</b>
	Initial Version	Date
1	Revisions to simplify process and number of board actions	June 21, 2019
2	Basic edits for clarity, formatting	June 16, 2023

# Future Meetings

# Adjournment