Public Meeting Notice

June 13, 2025

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 the Fiscal Year 2026 internal audit plan and a plan for the board's officer vacancy.

Other items on the agenda include an internal audit report, draft risk assessment, and the process for the university president's 2025 performance evaluation. The committee will discuss the following board governance topics: the 2025 board self-evaluation; an update on board vacancies and a board needs assessment.

The committee also will discuss developments in the use of artificial intelligence at SOU, and the information security risk assessment. A portion of the risk assessment discussion may be held in an executive session, pursuant to ORS 192.660 (2)(f) and (p). No decisions will be made while in an executive session.

The meeting will occur as follows:

Friday, June 20, 2025
9:30 a.m. to 11:30 a.m. (or until business concludes)
Visit governance.sou.edu for the meeting materials.
SOU Ashland Campus, Hannon Library, DeBoer Room
1290 Ashland Street, Ashland, OR, 97520
To view the proceedings remotely, visit https://sou.zoom.us/j/87583562753 at the time of the meeting.

If accommodations for persons with disabilities are required, please contact Holly Frazier at (541) 552-8055 or email trustees@sou.edu. Accommodation requests should be made at least 48 hours in advance.

Public Comment

Members of the public who wish to provide live public comments in person or remotely during the meeting are invited to sign up to speak at least 24 hours in advance of the meeting. Public comments also may be provided in writing. Public commenters may sign up in advance or may submit their comments via email 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
June 20, 2025

Call to Order / Roll / Declaration of a Quorum

Southern OREGON UNIVERSITY

Board of Trustees
Executive, Audit, and Governance Committee Meeting

Friday, June 20, 2025
9:30 a.m. – 11:30 a.m. (or until business concludes)
DeBoer Room, Hannon Library, SOU Campus
Zoom: https://sou.zoom.us/j/87583562753

AGENDA

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

9:30 a.m.	**1**	**Call to Order/Roll/Declaration of a Quorum**	Chair Sheila Clough
	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 Sheila Clough
9:35	**2**	**Public Comment**	
	3	**Reports**	
9:50	3.1	Internal Audit Report	David Terry, Portland State University, Internal Audit Contractor
	4	**Action, Information and Discussion Items**	
10:05	4.1	Draft Risk Assessment and Fiscal Year 2026 Internal Audit Plan and (Action)	David Terry
10:30	4.2	Board Governance	Chair Sheila Clough
		4.2.1 Board Self Evaluation	
		4.2.2 Update on Board Vacancies and Board Needs Assessment	
		4.2.3 Plan for Board Officer Vacancy (Action)	
10:50	4.3	University President's 2025 Performance Evaluation Process	Chair Sheila Clough
10:55	4.4	Information Security Risk Assessment [Executive Session Pursuant to ORS 192.660 (2)(f) and(p)]	David Raco, SOU, Information Security Manager
		4.4.1 Developments in the use of Artificial Intelligence (AI) at SOU	

Southern Oregon University
Board of Trustees
Executive, Audit, and Governance Committee Meeting
Friday, June 20, 2025

AGENDA (Continued)

11:25   4.5   Future Meetings   Chair Sheila Clough

11:30   **5   Adjournment**   Chair Sheila Clough

Public Comment

Internal Audit Report
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) Fiscal Year 2025 Projects Update.

4) Fiscal year 2026 Internal Audit Plan & Risk Assessment.

5) IIA Standards – Annual Disclosures.

6) Questions and open discussion.

Objective 1 – Internal Audit Services

- **Updates with SOU Management** – Periodic check-ins with General Counsel to provide status updates on internal audit projects and consulting services and discussion on other SOU topics.

- **Meeting with Chair Clough** – Continue to hold update meetings with Chair Clough. Periodic meetings with Chair helps to support internal audit standards for independence and dual reporting structure of internal audit to the Board and SOU President.

Objective 1 –
Internal Audit Services

- **Change to Services Team**– Kori Nakagawa has been hired and started on June 2, 2025 to help support the internal audit services team. Kori fills the position that Amy Smith transitioned from in January of 2025.

Objective 2 – Hotline Update

- 1 Hotline reports/stakeholder reports received since the last committee meeting. Report related to allegations of bias in recent hiring. Internal Audit worked with General Counsel and Human Resources to review the reported allegations.

- Internal Audit continues to work closely with General Counsel, President, Human Resources, and Provost on the past reported concerns.

Objective 3 – Internal Audit Projects Update

Projects for Fiscal Year 2025:

1) Athletics – project started and fieldwork site visit conducted in March of 2025. Trying to wrap-up project work before the end of fiscal year 2025.

2) Special projects and reviews as needed.

3) Annual Risk Assessment project completed.

Objective 4 –
Risk Assessment & Proposed Audit Plan

- Annual risk assessment conducted;
- Proposing 3 planned projects for fiscal year 2026:
  - ➢ Human Resources – Internal Controls Related to Compliance Requirements.
  - ➢ University Background Check Controls.
  - ➢ Support to General Counsel for prior special project.
- Internal Audit also listing 2 Tier II audit projects from risk assessment:
  - ➢ University Wide Procurement Card Controls.
  - ➢ IT Audit – Sensitive Data Inventory Controls.

Annual Risk Assessment Heat Map

Auditable Entity/Unit	Risk Ranking	Total Risk Score	PY Risk Score	IA Planned for FY26?
Office of Information Technology (IT)	1	37.6	37.6	No^
Financial Aid Office (FAO)	2	34.8	32.5	No^
Enrollment Management and Student Affairs	3	34.3	31.7	Yes
Payroll and Human Resources	4	33.7	33.0	Yes
Environmental Health and Safety	5	31.5	31.5	No
Equity, Diversity, and Inclusion (EDI)	6	31.0	29.4	No
Campus Public Safety Office (CPSO)	7	30.3	20.9	No
Finance and Administration	8	30.0	27.6	No^
Facilities, Maintenance, & Plant (FPM)	9	29.0	29.0	No
Housing, Family Housing, and Food Services	10	29.0	29.0	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	No
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
Provost Office and Bridge Program	17	28.3	27.6	No
Registrar's Office and Admissions	18	27.5	16.5	No
Office of International Programs	19	26.5	25.2	No*
Athletics	20	26.4	34.6	No
Dean of Students, Gender and Sexuality Justice	21	26.4	26.4	No
Division of Undergrad Studies	22	26.4	26.4	No
Student Health and Wellness Center	23	26.4	29.0	No
Division of Humanities and Culture	24	25.2	26.4	No
Honors College	25	25.2	25.2	No
Office of Institutional Research	26	22.1	12.6	No
Jackson Public Radio (JPR)	27	19.8	19.8	No
President's Office	28	19.8	19.8	No
University Advancement and Grants Administration	29	19.8	19.8	No
Parking Services	30	18.9	18.9	No
Student Activities and Clubs	31	18.9	18.9	No
Schneider Museum of Art	32	15.1	15.1	No
Hannon Library	33	13.2	13.2	No
Bookstore (Barnes and Noble Outsourced)	34	12.6	12.6	No

Objective 4 –
Risk Assessment & Proposed Audit Plan

- Proposed projects provide coverage over 2 out of the 8 high risk units at SOU.

- SOU will likely receive coverage over 3 additional high risk units and 1 moderate risk unit from the financial statement audit and federal compliance audit that external auditors perform. In addition, depending on samples selected for planned internal audits, additional coverage of other risk assessment units may get some coverage/testing.

Objective 5 – Audit Standards & Disclosures

Standards require Internal Audit to make annual disclosures to the Board Audit Committee:

1) Organizational Independence (Standard 1110)

2) Quality Assurance and Improvement Program (Standard 1320)
Conflicts of Interest – Internal Audit Office has a conflict of interest related to contracted services transactions and cannot independently audit these transactions.

3) Communication & Approval (Standard 2020)
  - Note – If Internal Audit budget resources are cut then Director of Internal Audit is required to report these impacts to the Audit Committee.

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

Internal Audit Update

Questions and other discussion?

Draft Risk Assessment and
Fiscal Year 2026 Internal Audit Plan
(Action)

Southern Oregon University
Fiscal Year 2026 Internal Audit Plan

SO | Southern OREGON UNIVERSITY

June 2025

Prepared by:
Ryan Schnobrich, CPA, CIA
Portland State University
Center for Internal Audit

TABLE OF CONTENTS

PLAN OVERVIEW

This document provides the FY 2026 Internal Audit Plan as required by internal auditing *Standards*.

AUDIT PLAN – Exhibit A

The final audit plan covers a 12-month period beginning July 1, 2025 through June 30, 2026. This plan includes internal audits selected based on the results of the entity wide risk assessment performed by Portland State University's (PSU) Center for Internal Audit (C4IA), who has been contracted by Southern Oregon University (SOU) to provide internal audit services.

PRIORITIZED POTENTIAL AUDITS – Exhibit B

The C4IA 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 C4IA analyzed the results to determine if risk ratings were consistent with what professional judgment would expect. In addition, the C4IA 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 C4IA 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 C4IA scored the 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 in internal controls would have to the university 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 C4IA'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 2026 entity wide risk assessment, there are 34 auditable units.

FY 2026 INTERNAL AUDIT PLAN

EXHIBIT A

Internal Audit Plan
July 1, 2025 through June 30, 2026

Audit #	Engagement Title	Timeframe*	Comments
Annual Risk Assessment	FY27 Annual Risk Assessment	June 2026	Required annually by IIA auditing *Standards*.
Planned Audits			
2026-1	Human Resources I-9 & SEVIS Worker Compliance	July-November 2025	
2026-2	Human Resources Background Checks/Fair Credit Reporting Act Compliance	November 2025-April 2026	
2026-3	Assistance to General Counsel for fiscal year 2025 special project.	July 2025-June 2026	
Other Services			
SPECIAL REVIEWS	Special reviews	Fiscal Year 2026	Investigative reviews as requested by mgmt.
ADVISORY SERVICES	Audit Committee and Internal Audit Charter *Standards* Update	Fiscal Year 2026	
Tier II Audits			
2027-1	University Procurement Card Controls	June-December 2026	
2027-2	Sensitive Data Inventory – IT Controls Audit	January-June 2027	

* 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
2026-1	The Form I-9, Employment Eligibility Verification, is a mandatory document required by the U.S. Citizenship and Immigration Services (USCIS) to ensure that employers verify the identity and employment authorization of individuals hired to work in the United States. This process, governed by the Immigration Reform and Control Act of 1986 (IRCA), applies to all employers regardless of size and to all employees hired after November 6, 1986, regardless of citizenship or immigration status. The Student and Exchange Visitor Information System (SEVIS) is a U.S. government database that tracks international students and their dependents. Its registration and fee payment (I-901) are essential for maintaining an international student's visa status.
2026-2	Human Resources background checks, the university's policy on background checks, and compliance with the Fair Credit Reporting Act as it relates to protecting individuals' privacy and ensure fairness and accuracy in employment decisions.
2026-3	Internal Audit will provide additional assistance as needed to SOU's Office of General Counsel if additional work is warranted on a fiscal year 2025 special project.
Tier II Audits	These topics are topical areas that were identified from the annual risk assessment, but due to finite audit resources, the internal audit function can only perform a few audits per fiscal year. Tier II projects will be started in the order listed if: a) Internal audit completes all of the fiscal year 2026 planned audits before June 30, 2026; and b) There is sufficient contract capacity remaining to begin the Tier II project that is next in order.
Risk Assessment	The annual risk assessment forms the basis of the internal audit plan. This is required to conform to auditing *Standards*.
Advisory Services	The C4IA suggests that the board update their audit committee charter and internal audit charter to conform to the new Institute of Internal Auditors *Standards*.
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.

FY 2026 ENTITY WIDE RISK ASSESSMENT

EXHIBIT B

FY 2026 Prioritized Audit Risk Model – Auditable Units

Auditable Entity/Unit	Risk Ranking	Total Risk Score	PY Risk Score	IA Planned for FY26?
Office of Information Technology (IT)	1	37.6	37.6	No^
Financial Aid Office (FAO)	2	34.8	32.5	No^
Enrollment Management and Student Affairs	3	34.3	31.7	No
Payroll and Human Resources	4	33.7	33.0	Yes
Environmental Health and Safety	5	31.5	31.5	No
Equity, Diversity, and Inclusion (EDI)	6	31.0	29.4	No
Campus Public Safety Office (CPSO)	7	30.3	20.9	No
Finance and Administration	8	30.0	27.6	No^
Facilities, Maintenance, & Plant (FPM)	9	29.0	29.0	No
Housing, Family Housing, and Food Services	10	29.0	29.0	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	No
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
Provost Office and Bridge Program	17	28.3	27.6	No
Registrar's Office and Admissions	18	27.5	16.5	No
Office of International Programs	19	26.5	25.2	No*
Athletics	20	26.4	34.6	No
Dean of Students, Gender and Sexuality Justice	21	26.4	26.4	No
Division of Undergrad Studies	22	26.4	26.4	No
Student Health and Wellness Center	23	26.4	29.0	No
Division of Humanities and Culture	24	25.2	26.4	No
Honors College	25	25.2	25.2	No
Office of Institutional Research	26	22.1	12.6	No
Jackson Public Radio (JPR)	27	19.8	19.8	No
President's Office	28	19.8	19.8	No
University Advancement and Grants Administration	29	19.8	19.8	No
Parking Services	30	18.9	18.9	No
Student Activities and Clubs	31	18.9	18.9	No
Schneider Museum of Art	32	15.1	15.1	No
Hannon Library	33	13.2	13.2	No
Bookstore (Barnes and Noble Outsourced)	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.

*Payroll project may cover some compliance requirements over international students and restrictions on the number of hours international students can work under SEVIS compliance requirements.

FY2026 RISK FACTORS, SCORING CRITERIA, & INTERNAL 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 C4IA 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 C4IA asked stakeholders questions on where these managers saw risks at SOU, both internal risks and external risks. The C4IA also reviewed last year's risk assessment materials.

The C4IA scored the responses provided by stakeholders interviewed based on C4IA's collective professional experience and observations of these auditable units and related risks in higher education. The C4IA 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 C4IA also assigned a risk score to each auditable unit based on how much revenues the unit processed during fiscal year 2024 (FY24) or how much expenditures the unit incurred during FY24. 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 greater of revenues or expenditures being processed

through the unit for FY24 was used to score the financial risk for the unit using the scoring matrix outlined below:

Risk Score Matrix for Financial Significance:

Revenue or Expenditure Total for FY24	Multiply Risk Score in Column A by the Percentage Below and Place the Results in Column 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 C4IA 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 C4IA's last audit of the unit.
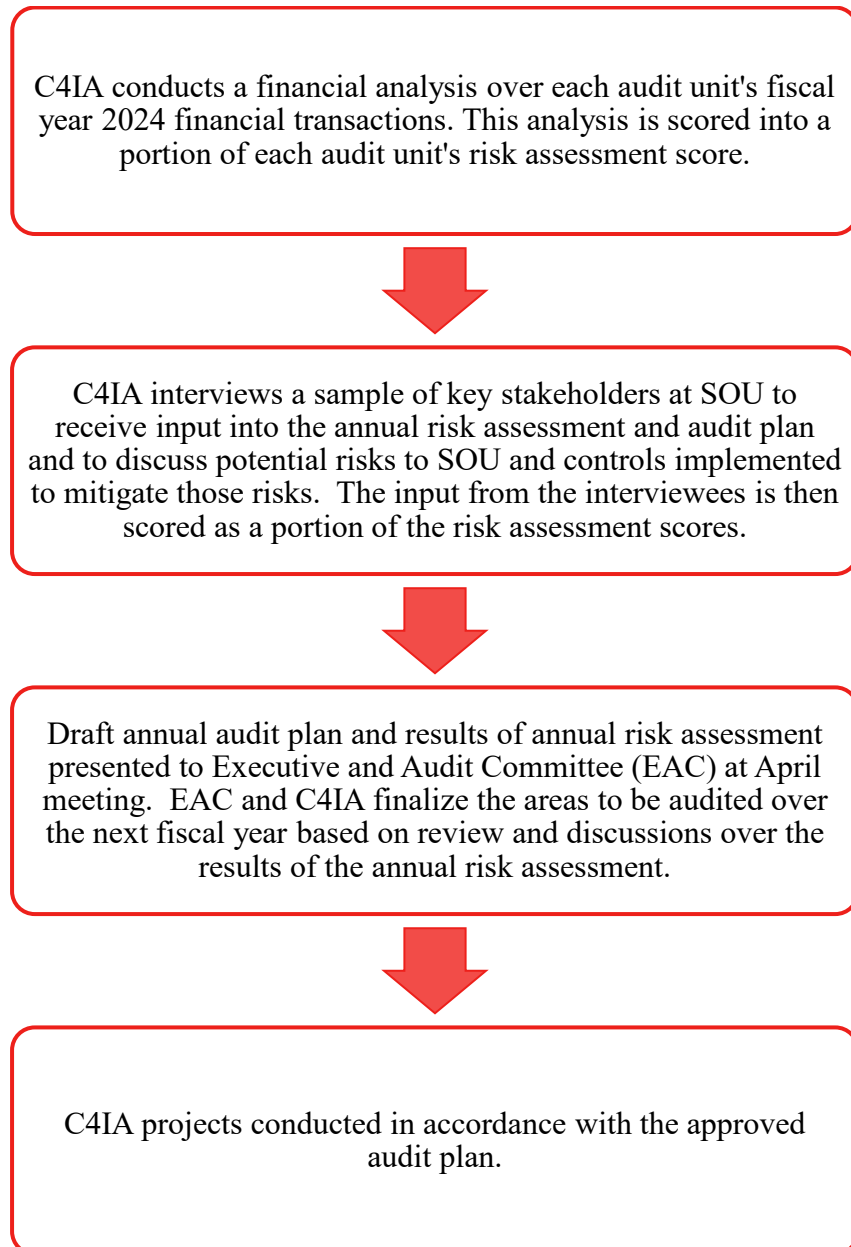
Last Time Unit was Audited	Risk Points Scale
Audited 5+ years ago	20%
Audited 2 to 5 years ago	10%
Audited within 1 to 2 years ago	0%

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 C4IA 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 C4IA 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

C4IA conducts a financial analysis over each audit unit's fiscal year 2024 financial transactions. This analysis is scored into a portion of each audit unit's risk assessment score.

C4IA 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 April meeting. EAC and C4IA finalize the areas to be audited over the next fiscal year based on review and discussions over the results of the annual risk assessment.

C4IA 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.

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.

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.

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.

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.

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 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.

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.

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.

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.

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.

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.

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 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 Hannon Library is integral to the success of all learners at SOU. The Hanon 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.   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.

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.

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.

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.

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.

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**.**

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**.**

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

RESOLUTION
Adoption of Fiscal Year (FY) 2026 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 FY 2026, and presented in the June 20, 2025 meeting materials of the committee; 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.

DATE:

VOTE:

Board Governance

- **Update on Board Vacancies and Board Needs Assessment**
- **Plan for Board Officer Vacancy (Action)**

Southern Oregon University
Board of Trustees

Board Vacancies as of July 1, 2025

	Member Type	Trustee
1.	Undergraduate Student	Michelle Fuentes
2.	Undergraduate Student	Ryan Goodrich
3.	Graduate Student	Vacant (Formerly Julissa Taitano)
4.	Faculty	Dr. Hala Schepmann
5.	Non-faculty Staff	Vacant (Formerly Jason Mendoza)
6.	At-Large/Community	Brent Barry
7.	At-Large/Community	Sheila Clough
8.	At-Large/Community	Iris Maria Chavez
9.	At-Large/Community	Debra Lee
10.	At-Large/Community	Christina Maria Medina
11.	At-Large/Community	Danny Santos
12.	At-Large/Community	Liz Shelby
13.	At-Large/Community	Barry Thalden
14.	At-Large/Community	Vacant (Formerly Sachta Card)
15.	At-Large/Community	Vacant (Formerly Sean Franks)
16.	At-Large/Community	Vacant (Formerly Bill Thorndike)
17.	University President	Dr. Rick Bailey

Southern OREGON UNIVERSITY

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 expertise and qualities of trustees, as well as the demographics of trustees was completed. The objective of the survey was to identify the current "strengths" of the board and especially, the "opportunities" to fill any gap areas when recruiting new trustees.

In response to this Qualtrics survey, all twelve trustees who are expected to serve on the board as of July 1, 2025, were asked to complete the 19-question survey in 2024 or 2025; there was a 100 percent response rate; a brief summary appears below.

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

Regarding relationship capital/connections, board members' strengths were reported in community building/leadership, the Southern Oregon region, education, and 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, and in business/the corporate sector. Additionally, a consistent high need for the board is always relationship capital/connections with the government sector or specifically, the state's executive and legislative branches.

The board's greatest opportunity in service ability and strengths, is the availability/ capacity of trustees to do board work. Lastly, when asked about other gifts and talents the board should consider when recruiting new trustees, *deep branding and marketing expertise*, and *a background running a large business/organization* were offered.

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 that reflects the growing diversity of the state and student body of SOU.

- There board has 5 men, 6 women, and 1 nonbinary trustee.
- In terms of race and ethnicity, trustees identify as White (6), Hispanic or Latin-X (4), Asian or Asian American (1), Mesoamerican Indian (1), and Egyptian, Coptic (1).

- Currently, the board has 1 early-career professional, 3 young professionals, 5 established professionals, and 3 retirees or late-career professionals. One trustee is a veteran.

* For all demographic qualities, answers were optional; some responses may add up to less than 12 Additionally, a write-in option was offered so that respondents had the ability to self-identify.

* Respondents were able to specify as many selections as were applicable to their identities, so some responses may add up to more than 12.

Recommendations

One of the most important qualities when recruiting prospective trustees is inviting to serve, those who have **a high capacity for board service,** will be of great benefit to the board and the university.

The SOU Board may benefit most from the future recruitment of trustees with the following expertise or qualities:
1. Relationship capital and connections;
2. Financial management;
3. Enterprise management;
4. Academic affairs;
5. Business/corporate sector; and
6. Connections with other geographic regions of the state or country—especially in the governmental/legislative sector.

While other areas also were identified, these match closely with the university's expected needs or priorities over the next several years. Strong statewide political capital, especially among lawmakers, would benefit the board greatly.

Demographics
The SOU board may benefit from increasing any of the following:
- The number of trustees with demographics currently unrepresented on the board, such as American Indian/Alaska Native/Native American; Black or African American (1); and/or
- The number of LGBTQIA-identifying trustees.

However, expertise and ability to serve present greater needs than demographic composition, which currently reflects significant gender and racial/ethnic diversity.

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 any time recruitment may occur.

Southern Oregon University
Board of Trustees

Board Officer Vacancy

SUMMARY AND PROPOSED PLAN

Per the Board Statement on the Process for Officer Elections, when there is a vacancy in the position of vice chair, the chair of the SOU Board of Trustees will appoint members of an Officer Election Work Group to gather information in support of the board's process to elect a new officer. The Officer Election Work Group would be comprised of a diverse group of three to five trustees, and at least one of these members should be a past officer of the board [a current or former trustee].

It is believed that the board's process for officer elections would place an undue burden on members of the board at this time due to current service commitments, personal limitations, and possible interests in the vice chair role.

- The board is currently experiencing a period of high vacancies.
- Any trustee who is interested in serving in an officer role and standing for election may not participate in the work group, which further reduces the number of available trustees to serve on a work group.
- In addition to the three standing committees of the board, there is currently an active work group of the board.
- Many trustees already serve on multiple committees at this time.
- Academic year and summer schedules indicate limitations in the availability of trustees to serve on a highly active work group.
- Given the current level of vacancies and the executive appointments process, and other university and board priorities, there may be some limitations in the Office of the Board of Trustees to support another work group.

Anticipating difficulty composing a fully functional work group, an alternative to the process for electing a vice chair is proposed below. The board chair seeks the support of the Executive, Audit, and Governance Committee and the Board of Trustees to address this officer vacancy in the following manner.

For the current vacancy in the position of vice chair, the board temporarily suspends the enforcement of the Board Statement on the Process for Officer Elections. The board delegates to the board chair the ability to seek the assistance of selected trustees to assist with activities normally reserved for the board's vice chair, which ordinarily are minimal, as defined in the board's statements and Bylaws.

In this scenario, the board chair shall, from time to time, notify the Board of Trustees of any significant matters related to the activities of trustees selected to serve in this capacity until such time that a board election for the vice chair position occurs.

<div align="center">

Southern Oregon University
Board of Trustees

RESOLUTION

Suspension of Board Statement on the Process for Officer Elections, and Assignments of Vice Chair Responsibilities

</div>

Whereas, the Vice Chair of the Board of Trustees of Southern Oregon University ("University") has recently resigned;

Whereas, the Board of Trustees has previously adopted a Board Statement on the Process of Officer Elections;

Whereas, the Board Statement on the Process of Officer Elections due to substantial vacancies, current commitments by trustees, and further, the current board process would substantially limit candidates for Vice Chair;

Whereas the Executive, Audit, and Governance Committee recognizes the current workload placed on trustees and collectively desires to spread the work of the role of Vice Chair among several trustees; Now, therefore,

Be it resolved, the Executive, Audit, and Governance Committee recommends the Board of Trustees temporarily suspend the Board Statement on the Process of Officer Elections for the position of the Vice Chair for the Fiscal Year 2025-2026;

Be it further resolved, the Executive, Audit, and Governance Committee recommends the Board of Trustees, for the Fiscal Year 2025-2026, authorize the Chair of the Board of Trustees to assign any of the duties of the Vice Chair of the Board of Trustees between and among any of the trustees at the Chair's discretion, and with this assignment, the Chair of the Board shall from time to time, notify the Board of Trustees of any significant matters related to the activities of trustees selected to serve in this capacity until such time that a board election for the vice chair position occurs; and

Be it finally resolved, that the Executive, Audit, and Governance Committee recommends that, Trustee Daniel P. Santos, in the unlikely event of the vacancy of the Chair, shall become the Vice Chair of the Board of Trustees for the purpose of succession consistent with Article III, Section 5.a. of the Bylaws of Southern Oregon University.

DATE

VOTE

President's 2025
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.

Sabrina Prud'homme
University Board Secretary

Daniel P. Santos
Chair, Board of Trustees

Revision	Change	Date
	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

Information Security Risk Assessment

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

2025 INFOSEC REPORT

DAVID RACO, INFORMATION SECURITY MANAGER

CERTIFIED INFORMATION SYSTEMS SECURITY PROFESSIONAL (CISSP)

RACOD@SOU.EDU | 541-552-6893

CONTENTS

- CURRENT LANDSCAPE

- TOP RISKS

- WHAT'S DONE

- WHAT'S NEXT

    - ARTIFICIAL INTELLIGENCE

- WHAT'S NEEDED

CURRENT LANDSCAPE

"Establishing a framework for decision-making around AI adoption will help ensure that AI is used responsibly, with full consideration of potential impacts on the security and privacy of our institutional data."

CISA cuts $10 million annually from ISAC funding for states amid wider cyb

Going Phishing on Campus

Scammers have been targeting students for years, but some universities are reporting recent upticks as perpetrators develop workarounds to campus safeguards.

"This should focus on data security but not in place of focusing on the perimeter. It is important to maintain our historical perimeter defenses at the same time that we are working to build-out data-based protections."

Congress to reautnorize state and local rogram

TOP RISKS

- RANSOMWARE

- BUSINESS EMAIL COMPROMISE

- PROLIFERATION OF TOOLS AND TECHNOLOGIES ("SHADOW IT")

- ARTIFICIAL INTELLIGENCE

- DATA BREACHES

- INCIDENT RESPONSE AND DISASTER RECOVERY

WHAT'S DONE

- ✓ MANDATORY CYBERSECURITY TRAINING (NEW IN 2025)

- ✓ STUDENT MFA

- ✓ REVAMPED PHISHING SIMULATIONS + TRAINING

- ✓ UPDATED SERVERS AND REPLACED OLD EQUIPMENT

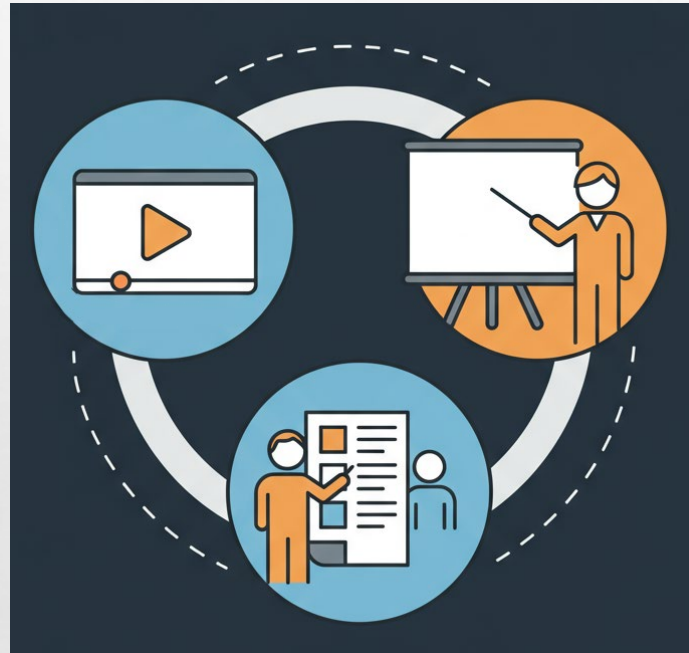- ✓ 8% CYBERSECURITY RISK REDUCTION FROM 2024

WHAT'S NEXT

- MORE WORK ON POLICIES + PROCEDURES + OVERSIGHT

- BETTER LOGGING AND MONITORING

- DATA GOVERNANCE + DATA LOSS PREVENTION

- PENTEST

- INCIDENT RESPONSE AND DISASTER RECOVERY WORK

- KEEP IMPROVING WHAT WE'RE DOING RIGHT

- ARTIFICIAL INTELLIGENCE GAME PLAN

AI GAME PLAN

PHASED APPROACH
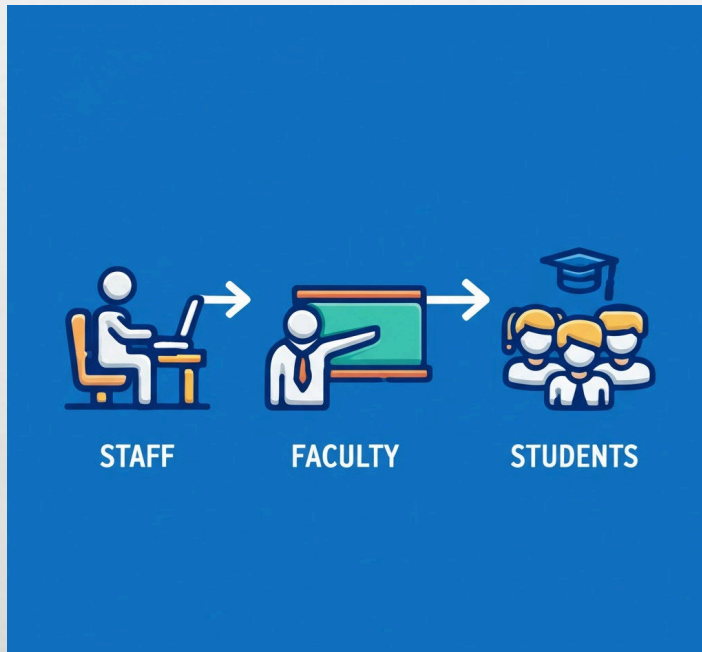
TRAINING + GUIDANCE

FORWARD THINKING

WHAT'S NEEDED

- INFOSEC / IT TEAM EXPANSION

- CYBERSECURITY BUDGET

- BUDGET FOR INFRASTRUCTURE UPGRADES

- CONTINUED LEADERSHIP SUPPORT

Future Meetings

Adjournment