

**Board of Trustees of the University of Oregon
Executive and Audit Committee Meeting
September 10, 2015**

8:30 am: Public Meeting, Ford Alumni Center, Room 403

Convene

- Call to order
- Roll call

1. Approval of June 2015 EAC minutes (Action)

2. Audit, Chief Auditor Brenda Muirhead

- 2.1 Quarterly and year-end audit reports
- 2.2 Introduction of Internal Audit peer review processes

3. Board operations, Board Chair Chuck Lillis

- 3.1 Trustee responsibilities and expectations (Action)
- 3.2 Process and clarifications regarding board officers (Action)

Meeting Adjourns



Agenda Item #1

Approval of June 2015 Meeting Minutes

Draft minutes for June 2015 were emailed to the Executive and Audit Committee on August 26, 2015.



Agenda Item #2

Audit



Agenda Item #2.1

Quarterly and year-end audit reports

Materials for this section will be provided at the meeting



Agenda Item #2.2

Introduction of Internal Audit peer review processes

There are no materials for this section



Agenda Item #3

Board Operations

- #3.1 – Trustee responsibilities and expectations
- #3.2 – Process and clarification regarding board officers



Agenda Item #3.1

Trustee responsibilities and expectations

The attached resolution contemplates amendments to the Statement of Governance and Trustee Responsibilities. As with other governing documents, the formative years of the Board require some continued refinement to these responsibilities. These proposed amendments seek to provide additional clarity around trustee responsibilities based on observations and feedback provided by trustees over the course of the Board's first year of official governance authority.

Below is the intent of proposed changes in the order in which they appear in the document. A "redline" version is attached to the resolution as Exhibit A.

- Additional bullet regarding attendance at and participation in meetings of the Board and its committees and work groups with the hope of limiting participation by phone and avoiding absences.
- Emphasizing that trustees represent the interests of the institution as a whole, and – even if they fill a dedicated position – not the interests or objectives of a particular portion of the university.
- Reminding trustees that even when speaking as an individual, many audiences will impart greater importance on their words because of their role as a trustee and many may not recognize that the individual is not speaking on behalf of the institution and/or Board.
- Referencing the need to comply with laws impacting public officials.

**Executive and Audit Committee
Board of Trustees of the University of Oregon**

Resolution: Amendments to the Statement of Governance and Trustee Responsibilities

Whereas, the Board of Trustees of the University of Oregon adopted a Statement of Governance and Trustee Responsibilities (the "Statement");

Whereas, the Statement outlines core values and responsibilities of the Board as a whole, as well as individual responsibilities each Trustee is expected to uphold;

Whereas, the Board of Trustees wishes to clarify and add language relating to certain of those individual responsibilities;

Whereas, the Policy on Committees authorizes the Executive and Audit Committee to refer matters to the full Board;

Now, therefore, the Executive and Audit Committee of the Board of Trustees of the University of Oregon hereby refers to the full Board of Trustees the following, recommending its passage:

RESOLVED, that the University of Oregon's Statement of Governance and Trustee Responsibilities shall be amended as articulated in the attached Exhibit A.

Moved: _____

Seconded: _____

Trustee	Yes	No
Bragdon		
Ford		
Kari		
Lillis		
Ralph		
Wilcox		

Dated: _____ of _____, 2015.

Initials: _____

EXHIBIT A

UNIVERSITY OF OREGON Statement of Governance and Trustee Responsibilities

The Board of Trustees develops and advances the University of Oregon's mission and goals. It ensures that the institution is well managed, provides for adequate resources, and maintains good relations with all constituencies, on campus and across the state and globe. It appoints and evaluates the President, approves and monitors the implementation of institutional strategy and policies, provides transparency and accountability, ensures that the University meets its obligations as part of Oregon's education system and preserves the autonomy of the institution.

The Board is responsible for seeing that each Trustee carries out his or her responsibilities as specified herein. Each Trustee assigns a high priority to a stewardship role with a commitment to the strengths, traditions and values of the institution and pledges to fulfill the following responsibilities:

Act as a responsible fiduciary

- Act in the best overall interest of the University of Oregon and the State of Oregon as a whole.
- Make service to the University a high personal priority: participate constructively and consistently in the work of the Board and its committees and working groups; accept and discharge leadership positions and other assignments; work on behalf of the University between Board meetings; and attend functions and events to which Trustees are invited.
- Actively participate in meetings of the Board and its committees and working groups, avoiding absences when at all possible. Trustees should endeavor to make all meetings of the Board and their respective committees, and should notify the Chair or the Secretary of any irreconcilable scheduling conflicts as soon as possible.
- Prepare for meetings by reading the agenda and supporting material and by keeping informed about the University and trends and issues in higher education.
- Participate in rational, informed deliberations by considering reliable information, thinking critically, asking good questions and respecting diverse points of view, in order to reach decisions on the merits that are in the best interests of the institution.
- Use your own judgment in voting versus following the lead of others.
- Participate in self-evaluations and evaluations of Trustee performance.

Advance the mission of the University of Oregon

- Represent the University positively in words and deeds, particularly and proactively to University constituents.
- Be committed to serving the University and the State as a whole rather than any part or any personal or political cause. The faculty, nonfaculty staff and student trustees should inform the Board about the interests and concerns of faculty, nonfaculty staff and students as they relate to Board business, but should be mindful that they represent and serve the institution as a whole.
- Help the University secure the financial, human and other resources necessary for the institution to achieve its mission.

Uphold the integrity of the Board

- Speak for the Board only when authorized to do so by the Board Chair or University President, and be mindful that providing personal opinions on university matters may still confuse public audiences about the Board's or the university's intention(s) and position(s) and that such comments may be given greater weight or attention due to the individual's role as a trustee.
- Refrain from directing the President or staff and from requesting special considerations or favors. The President reports to the Board as a whole.
- Avoid conflicts of interest or the appearance thereof, in accordance with the Board's policies on conflict of interest.
- Adhere to the highest standards of personal and professional behavior and discretion so as to reflect favorably on the University.
- Maintain compliance with public official laws and regulations.

~~Adopted~~ Amended by the Board of Trustees, ~~January 24, 2014~~ September 11, 2015.



Agenda Item #3.2

Process and clarifications regarding board officers

The attached resolution contemplates amendments to the University of Oregon’s bylaws. While the bylaws should not be reopened with regularity, the formative years of the Board require some continued refinement. These proposed amendments seek to make such refinement in the section relating to Board Officers, particularly as it relates to the term of service and situation(s) of vacancy. Below is an explanation of proposed changes; a “redline” version of the bylaws with the proposed amendment is attached. (Editor’s Note: These proposed amendments are not in response to any known or anticipated plans of the current Chair or Vice Chair.)

TERM OF SERVICE

The bylaws of the University of Oregon stipulate that the board shall elect a chair and a vice chair to serve as Board Officers and that the officers “shall hold office for two years, or until a successor shall have been duly appointed and qualified or until death, resignation, expiration the appointment as a Trustee, or removal.” *See* Article III, Section 5(a).

Language proposed for consideration would create a hard limit on board officer terms while maintaining the ability for an officer to serve consecutive terms. The rationale for this adjustment is to ensure that trustees have an opportunity to select (or possibly replace) Board Officers without the politics or processes required to call the question. *See* edits to Section 5(a). The change also increases the term from two (2) to three (3) years to provide more time for service once an officer climbs the initial learning curve.

Additionally, language is proposed to establish a process by which a Board Officer may voluntarily resign his or her position as Chair or Vice Chair. Although this ability was likely implied and understood, proposed language provides trustees clarity by ensuring official communication to the university and a specified effective date. *See* edits to new Section 5(e).

VACANCY

A new section 5(b) is proposed (with other sections renumbered accordingly) to specifically address the issue of a vacancy in either or both Board Officer Positions. Original language in the bylaws provided for a direct ascension of the Vice Chair into the position of Chair in the event of a vacancy.

However, this might not be the desired outcome for the majority of trustees, let alone the Vice Chair. Rather than make such an ascension automatic, the proposed language calls for a meeting of the Board – as soon as practicable – for purposes of selecting a new Chair. The language regarding a vacancy in the Vice Chair remains the same, but it is moved from Section 5(a) to the new Section 5(b).

Additionally, original language did not contemplate the unlikely event that both positions are vacant simultaneously. The proposed addition provides for this scenario.

**Executive and Audit Committee
Board of Trustees of the University of Oregon**

Resolution: Amendments to Bylaws (Clarification of Board Officer Matters)

Whereas, Article III, Section 5 of the Bylaws of the University of Oregon address matters pertaining to Board Officers;

Whereas, the Board of Trustees of the University of Oregon wishes to clarify and modify certain language around the selection and success of Board Officers to ensure a regular vote on the positions as well as timely and appropriate succession in the event of a vacancy;

Whereas, the Policy on Committees authorizes the Executive and Audit Committee to refer matters to the full Board;

Now, therefore, the Executive and Audit Committee of the Board of Trustees of the University of Oregon hereby refers to the full Board of Trustees the following, recommending its passage:

RESOLVED, that Article III, Section 5 of the Bylaws of the University of Oregon (Board Officers) shall be amended as articulated in the attached Exhibit A.

Moved: _____

Seconded: _____

Trustee	Yes	No
Bragdon		
Ford		
Kari		
Lillis		
Ralph		
Wilcox		

Dated: _____ of _____, 2015.

Initials: _____

EXHIBIT A

BYLAWS OF THE UNIVERSITY OF OREGON

ARTICLES I-II No Amendments

ARTICLE III Board of Trustees

1. **Business and Affairs.** ***
2. **Membership.** ***
3. **Vacancies.** ***
4. **Removal.** ***
5. **Board Officers.**

- a. Every three years, ~~The Board shall select one of its members as Chair and another as Vice Chair, who shall be the Board Officers. Thereafter, a vacancy in the position of Chair shall be filled by the Vice Chair, unless the position of Vice Chair is vacant in which case the Board shall appoint the Chair. A vacancy in the position of Vice Chair shall be filled by the Board. The Chair and Vice Chair shall hold office for two years, or until a successor shall have been duly appointed and qualified or until death, resignation, expiration of the appointment as a Trustee, or removal. The term for a board officer shall be approximately three years (as established by quarterly meeting dates), or until death, resignation, removal or expiration of appointment as a Trustee within a term.~~ The Chair and Vice Chair may be ~~appointed~~ elected to consecutive terms without limitation. The Chair and Vice Chair shall not be employees or students of the University and shall not, as Chair and Vice Chair, be authorized to bind the University. The Board may appoint such other Board Officers, including a Second Vice Chair, with such duties as the Board determines necessary or appropriate.
- b. In the event of a vacancy in the position of Chair, the Vice Chair shall, as soon as practicable, call a meeting of the Board for purposes of filling the vacancy; the Vice Chair shall temporarily assume the responsibilities of the Chair until such a meeting occurs and a new Chair is elected. A vacancy in the position of Vice Chair shall be filled by the Board at its next meeting. In the event of a vacancy in both positions simultaneously, the President shall facilitate a meeting of the Board, as soon as practicable, for purposes of filling both vacancies.
- c. The Chair shall establish the agenda for and preside at all meetings of the Board. The Chair shall perform such other duties as assigned by the Board. In the absence of the Chair or in the event of the Chair's inability to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as assigned by the Board.

ed. Notwithstanding the appointment of a Chair and Vice Chair, authority is vested in the Board collectively and not in any individual Trustee. Individual trustees do not speak on behalf the University unless authorized to do so by the Board or Chair. The Chair may speak on behalf of the University, unless otherwise determined by the Board.

de. A Board Officer serves at the pleasure of the Board. A Board Officer may be removed from office by a two-thirds majority vote of Trustees eligible to vote. A Board Officer may voluntarily relinquish his or her position Chair or Vice Chair by submitting a letter of resignation to the Secretary with an effective date.

6. Compensation; Reimbursement of Expenses. ***

7. Faculty and Non-faculty Staff Trustees. ***

**ARTICLES IV-XI
No Amendments**