

NOTICE OF PUBLIC MEETING

The Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon will hold a meeting on the date and at the location set forth below. Subjects of the meeting will include: review of proposed amendments to Board Bylaws and the university's policy on Retention and Delegation of Authority; a review of AY 23/24 Presidential goals; and review of the FY24 internal audit work plan.

Monday, September 11 at 10:00 a.m. Pacific Time
White Stag Building, Room 142/144, Portland Campus

The meeting will be webcast, with a link available at <https://trustees.uoregon.edu/meetings>.

Sign language for the deaf or hard of hearing should be requested at least 48 hours in advance of the posted meeting time by contacting Jennifer LaBelle at (541) 346-3166 or emailing trustees@uoregon.edu. Please specify the sign language preference.

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 T (541) 346-3166 trustees.uoregon.edu

An equal-opportunity, affirmative-action institution committed to cultural diversity and compliance with the Americans with Disabilities Act

**Board of Trustees | Executive, Audit, and Governance Committee
Public Meeting | September 11, 2023 | 10:00 a.m.
White Stag Building, Room 142/144 | Portland Campus**

Convene

- Call to order, roll call

- 1. Governance Policy Review.** Elisa Hornecker, Trustee.
- 2. Presidential Goal Setting.** Steve Holwerda, Board Chair.
- 3. Annual Internal Audit Report and Plan Review (ACTION).** Leah Ladley, Chief Auditor.

Meeting Adjourns

Agenda Item #1

Bylaws and Policy on Retention and Delegation of Authority Amendments

The primary documents governing the University of Oregon's Board activities are its Bylaws and Policy on Retention and Delegation of Authority. These documents provide the governing framework for the Board and clarify roles between the Board, President, and their administration. As a part of effective governance periodic review is necessary to ensure the Board's governance is in line with best practice and in operational alignment with university procedures.

To advise the Board Chair on any necessary changes to the Bylaws and Policy on Retention and Delegation of Authority a workgroup comprised of trustees and administrators reviewed the Board's bylaws and have made several recommendations for consideration. While many of the proposed amendments are focused on technical and clarifying adjustments, several proposed changes make more substantive adjustments. In addition to the attached redline and accompanying resolutions, below are summaries of key substantive amendments to both documents.

Board Bylaws (Exhibit A)

- Article I – No changes.
- Article II – No changes.
- Article III – Makes several technical adjustments to Board practices. Establishes that a Board Chair and Board Vice Chair may serve a maximum of two terms in those roles.
- Article IV – Makes several technical adjustments. Clarifies practice for trustee declaring a conflict when they have an actual conflict of interest.
- Article V – Aligns Board operations with practical operations.
- Article VI – Makes technical adjustments.
- Article VII – No changes.
- Article VIII – Aligns language regarding student trustees' ability to attend executive sessions on collective bargaining with recent updates to state statute.
- Article IX – Makes technical adjustments.
- Article X – Adds new language to align with state statute regarding the requirement trustees have institutional emails that are posted publicly.

Retention and Delegation (Exhibit B)

- Section 1 – Adds language to allow the Board Chair and Vice Chair to adjust the President's contract provided they adjustments do not impact compensation. Moves authority of the Board

to establish codes of conduct for university staff to section three, where the authority is delegated to the President. Increases financial threshold for projects or instruments needing Board authority. Moves authority to accept gifts of non-traditional investment assets and deferred gifts to the President as outlined in Section 3. Adds the UO Alumni Association to the entities that receive gifts for the university in accordance with agreements with the university. Makes technical adjustments.

- Section 2 – Removes unnecessary language regarding public notice and public meeting requirements given obligation under state statute to comply with Oregon Public Meeting Law. Makes technical adjustments.
- Section 3 – Delegates authority from Section 1 to the President to establish codes of conduct for university employees. Increases financial threshold for research grants or contracts that must be reported to the Board. Inserts authority for the President to accept gifts of non-traditional investment assets and deferred gifts. Adds authority of the President to execute agreements with the Higher Education Coordinating Commission related to grants or loan agreements to accept state appropriations to the university. In accordance with recent state legislation, delegates to the President new requirement to conduct ongoing reviews of the practices and policies of the university relating to transparency and access. Makes technical adjustments.
- Section 4 – No changes
- Section 5 – No changes.

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

Resolution: Adoption of Amendments to Board Bylaws

WHEREAS, the University of Oregon (University) is governed by, and the business and affairs of the University are ultimately overseen by, the Board of Trustees as described in ORS Chapter 352;

WHEREAS, as provided in ORS 352.029, the Board of Trustees manages the affairs of the university by exercising and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law, or that are implied by law or are incident to such powers, rights and duties;

WHEREAS, as provided in ORS 352.087(1)(m), the Board of Trustees may establish policies for the organization, administration and development of the university which, to the extent set forth in those policies, shall have the force of law;

WHEREAS, effective governance is benefited by the Board’s periodic review of its bylaws to ensure alignment with best practice and state statute;

WHEREAS, a review of the bylaws has resulted in recommended changes outlined in Exhibit A, attached to this resolution;

WHEREAS, the Policy on Committees authorizes the Executive, Audit, and Governance Committee to submit items to the full Board as a seconded motion, recommending passage.

NOW, THEREFORE, the Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon hereby refers to the full Board of Trustees the recommendation approving the amendments to the Board’s bylaws as outlined in Exhibit A.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Hornecker	
Evans Jackman		Seeley	
Holwerda		Storment	

Record here if voice vote without dissent rather than roll call: _____

Dated: _____ Recorded: _____

PROPOSED REDLINES TO MARCH 2015 ADOPTED VERSION – DRAFT PROPOSED SPRING 2023

BYLAWS OF THE UNIVERSITY OF OREGON

ARTICLE I
Name

The legal name of this independent public body is the University of Oregon ("University").

ARTICLE II
Purposes of Organization

The purposes for which the University is organized are to carry out and exercise the powers, rights, duties and privileges, within and outside this state, that are expressly conferred upon the University, or that are implied by law or are incident to such powers, rights, duties and privileges.

ARTICLE III
Board of Trustees

1. Business and Affairs. The University shall be governed and the business and affairs of the University shall be managed by the Board of Trustees of the University of Oregon ("Board"), which may exercise all such powers, rights, duties and privileges as are expressly conferred upon the University, or that are implied by law or are incident to such powers, rights, duties and privileges. The Board may delegate and provide for the further delegation of any and all such powers, rights, duties and privileges subject to limitations expressly set forth in law.

2. Membership. The membership of the Board is established by law. With the exception of the President of the University, the Trustees are appointed by the Governor of the State of Oregon and are subject to confirmation by the Oregon Senate in the manner prescribed by law. To assist the Governor in appointing Trustees, the Board may submit recommendations to the Governor for consideration whenever there is a vacancy.

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3. Vacancies. A vacancy on the Board shall exist upon the death, resignation, removal or expiration of the term of any Trustee. A Trustee may resign at any time by delivering written notice to the Governor and at least one of the following: the Chair of the Board of Trustees, the President of the University, or the University Secretary.

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4. Removal. The Governor may remove a Trustee other than the President as provided by law. The Board may terminate the status of the President as a Trustee by terminating the President's appointment as President of the University, subject to the rights, if any, of the President under a contract of employment.

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. The term for a board officer shall be approximately three years, or until death, resignation, removal or expiration of appointment as a Trustee within a term. The Chair and Vice Chair may be elected to consecutive terms. The Chair and Vice Chair may serve a maximum of two full terms in each respective position. The Chair and Vice Chair shall not be employees or students at the University and shall not, as Chair and Vice Chair, be authorized to bind the University. The Board may appoint such other Board Officers with such duties as the Board determines necessary or

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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 regular 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 the purpose 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. The Chair may designate another trustee, who is not the President, to temporarily preside over a meeting.
 - d. 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 of the Board or the University unless authorized to do so by the Board or Chair. The Chair may speak on behalf of the Board and the University, unless otherwise determined by the Board.
 - e. 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 as Chair or Vice Chair by submitting a letter of resignation to the Secretary with an effective date.
- 6. Compensation; Reimbursement of Expenses.** A Trustee performing his or her official duties is not acting as an employee of the University and shall not receive a salary for Board service. In accordance with University policy and upon approval by first the Secretary and then the Treasurer of the University, a Trustee may be reimbursed for reasonable expenses incurred in connection with the performance of official duties.

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- 7. Faculty and Non-faculty Staff Trustees.** The Faculty Trustee and Non-faculty Staff Trustee are each hereby granted reasonable leave with pay at their regular compensation as employees of the University to attend meetings of the Board and other official Board functions that occur during their normal work day. Nothing in this section 7 shall be deemed to alter the compensation of the faculty member or staff member for the performance of their duties as a University employee.

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**ARTICLE IV
Meetings of the Board**

- 1. Public Meetings.** A "Public Meeting" of the Board is the convening of the Board for a purpose for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. All Public Meetings of the Board shall be conducted in compliance with Oregon Public Meetings Law. Public Meeting does not include any statutorily exempted meetings, including any on-site inspection of any project or program or the attendance of Trustees at any international, national, regional, state or local association.
- 2. Quorum of the Board.** Except as otherwise specified herein, a quorum of the Board is required

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to conduct Board business. A quorum of the Board shall be a majority of the Trustees in office at the time of the meeting.

3. Manner of Acting.

- a. Except as otherwise specified herein, action upon a matter for which a quorum is required shall be taken upon the approval of a majority of the Trustees present.
- b. All Trustees present must vote affirmatively or negatively on any matter on which a vote is called by the Chair, except that a Trustee may not vote if the Trustee has refrained from participation on the matter due to an actual conflict of interest as defined in Article VIII section 1 of these bylaws.
- c. The Board may permit any or all Trustees to participate in a meeting by, or conduct the meeting through use of, any means of electronic communication by which all Trustees participating may simultaneously hear each other or otherwise communicate with each other during the meeting. Participation in such a meeting by a Trustee shall constitute such Trustee's presence in person at the meeting.
- d. Any item referred to the Board under unanimous support from a committee may be presented to the Trustees on a Consent Calendar at the recommendation of the committee chair. The Consent Calendar shall be considered at the next regularly scheduled meeting of the Board and all items on the Consent Calendar shall be considered en bloc. An item shall be removed from the Consent Calendar if two or more trustees so request, in writing to the Chair, not later than two hours prior to convening of the Board meeting at which the Consent Calendar will be considered. An item may be removed from the Consent Calendar at the discretion of the Chair at any time.

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4. Quorum not Required. A majority of the voting Trustees present at a meeting that is subject to the quorum requirements of this Article, although less than a quorum, may:

- a. Adjourn the meeting from time to time to a different time or place before the date of the next regular meeting without further notice of any adjournment. At such adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting originally held.
- b. Set a time for adjournment.
- c. Call a recess.
- d. Take any measure necessary or appropriate to assemble a quorum.

5. Waiver of Notice by Trustee. A Trustee's attendance at or participation in a meeting waives any required notice of the meeting to the Trustee unless the Trustee at the beginning of the meeting objects to the holding of the meeting or the transaction of business at the meeting and does not subsequently vote for or assent to action taken at the meeting. A Trustee may at any time waive any notice required by law or as described in Article V section 5(b) of these Bylaws, with written notice, signed by the Trustee and specifying the meeting for which notice is waived. Any such waiver of notice shall be filed with the minutes of the meeting for which notice is waived.

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6. **Parliamentary Rules.** Procedural disputes shall be resolved by traditional procedural rules, as interpreted by the Chair.

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ARTICLE V
Public Meeting Procedures

1. **Regular Meetings.** Regular Public Meetings of the Board shall be held at least four times per calendar year, on such dates and at such times as specified by the Chair, and on such additional dates and at such times as specified by the Chair or in writing signed by a majority of the Trustees then in office.

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2. **Special Meetings.** Special Public Meetings of the Board may be called at any time by the Chair and must be called by the Chair within twenty-four (24) hours after the Chair's receipt of a written request for a Special Public Meeting signed by a majority of the Trustees then in office and specifying the purpose of the meeting. Signatures may be electronic and in counterparts.

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3. **Emergency Meetings.** Emergency Public Meetings of the Board may be called at any time by the Chair in instances of an actual emergency and must be called by the Chair within twenty-four (24) hours after the Chair's receipt of a written request for such a meeting signed by a majority of the Trustees then in office, identifying the actual emergency and specifying the purpose of the meeting. Signatures may be electronic and in counterparts. Meeting notice and minutes of emergency Public Meetings shall describe the emergency justifying the emergency Public Meeting.

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4. **Place of Meetings.** All regular Public Meetings and Special Public Meetings of the Board shall be held in a location or through a platform that is compliant with Oregon Public Meetings Law.

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5. **Notice of Meetings.**

a. Notice of all regular Public Meetings shall be given in a manner reasonably calculated to give interested persons, including the media, actual notice of the time and place of the meeting and principal subjects anticipated to be considered at the meeting. Notice of Special Public Meetings shall be given to interested persons, including the news media, which have requested notice and to the general public at least 24 hours prior to the hour of the meeting. Notice of an emergency Public Meeting shall be such as is appropriate to the circumstance.

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b. Notice of a regular or Special Public Meeting must be given to each Trustee at least 48 hours prior to the hour of the meeting. Notice to each Trustee of an emergency Public Meeting shall be such as is appropriate to the circumstance. Notice of all such meetings may be given to Trustees orally either in person or by telephone or may be delivered in writing, either personally, by mail, by electronic mail, or by facsimile transmission. If mailed other than by electronic mail, notice shall be deemed to be given three (3) days after deposit in the United States mail addressed to the Trustee at the Trustee's address on file with the Secretary for the purpose of receiving Board correspondence, with postage prepaid. If notice is sent by electronic mail or facsimile transmission, notice shall be deemed given immediately if the electronic mail notice is sent to the Trustee's University of Oregon electronic mail address or, as applicable, the Trustee's facsimile on file with the Secretary for the purpose of receiving such correspondence. Notice by all other means shall be deemed to be given when received by the Trustee.

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6. **Minutes of Meetings.** The Board shall provide for the taking of written minutes of all Public

Meetings, which minutes shall give a true reflection of the matters discussed and actions taken at the Public Meetings as well as the views of the participants, unless otherwise permitted by law. In addition to written minutes, the Board may provide for an audio or video recording of a Public Meeting.

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ARTICLE VI
Officers of the University

- 1. Officers.** The officers of the University shall be a President, Treasurer, General Counsel, Secretary and such other officers as may be deemed necessary by the President to conduct University business. The officers shall have such authority and perform such duties as set forth in the law and these Bylaws and as may be prescribed by the Board or President.
- 2. President.** The Board shall appoint a President. The President of the University is the President of the Faculty. The President is also the executive and governing officer of the University, except as otherwise provided by statute or action of the Board. Subject to the supervision of the Board, the President of the University has authority to direct the affairs of the University. The President shall, periodically, report to the Board all significant matters within the President's knowledge related to affairs of the University. The President shall perform such other duties as assigned by the Board. The President may appoint other officers and employees of the University, who shall have such powers and duties as may be prescribed by the President.
- 3. Treasurer.** The President shall appoint a chief financial officer, who shall be the Treasurer. Subject to the supervision of the Board and applicable law, the Treasurer of the University shall properly account for all monies collected, received and expended by the University and all real and personal property of the University. The Treasurer will keep and maintain, or cause to be kept and maintained, adequate and correct records of the assets, liabilities, and business transactions of the University. The Treasurer will disburse the funds of the University as may be provided for by the Board, may settle and pay all claims against the University, and will render to the President or the Board, upon request, an account of the financial condition of the University.
- 4. General Counsel.** The President shall appoint a General Counsel. The General Counsel to the University is the chief legal officer of the University and represents and advises the University, including the Board, officers, and employees, in all matters related to the affairs of the University. The General Counsel is authorized to accept legal process on behalf of the University.
- 5. Secretary.** The President shall appoint the Secretary. The Secretary shall be responsible for the giving of required notices of meetings of the Board, the preparation of minutes, and proper records management for the Board.

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ARTICLE VII
Board Committees

Subject to the requirements of applicable law, the Board may establish such committees as it deems appropriate or necessary, and shall define the duties and reporting requirements of such committees and the membership of the committees.

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ARTICLE VIII
Conflicts of Interest

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1. **In General.** Subject to the requirements of law and of this Article, the Board may take any action involving either a potential conflict of interest or an actual conflict of interest (as defined in ORS Chapter 244). Prior to taking any action in an official capacity on any matter involving a potential conflict of interest or an actual conflict of interest for a Trustee, the Trustee shall publicly announce the nature of the potential or actual conflict of interest. Any Trustee having an actual conflict of interest in a transaction with the University shall in addition (i) refrain from participating in any discussion or debate on the issue out of which the conflict arises, and (ii) refrain from voting on the issue, unless the Trustee's vote is necessary for Board action on the issue and is otherwise not prohibited by ORS Chapter 244.

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2. **Labor Negotiations.** As described in ORS 352.076, the faculty and nonfaculty staff, and student members of the governing board may not participate in any discussions or action by the board or attend any executive session of the board involving collective bargaining issues that affect faculty, nonfaculty staff, or student employees at the university.

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3. **Other.** The Board may adopt such other policies and standards pertaining to conflict of interest and ethics as the Board determines to be appropriate.

ARTICLE IX
Indemnity

1. Indemnification and Defense in General.

a. The University shall defend and indemnify any Trustee or Officer ("Party") against any Claim, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of official duties. The University shall not provide indemnification and defense in case of malfeasance in office, willful or wanton neglect of duty, or in judicial or administrative action in which the Party is found to have violated the Oregon Government Ethics Law. The University may cease to provide indemnification or defense upon a determination by the University, in its sole discretion, that an act or omission may constitute criminal conduct.

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b. The University may choose to defend a Party under a reservation of rights. Any Party to whom the University is providing a defense shall cooperate fully with the University in the defense of such Claim. If the University determines, in its sole discretion, that such Party has not so cooperated or has otherwise acted to prejudice the defense of the Claim, the University may at any time terminate its defense and indemnity or proceed under a reservation of rights.

2. Legal Expenses when Claim is by a Governmental Entity or Professional Licensing Authority.

a. Expenses incurred by a Party in the defense of a civil Claim by a governmental entity or a professional licensing authority may be advanced or reimbursed by the University if the University, in its sole discretion, determines that the civil Claim arose out of the Party's performance of official duties. Such advancement or reimbursement constitutes part of the Party's official compensation package for purposes of ORS Chapter 244. The University may decline to reimburse a Party for any expenses incurred prior to the University's written commitment to provide reimbursement.

b. Expenses shall be paid by the University in advance of the final disposition of a civil Claim described in this section 2 at the written request of the Party if:

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- (1) The University determines, in its sole discretion, that the conduct of such Party was in good faith, and the Party reasonably believed that such conduct was in the best interests of, or not opposed to the best interests of, the University.
- (2) The Party furnishes the University a written undertaking to repay such advance to the extent it is ultimately determined by the University, in its sole discretion, that such Party is not entitled to be indemnified by the University under this Article or under any other indemnification rights granted by the University to such Party.

Such advances shall be made without regard to the person's ability to repay such advances.

3. Legal Representation. The General Counsel shall have the exclusive authority to select counsel and to defend against any Claim. The General Counsel will consult with the Party regarding any term of a settlement agreement that affects the legal rights of the Party.

4. Definition. The term "Claim" means any threatened, pending, or completed investigation, action, suit, or proceeding brought by a party other than the University.

5. Non-Exclusivity and Continuity of Rights. This Article: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the University or otherwise, both as to action in the official capacity of the person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a person who has ceased to be a Party, (iii) shall inure to the benefit of the heirs, executors, and administrators of such person.

6. Amendments. Any repeal of this Article shall only be prospective, and no repeal or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Claim or complaint.

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ARTICLE X
Miscellaneous Provisions

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1. Principal Office. The principal office of the University is located at the 1098 East 13th Avenue, University of Oregon, Eugene, Oregon 97403.

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2. Email. All trustees will be provided with an institutional email address. Trustee email addresses will be clearly and publicly posted on the university website.

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3. Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws. The headings in these Bylaws are provided for convenience and shall not be considered in the interpretation or construction of these Bylaws.

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4. Authority. Because the Board is the final University authority, these bylaws and Board policies

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and standards have precedence over other policies and standards of the University and its constituent parts. Any policies and standards adopted by the University and its constituent parts shall be consistent with these Bylaws.

5. Amendment of Bylaws. These Bylaws may be altered, amended, restated or repealed and new bylaws may be adopted by the Board at any regular or Special Public Meeting.

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

Resolution: Adoption of Amendments to Retention and Delegation of Authority Policy

WHEREAS, the University of Oregon (University) is governed by, and the business and affairs of the University are ultimately overseen by, the Board of Trustees as described in ORS Chapter 352;

WHEREAS, as provided in ORS 352.029, the Board of Trustees manages the affairs of the university by exercising and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law, or that are implied by law or are incident to such powers, rights and duties;

WHEREAS, as provided in ORS 352.087(1)(m), the Board of Trustees may establish policies for the organization, administration and development of the university which, to the extent set forth in those policies, shall have the force of law;

WHEREAS, effective governance is benefited by the Board's periodic review of its retention and delegation of authority policy to ensure alignment with best practice and state statute;

WHEREAS, a review of the retention and delegation of authority policy has resulted in recommended changes outlined in Exhibit B, attached to this resolution;

WHEREAS, the Policy on Committees authorizes the Executive, Audit, and Governance Committee to submit items to the full Board as a seconded motion, recommending passage.

NOW, THEREFORE, the Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon hereby refers to the full Board of Trustees the recommendation approving the amendments to the Board's policy on retention and delegation of authority as outlined in Exhibit B.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Hornecker	
Evans Jackman		Seeley	
Holwerda		Storment	

Record here if voice vote without dissent rather than roll call: _____

Dated: _____ Recorded: _____

PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

**Board of Trustees of the University of Oregon
Policy on Retention and Delegation of Authority**

Preamble

As provided in ORS 352.025, the Legislative Assembly has found that the State of Oregon will benefit from having public universities with governing boards that provide transparency, public accountability and support for the university and act in the best interests of both the university and the State of Oregon as a whole.

As provided in ORS 352.029, the Board of Trustees manages the affairs of the university by exercising and carrying out all of the powers, rights and duties that are expressly conferred upon the board by law, or that are implied by law or are incident to such powers, rights and duties.

As provided in ORS 352.087, the Board of Trustees may perform any other acts that in the judgment of the Board are required, necessary or appropriate to accomplish the rights and responsibilities granted to the board and the university by law.

As provided in ORS 352.096, the president of the university is the president of the faculty. The president is also the executive and governing officer of the university, except as otherwise provided by statute or action of the governing board. Subject to the supervision of the governing board, the president of the university has authority to direct the affairs of the university.

As provided in ORS 352.146, the president and professors constitute the faculty and as such have the immediate government and discipline of a university with a governing board and the students therein, except as otherwise provided by law or action of the Board of Trustees. The faculty may, subject to the supervision of the Board and ORS 352.089 prescribe the course of study to be pursued in the university and the textbooks used.

Nothing in this Policy affects any collective bargaining agreement entered into prior to the adoption of this Policy.

1.0 Authority of the Board of Trustees; Appointment of the President of the University

1.1 Board Authority. The Board of Trustees is the final University authority and has full control of the University and its property of various kinds. The Board may take any and all Board actions as it determines necessary or appropriate to the extent permitted by law. Board actions have precedence over other policies, standards, directives and other actions of the University and its constituent parts. Any policies, standards, directives and other actions of the University and its constituent parts shall be consistent with Board actions. To the extent permitted by law, ~~the Board may review and intervene in any and all aspects of the University; modify any policy, standard, or directive; amend or rescind any existing policy, standard or directive; and enact and issue such policies, standards and directives as it deems proper for the University. The Board shall adopt a mission statement for the University in consultation with the faculty, students and staff members.~~

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PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

1.2 Appointment of the President of the University. As provided in ORS 352.096, in consultation with the Governor, or the Governor’s designee, the Board shall appoint and employ a President of the University. Except in the case of an interim or acting president, the hiring committee for the president of the University shall include representatives of the university community and at least one other president of a public university based in Oregon. The President reports exclusively to the Board, and the Board supervises the President. The Board shall prescribe the President’s compensation and terms and conditions of employment and is responsible for the reappointment or removal of the President. The Board Chair and Vice Chair may make adjustments to the President’s employment contract provided such adjustments do not result in change to the President’s compensation. The President shall perform such duties as are assigned by the Board. Except as otherwise provided by law or Board action, the President is the executive and governing officer of the University and President of the faculty. The President shall, periodically, report to the Board all significant matters within the President's knowledge related to the affairs of the University.

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1.3 University Budget. The Board shall adopt the budget of the University.

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1.4 Tuition and Fees.

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- 1.4.1 The Board shall determine tuition and mandatory enrollment fees in accordance with ORS 352.102, ORS 352.103, ORS 352.105, and other applicable law.
- 1.4.2 The President determines all other fees, fines and charges, after providing notice to the Board. In arriving at a determination of fees, fines and charges, the President shall consult with employees and students as the President deems appropriate.

¶
1.6.1 – The Board has the authority, subject to any collective bargaining agreements, to appoint and employ any instructional, research, administrative, professional, trade, occupational and other personnel as are necessary or appropriate and establish their compensation and other terms and conditions of employment. The Board also has the authority to appoint volunteers as necessary or appropriate and establish the terms and conditions of the activities of such appointed volunteers. The Board has delegated the authority described in this subsection as set forth in Board actions.

1.5 Student Conduct. The Board has the authority to establish written standards of student conduct in consultation with the President, faculty and students.

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1.6 Business and Administrative Affairs. The Board retains authority for the following:

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- 1.6.1 The approval of the naming of University buildings or outdoor areas in recognition of individuals or organizations.
- 1.6.2 The approval of the execution of instruments relating to real property where the anticipated cost or value to the University exceeds \$10,000,000.
- 1.6.3 The approval of the appointment of external auditors.
- 1.6.4 The approval of a capital project budget that is anticipated to exceed \$10,000,000, including for architects, construction managers, engineers and other professional consultants; and approval of any increase to a board-approved capital project budget that causes the total of all increases to the capital project budget to exceed \$5,000,000 or fifteen percent (15%) of the approved budget, whichever is greater.
- 1.6.5 The approval of the execution of instruments relating to any borrowing or debt finance transactions which are or may be in excess of \$10,000,000, singularly or in the aggregate.

1.6.2 – Subject to any collective bargaining agreements, the Board has the authority to establish written codes of conduct for instructional, research, administrative, professional, trade, occupational and other personnel, including volunteers. ¶

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PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

- 1.6.6 The approval of the execution of instruments relating to any shares, stock or other equity or interests in or obligations of any entity other than the University in excess of \$10,000,000, unless the shares, stock or other equity or interests in or obligations of the entity are publicly traded or provided through the State Treasurer, University of Oregon Foundation or a brokerage firm, investment bank, depository or other licensed firm.
- 1.6.8 The approval of the execution of any other instruments, including but not limited to instruments related to the acquisition, disposal or provision of goods and services, where the anticipated cost or value to the University exceeds \$10,000,000; and approval of any increase or decrease in cost or value that causes the total of all increases or decreases in cost or value to exceed \$10,000,000. When the ultimate aggregate cost to the University is not known in advance for instruments relating to the acquisition, disposal or provision of goods or services on a continuing or intermittent basis (e.g. rental, service, or supply contracts), the amounts set forth in this paragraph shall be calculated on an annual basis.
- 1.6.9 The approval of the execution of any instrument that the President, Treasurer, Chair of the Board of Trustees, or a majority of the Trustees deems appropriate for consideration by the Board or a Board committee, so long as the instrument has not been executed.

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1.8 Academic Programs; Degrees; Admissions.

- 1.8.1 The Board has the authority to establish, eliminate, control or substantially reorganize academic programs and units of operation. Any significant change in the University's academic programs as defined by the Higher Education Coordinating Commission must be approved by the Board prior to submission to the Commission.
- 1.8.2 The Board confers academic degrees, certificates and other forms of recognition upon the recommendation of the faculty. Such academic degrees, certificates and other forms of recognition are granted in the name of the Board of Trustees of the University of Oregon and are executed by the Board Chair and the University President. The Board reserves the right to review and approve the granting of any degree, certificate or recognition. The Board shall have the exclusive authority to approve honorary degrees.
- 1.8.3 Except as provided by Board action, the President of the University has the authority to establish standards, qualifications, policies and practices relating to admission to study at the University and the curriculum, grading, credits, scholarships, and academic standards of the University. Except as set forth in law or Board action, the faculty (the "president and professors") has the immediate government and discipline of the university and the students therein and the authority to prescribe the course of study to be pursued in the University and the textbooks to be used. The faculty shall have primary authority over choice of method of instruction; subject matter to be taught; academic standards for admitting students; and standards of student competence in a discipline.

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1.9 Gifts. The Board retains authority for the acceptance of the following gifts to the University:

PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

- 1.9.1 Gifts that create obligations on the part of the University for which there is no established funding source.
- 1.9.2 Gifts with a value exceeding \$5,000,000 which involve construction of facilities not previously approved, provided that gifts described in this subsection with a value between \$1,000,000 and \$5,000,000 will be reported to the Board of Trustees quarterly.
- 1.9.3 A gift requiring naming of a University building or outdoor area.
- 1.9.4 Any other gift that the President, Treasurer, or a majority of the Board of Trustees deems appropriate for Board consideration.
- 1.9.5 Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real estate from other than the University of Oregon Foundation. The Treasurer shall determine in each such case, including when the gift is from the University of Oregon Foundation, whether a hazardous waste inquiry or other due diligence is required, and the scope and extent of such inquiry. The President and the Treasurer, in consultation with the Vice President for Advancement, shall establish further policies and procedures regarding evaluation of gifts of real estate, as may be necessary or desirable.

1.10 Gifts to the University of Oregon Foundation and the Alumni Association of the University of Oregon. Gifts to the University of Oregon Foundation and the Alumni Association of the University of Oregon shall be accepted by the University of Oregon Foundation or Alumni Association of the University of Oregon, as appropriate, in accordance with then-current agreements between the University and the Foundation or the University and Association (as may be amended periodically).

2.0 Policies, Standards and Directives

2.1 Governing Documents. The University shall have the following governing documents:

- 2.1.1 Bylaws of the University of Oregon, policies, standards, directives and other actions approved by the Board of Trustees or a committee of the Board as appropriate ("Board actions").
- 2.1.2 Policies, standards and directives approved by the President of the University regarding matters within the authority of the President ("Presidential actions").
- 2.1.3 A University Constitution as described in this policy by which the President, professors and University constituencies shall exercise their shared governance roles.

2.2 Force of Law; Emergency and Temporary Actions. Board actions shall have the force of law to the extent set forth therein. Emergency and temporary Presidential actions may have the force of law to the extent set forth therein. Any Board action or Presidential action that is intended to have the force of law must include an opportunity for appeal.

2.3 Enforcement. Any Board action or Presidential action may be enforced by the University through internal procedures and in any court of competent jurisdiction. All Board actions and Presidential actions are binding on University employees, students, volunteers, contractors and members of the public, except as set forth therein.

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Deleted: (2) Non-traditional investment assets (such as real estate, debt instruments, closely held stock, partnership interests, permanent insurance policies, royalties, copyrights, licenses, and other illiquid assets);

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1.9.6 → Deferred gifts, if the University is to act as trustee or custodian of the deferred gift. ¶

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3.0 Authority of the President of the University

3.1 Executive and Governing Officer; Delegation. The President of the University is the executive and governing officer of the University, except as otherwise provided by statute or Board actions. Subject to the supervision of the Board and Board action, the President shall direct the affairs of the University. The authorities and responsibilities of the President of the University include, but are not limited to, the authorities and responsibilities set forth in and modified by section 1.0 and this section 3.0, and the President may delegate any authorities and responsibilities, except as provided by Board actions. Any delegation must be consistent with Board actions. The President remains responsible for the proper functioning of the University, notwithstanding any delegation.

3.2 Policies, Standards and Directives; Consultation. The President of the University shall formulate, prescribe and issue Presidential actions regarding matters within the authority of the President when the Board or the President deems it necessary or appropriate. Any Presidential actions are subordinate to and must be consistent with Board actions. In carrying out these duties, the President shall consult with the faculty, other employees, and students as deemed appropriate by the President. Consultation shall not remove from the President the authority and the responsibility vested in the President by law and Board actions.

3.3 Emergency and Temporary Actions; Technical Corrections. The President of the University shall establish emergency and temporary policies, standards and directives when the Board or the President deems it necessary or appropriate. Such policies, standards and directives may have the scope and force of Board actions and must be reported to the Board expeditiously.

Pursuant to expedited procedures, the President of the University may amend Board actions and Presidential actions in order to correct typographical errors, make address or formatting changes, or clarify language without changing their effect. Such amendments must be reported to the Board quarterly. The President may make expedited repeals of Board actions (upon notice to the Board) and Presidential actions, provided that expedited repeals of Board actions must be ratified at the next Board or Executive Committee meeting.

3.4 Committees, Councils and Advisory Groups. The President of the University shall establish and define the charge of any and all University committees, councils, and advisory groups, except as provided in Board action. The establishment and charge of any and all University committees, councils and advisory groups shall be consistent with law and Board actions. The recommendations and reports of all committees, councils and advisory groups shall be made to the President. The President shall inform the Executive Committee of the Board regarding significant recommendations and reports related to the affairs of the University. Upon request by the Chair of the Board or a majority of the Trustees, the President shall provide the Board with a recommendation or report of a University committee, council or advisory group.

3.5 Students. Subject to Board action, the President is responsible for development and administration of university policies and procedures governing the role of students and their conduct. In

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PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

carrying out this responsibility, the President shall take into account the views of students, faculty, and others. The guidelines for student conduct which set forth prohibited conduct and provide for appropriate disciplinary hearings and sanctions for violations of institutional policies and procedures must be consistent with standards of procedural fairness. The Board recognizes and affirms the importance of active student involvement in the deliberative and decision-making processes.

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3.6. University Personnel.

3.6.1 The President of the University shall act for the Board of Trustees regarding all personnel and employment matters, including labor relations and approval of collective bargaining agreements. Subject to Board action, the President has the exclusive authority to and shall establish necessary or appropriate written policies, standards and directives covering all employees not represented by a collective bargaining organization and necessary or appropriate written policies, standards and directives covering employees represented by a collective bargaining organization, subject to any legal obligation to negotiate the terms and conditions of such policies, standards and directives with the exclusive representative of the relevant bargaining unit. Subject to ORS 352.076, upon request by the Chair of the Board or a majority of the Board, the President shall provide the Board with requested information regarding personnel and employment matters, including labor relations and collective bargaining.

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3.6.2 In a manner consistent with applicable state law and applicable collective bargaining agreements, the President may appoint any instructional, research, administrative, professional, trade, occupational and other personnel as are necessary or appropriate and establish their compensation and other terms and conditions of employment.

3.6.3 The President may appoint volunteers as necessary or appropriate and establish the terms and conditions of the activities of such appointed volunteers.

3.6.4. Subject to any collective bargaining agreements, the President has the authority to establish written codes of conduct for instructional, research, administrative, professional, trade, occupational and other personnel, including volunteers.

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3.7 Research Grants and Contracts. The President of the University shall act for the Board of Trustees regarding grants and contracts for research, development, service, and training. However, a quarterly report to the Board is required for each initial contract or grant award that exceeds \$10,000,000, and when any increase or decrease to a contract or grant award causes the total of all increases or decreases to the contract or grant award to exceed \$10,000,000.

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3.8 Execution and Administration of University Affairs. Except as provided by Board action, the President of the University shall act for the Board regarding the execution and administration of instruments and the affairs of the University. Notwithstanding the dollar limits specified in section 1.0

PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

above, the President shall act for the Board of Trustees regarding the execution and administration of all instruments, business affairs, and operations relating to:

- 3.8.1 Acquisition of electricity, natural gas, sewer, water, and all other utility services;
- 3.8.2 Subcontracts for collaborative research entered into in furtherance of sponsored research programs.
- 3.8.3 The acquisition of goods and services made by participating in contracts entered into by group purchasing organizations or pursuant to collaborative purchasing initiatives with public or non-profit entities.
- 3.8.4 The acquisition of fixtures, equipment and furnishings that are included in capital project budgets that have been authorized by the Board of Trustees.
- 3.8.5 The acquisition of goods and services for sponsored research programs when the source of the goods or services is directed by the sponsor, or the sponsor retains title to the goods acquired.
- 3.8.6 The settlement of claims or lawsuits brought against the University.
- 3.8.7 The acquisition of insurance or self-insurance.
- 3.8.8 Leases and licenses of real property and modifications thereto of up to 20 years.
- 3.8.9 The acceptance of current gifts of non-traditional investment assets, including but not limited to charitable lead trusts, bargain sale gifts of property, and partial interest gifts.
- 3.8.10 The acceptance of deferred gift assets.
- 3.8.11 Real property acquired through gift or devise from the University of Oregon Foundation;
- 3.8.12 The protection of the University's interests, property and operations in an emergency.
- 3.8.13 Actions and execution of documents necessary to establish legal entities, controlled by the University, through which the University may conduct business;
- 3.8.14 The selection of depositories and investments.
- 3.8.15 Instruments from the Higher Education Coordinating Commission, including, but not limited to, grant or loan agreements, to convey funds or state appropriation to the University.
- 3.8.16 The execution of instruments or the conduct of business affairs where approval by the Board or a Board committee is impractical due to time or other constraints. The President shall submit a report of any actions taken pursuant to this delegation to the Board of Trustees or its Executive Committee on or before the next regularly scheduled meeting.

3.9 Legal Action. The President of the University shall act for the Board of Trustees regarding all legal action necessary or appropriate to protect the interests of the University. However, no litigation shall be instituted against a public entity or official or in exercise of the power of eminent domain without approval by the Board of Trustees.

3.10 Gifts. Subject to Board action, the President of the University shall act for the Board of Trustees regarding all current and deferred gifts to the University, including gifts to establish quasi-endowed or permanently endowed funds. Notwithstanding any delegation by the President, a gift with unusual terms or conditions affecting an academic program shall be accepted only with the concurrence of the President to the proposed terms or conditions. The proceeds of any gift, devise, bequest, or contribution received by the University shall be administered in accordance with the intention of the donor and any

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PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

directions of the Board of Trustees in accepting the gift. Wherever possible, the University of Oregon Foundation shall manage gifts. The President of the University is authorized to act for the Board of Trustees regarding the disposition of gifts.

3.11 Fees, Fines and Charges. Subject to Board action and applicable laws, the President of the University shall establish fees, fines, and charges after providing notice to the Board. In arriving at a determination of fees, fines and charges, the President shall consult with employees and students as the President deems appropriate. The President shall enforce the collection of tuition, mandatory enrollment fees, other fees, fines, charges, and all other amounts due to the University.

3.12 Transparency Practices. As described in ORS 352.076, the President shall conduct ongoing reviews of the practices and policies of the university relating to transparency and access.

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4.0 Authority of the Faculty

4.1 Role of the Faculty. As provided in ORS 352.146, the faculty, which consists of the President and the professors, has:

- 4.1.1 The immediate government and discipline of the university and the students therein, except as otherwise provided by law or action of the Board.
- 4.1.2 The authority, subject to the supervision of the Board, to prescribe the course of study to be pursued in the University and the textbooks to be used.

4.2 The President and the Professors. The President and the professors constitute the faculty. The President of the University is the president of the faculty. Shared governance, as a principle in American higher education, is embedded in longstanding practices, and reflects the regard for all stakeholders in the academic endeavors of the University.

4.3 Higher Education Coordinating Commission. Any significant change in the University’s academic programs as defined by the Higher Education Coordinating Commission must be approved by the Board committee responsible for academic affairs prior to submission to the Commission.

4.4 University Constitution. The faculty has adopted a University Constitution which was ratified by the President in 2011. A University Constitution, and any amendments to it, must be consistent with law and Board actions.

4.5 Modification. A University Constitution is subject to modification as set forth therein or by the Board of Trustees in consultation with the President and the professors consistent with applicable law.

5.0 Channel of Authority

The faculty and officers and employees of the University shall, through appropriate channels, be responsible to the President of the University and through the President to the Board of Trustees,

PROPOSED REDLINES TO SEPTEMBER 2021 ADOPTED VERSION – SPRING 2023

except that the Treasurer, General Counsel and Secretary are responsible to the Board in relation to the business of the Board.

Agenda Item #2

Presidential Goals



To: Members, Board of Trustees
From: Steve Holwerda, Chair
Date: September 1, 2023
Subject: FY2023 Presidential Goals

Dear Colleagues –

One of the critical items we are responsible for as a Board is the effective oversight and review of the university president. We have a history of conducting robust annual reviews of the president. The process is aided by establishing clear goals before the upcoming academic year. Our annual goal setting and review process is especially critical this year as President Scholz begins his presidency and sets the course for the university for years to come.

Our Board has high expectations for exceptional leadership to unite the university community, and achieve excellence to benefit our students, faculty, staff, all stakeholders, and society. Vice Chair Aaron and I have met regularly with President Scholz as a continuation from the hiring process to discuss Board expectations and desires. We provided feedback throughout the exercise, and before a draft was presented to the full board of trustees for comment and critique.

The trustee assessment and comments have been productive. In addition, they are aligned with expectations set during the hiring process.

We appreciate President Scholz's commitment to making measurable progress on issues that matter to our students and the university community. Our Board will support his efforts in the coming year, but also monitor and measure the progress toward achieving expectations as a truly great public research university.

As always, thank you for your service to the University of Oregon, and please let me know if you have any questions.

Sincerely,

Steve Holwerda
Chair

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403 T (541) 346-3166 | trustees.uoregon.edu

An equal-opportunity, affirmative-action institution committed to cultural diversity and compliance with the Americans with Disabilities Act

Karl Scholz, President, University of Oregon
Summary of Proposed Presidential Priorities and Agenda for FY 2023-34
September 2023

Great organizations do not just happen. They require clarity of purpose and a shared understanding of priorities, embraced across all levels of the organization. They require a foundation of strong leadership and a culture of internal and external engagement with attention to an even stronger sense of belonging through our focus on equity, diversity, and inclusion.

Over the coming year, I will focus on building organizational foundations, deepening relationships with our university and community stakeholders, and engaging broadly as I lead the university in establishing new institutional priorities to accelerate our positive trajectory. I propose to achieve these aspirations in the following ways:

1. Build an outstanding leadership team.

During the 2023-24 academic year, I plan to conduct national searches to attract exceptional talent to fill the open or interim-filled leadership positions in University Communications, the Office of the Provost, and the Division of Student Life. During my first two months, I am pleased to have appointed Joe Buck as Vice President for Advancement and to have added the responsibility of overseeing Government and Community Relations to Tim Inman's portfolio as a vice president.

2. Foster a strong culture of leadership and collaborative responsibility within the leadership team.

During the next year I will establish strong relationships with those who report to me. I will ensure all the vice presidents, athletic director, and chief of staff are working effectively as a cohesive team. My objective is to create a culture in which these and all leaders work collaboratively and have clearly defined objectives, responsibilities, and accountability that are mutually embraced.

3. Build and deepen ties with the UO community through extensive engagement.

A critical component of my work during the next year will be to strengthen my/our relationships with our students, staff, faculty, alumni, donors, community and state leaders, and national partners. I intend to do this through extensive engagement in public forums, rollout events, small and individual meetings, and calls, by touring the state and nation, and by continuing my meet and greet engagements on our campuses. My primary aspiration is – a “flourishing campus” – a campus where all students, staff and faculty can and will thrive.

As higher education and the world continue to rapidly change, I will pay close attention to deepening ties with policy makers, politicians, businesses, and community leaders across Oregon through consistent and authentic interactions. This is imperative as we continue to

inform our stakeholders about the important benefits of higher education in preparing future leaders, supporting economic prosperity, and creating a flourishing society.

4. Support the university's objectives through philanthropy and set the stage for expanded support and engagement.

The University of Oregon has been extraordinarily successful in inspiring our friends and donors to support our students, research, and community impact. This next year I intend to build on this success and help to position University Advancement for achievement under new leadership to prepare for the next fundraising campaign that broadens and deepens philanthropic participation.

This will include considering options for fundraising for student success and other institutional priorities while creating procedures for goal setting, communication, volunteer structure, and prospect identification in anticipation of our next full campaign.

5. Position the university to provide stability, visibility, and future academic/athletic conference success.

Joining the Big Ten, the preeminent athletic-academic conference in the country, provides stability and visibility for the university and UO student-athletes. We will leverage this visibility to enhance alumni relations and student recruiting, and work to enhance the academic enterprise through new opportunities with the Big Ten Academic Alliance.

My goal for this year is to support this transition in ways that increase the stability, opportunity, visibility, and resources for our institution, while also being a good partner to public universities in Oregon.

6. Establish the university's roadmap for success and flourishing in the years to come.

Over the year I will engage the university community to build a shared set of priorities and goals, with the intention of developing stakeholder buy-in for a coherent plan that guides our strategic decision-making.

The overarching goal of this exercise will be to deliver a clear, focused plan that sets priorities and goals to enhance the experience we provide our students, amplify the contributions of our research and scholarship to our communities and the world, and ensure our university environment is one where everyone can flourish.

Agenda Item #3

Internal Audit Update

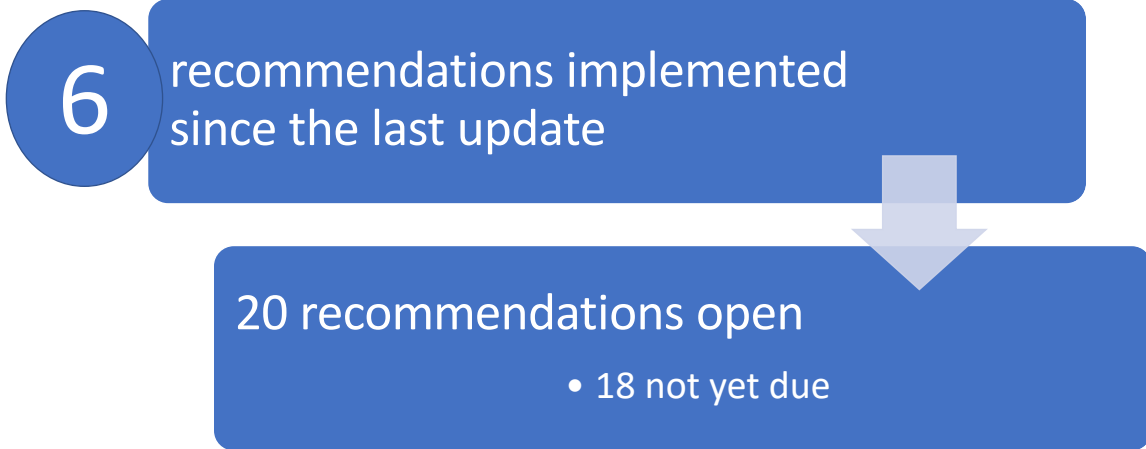
September 2023

Office of Internal Audit

- Open Recommendations Update
- Risk Assessment and FY24 Audit Plan
- Annual Assurances/Disclosures
- Department Staffing Update

1

Open Recommendations



No high priority items identified.

2

Implemented: Banner 9 Security

Generic Accounts

- (Ellucian) Banner is the Enterprise Resource Planning solution utilized at UO to record, classify, and retrieve student data, course data, HR information, and financial transactions; 9 is the version of the software reviewed.
- Generally, users access Banner 9 after entering UO-issued credentials
- During the user review, nine generic accounts were observed
- Generic accounts are shared user accounts or role accounts that can be access by more than one person. Often, these accounts may be used by a service or application.
- Guidance had not been provided for generic account creation, logging practices, account ownership documentation, and password controls
- Validation of accounts has occurred, guidance has been provided, corrections were made where deemed necessary

One additional recommendation remains open from the Banner 9 review.

3

Open Recommendation – Physical-to-Cyber

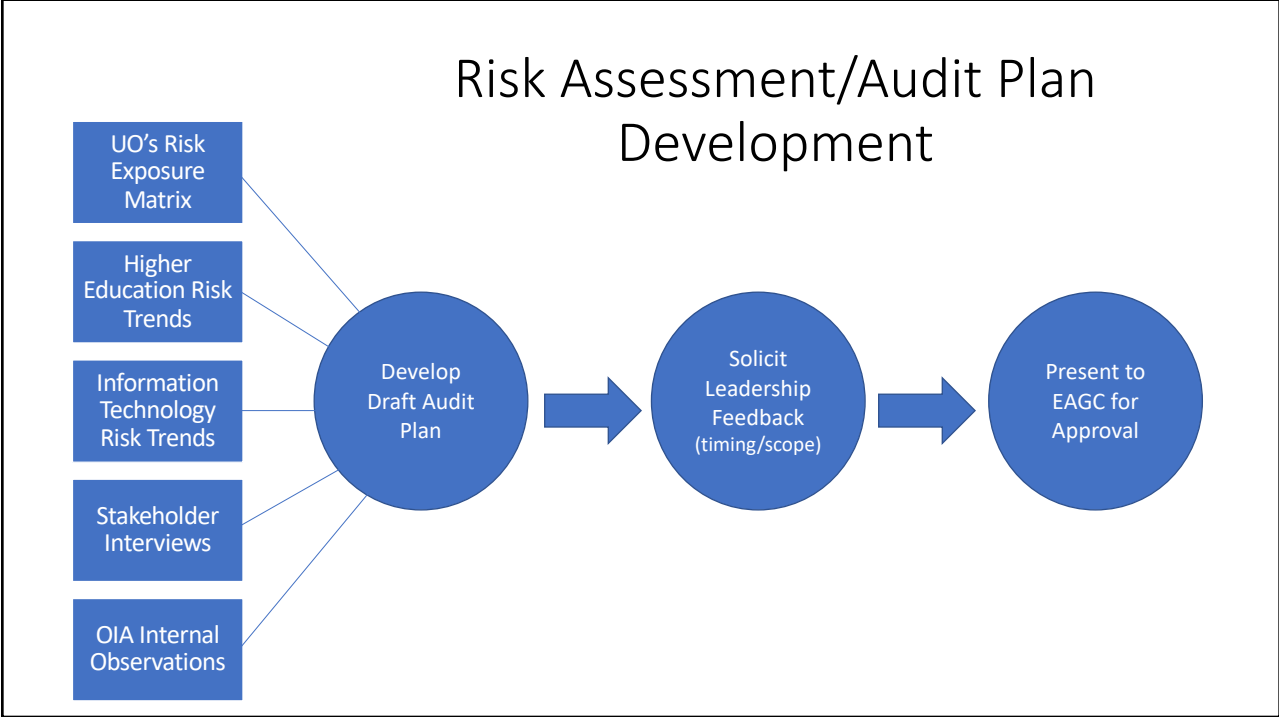
Access Review

- Multiple systems are used across campus to manage physical-to-cyber access
- Examples of systems reviewed provide access to proximity card readers, video management and viewing software for security cameras, and the key management system used to track physical keys
- Central IS has now developed and shared a standard for campus partners to review users granted access to these systems

- What remains to be done: review and approval of the user access reviews (for the in-scope systems) that will include revisions to access, when needed. Estimated completion: 12/31/2023

This is the final open recommendation from the Physical-to-Cyber audit.

4

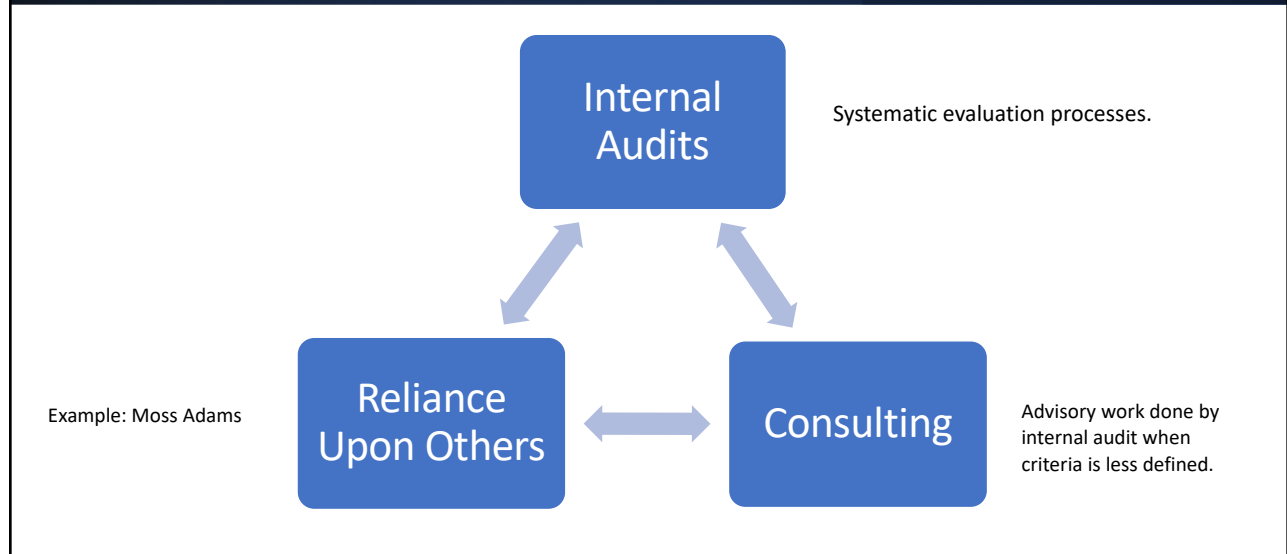


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Ways to Mitigate Risk



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Proposed Audit Plan

Audits:

- NCAA Attendance Confirmation (required)
- Lindeleaf Scholarship Eligibility Verification (required)
- Conflict of Interest/Conflict of Commitment Processes
- Revenue Contract Conformance in Athletics
- NCAA Compliance (outsourced audit with OIA partnering)
- External Quality Assurance of Office of Internal Audit
- Identity Management
- Data Centers in Eugene

Consultation:

- Distributed Compliance

*Next plan to be presented in June 2024 to align with the fiscal year.

8

Annual Assurances from OIA

Organizational Independence	• Confirmed
Impairments to Independence or Objectivity	• Confirmed
Disclosure of Nonconformance with IIA Performance Standards	• None
Resolution of Management's Acceptance of Risk	• No excessive acceptance of residual risk

9

Department Staffing Update



10

Date: August 14, 2023

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

From: Leah Ladley
Chief Auditor, University of Oregon

Re: September 2023 (Quarterly) Board Report

The accompanying report includes the following items:

- Open Recommendations Memo
- Status of Open Recommendations
- Risk Assessment and Draft Audit Plan
- Governance Confirmations
- Department Staffing

Date: August 14, 2023
To: Executive, Audit, and Governance Committee
Board of Trustees, University of Oregon
From: Leah Ladley
Chief Auditor, University of Oregon
Re: Status of Open Recommendations

Attached you will find the Status of Open Recommendations. This report is provided to you each quarter to provide visibility into the status of prior audit recommendations.

Management has discussed revised action plans for more than one recommendation involving more than one project. Audit agrees with the revisions and target completion dates will be updated as timelines are developed.

Multiple target completion dates have been revised. Delays result from vacancies and limited capacity. As transitions occur within units, internal audit begins communicating and collaborating with new leadership and often resets the target completion dates. Interactions with vendors also contribute to delays, at times. Projects with revised target completion dates are indicated in the accompanying schedule with an asterisk.

Six recommendations closed this quarter.

Management continues to respond to audit recommendations and provide status updates when requested.

Two recommendations are shown as due from the Vendor Review audit. Purchasing and Contracting Services (PCS) has developed a multi-step plan to address these recommendations after complications with a key vendor led to major revisions to the initial action plan. New target dates will be set as the plan is firmed up so that realistic timeframes are documented. PCS and OIA are in agreement with the steps to be taken and communicate frequently regarding the project.

Ongoing Reminders:

The previously agreed-upon risk ratings have been incorporated into the Open Recommendations report. Over time, management will implement the unrated recommendations and that portion of the table will no longer be reported. University ratings are provided to assist you in your governance over internal audit recommendations.

In order to provide the most relevant information, projects are no longer listed in this schedule once all recommendations have been implemented. Previously reported recommendations, for recent fiscal years, are represented as open or closed in the graphical representation at the bottom of the schedule.

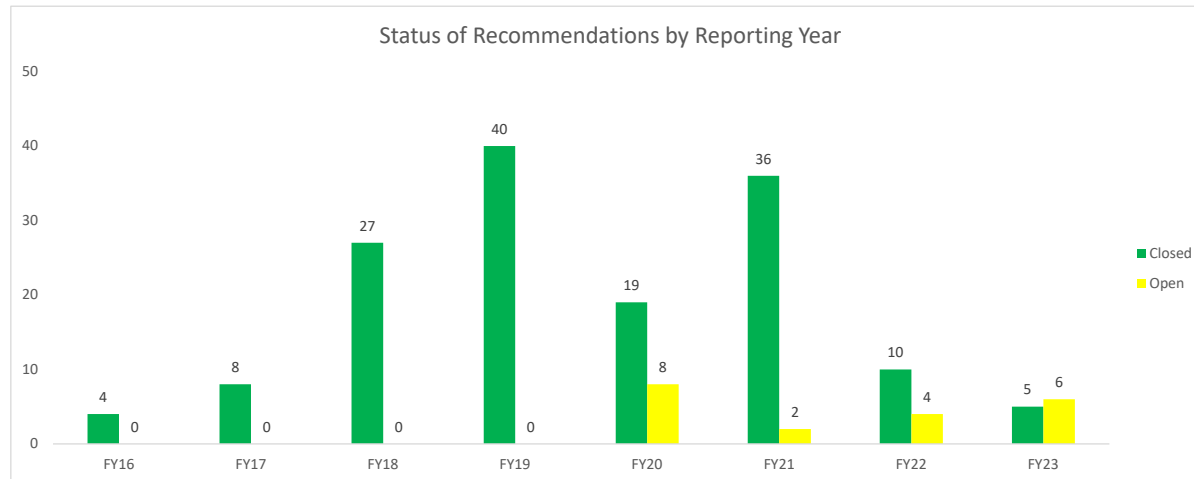
University of Oregon
Office of Internal Audit

Projects with Open Recommendations	Report Date	Total Recommendations	Previously Closed	Closing this Quarter	Open Recommendations		
Unrated Recommendations:					Open and Due	Not Yet Due	
Health Center IT Risk Assessment	* 8/13/2019	6	2			4	
Data Governance	* 3/4/2020	3				3	
Physical-to-Cyber Security Assessment	* 6/5/2020	3	1	1		1	
Vendor Review	* 8/11/2020	6	4		2		
SUBTOTALS					1	2	8

Projects with Open Recommendations, with Ratings:	Report Date	Total Recommendations			Previously Closed	Closing this Quarter	Open (with Unit Rating)	
Rated Recommendations:	Report Date	University High (H)	University Med. (M)	University Low (L)			Open and Due	Not Yet Due
Advancement Data Security Review	* 4/19/2022		3	4	3			H H M M
UOPD Firearms Inventory	5/25/2022		2			2		
Banner 9 Security	8/25/2022		2	4	2	3		M
Custody of Human Remains, Phase I	9/19/2022		3					M M M
ECS NIST 800-171 Gap Assessment	6/26/2023			2				M L
SUBTOTALS						5	2	10
TOTALS						6	2	18

Since the June 2023 Board meeting, management has implemented 6 recommendations.

* Indicates that one or more recommendations have revised target completion dates and that audit is in agreement with the new targets.



Risk Assessment Methodology and Internal Audit Plan

FY24 - OFFICE OF INTERNAL AUDIT

BACKGROUND

The Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) requires the chief audit executive to establish a risk-based plan to determine priorities for the internal audit function.

Risk assessment activities are a normal part of internal audit and a routine framework by which auditors interpret information. Additional emphasis on these activities occurs to develop an annual plan.

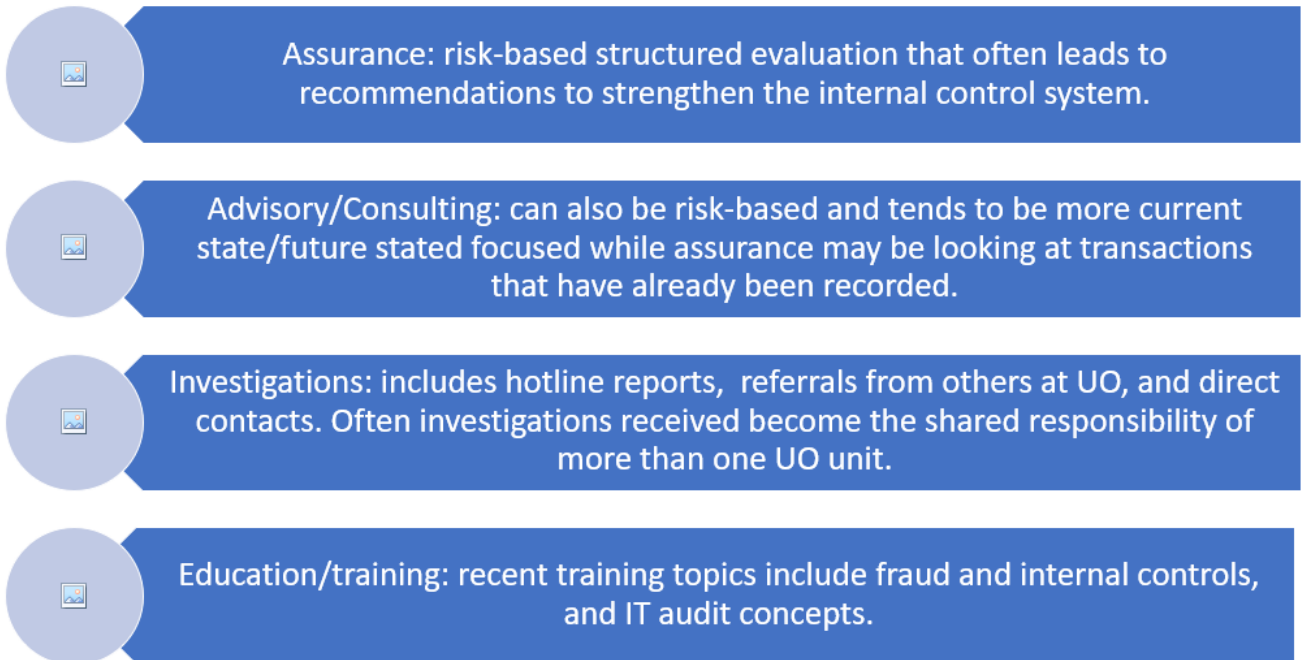
METHODOLOGY

Mission Statement

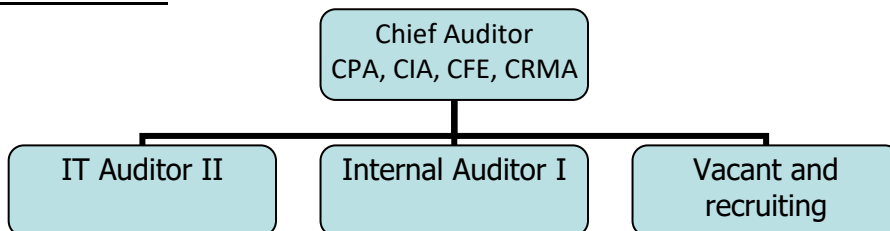
The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

Activities

Internal Audit engages in four primary activities – assurance, advisory/consulting, investigations, and education/training services.



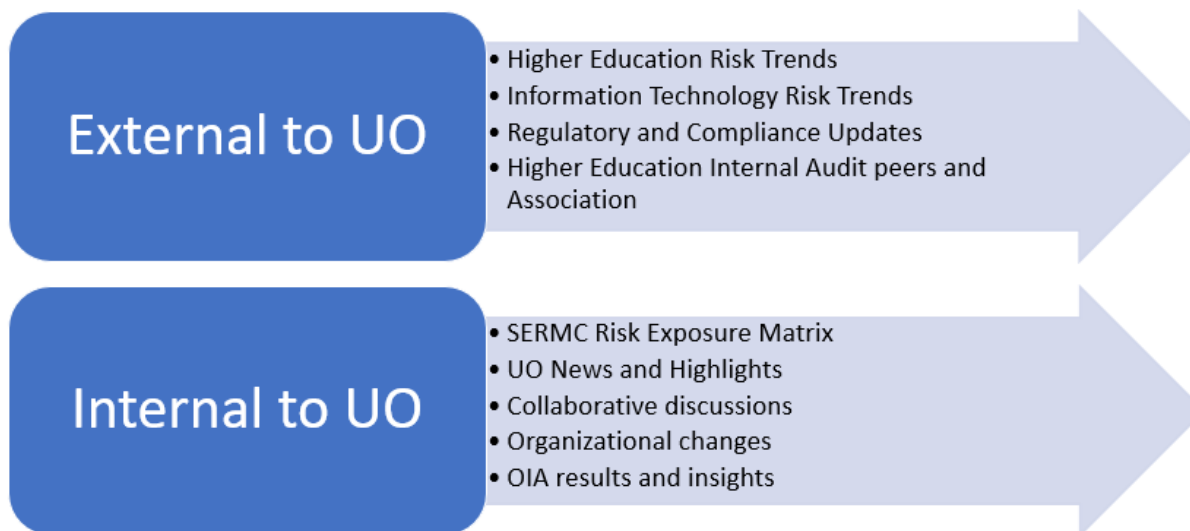
Audit Resources



The OIA is supplemented by Finance and Shared Services (FASS) for administrative support and by Baker Tilly for IT audit services/consultations.

Risk Assessment

Multiple sources of information inform the audit plan, including, but not limited to:



The internal audit plan is predominately risk-based with a small amount of recurring required work. Required projects have specific procedures associated to their objectives and they address risks identified by others. For FY24, required projects include NCAA Attendance Confirmation, a specific Scholarship Recipient Eligibility Confirmation, and a quality assurance review of internal audit with an external component.

Working closely with the Strategic Enterprise Risk Management Committee (SERMC) throughout the year allows us to continually monitor management's response to risk, challenges to implementing controls, and the resulting residual risk. Monthly meetings in which candid conversation about operations facilitate the sharing of information and risks and strategy are disclosed and play a major role in the internal audit risk assessment process.

Other inputs to the plan include the changing regulatory and compliance environment in which the university operates. Close monitoring of our higher education internal audit peers and headlines stimulates a response ranging from conversations with management to audit projects determined by the risk level at UO.

Importantly, the internal audit team routinely records Risks for Consideration into our departmental working papers. This listing includes detailed information an auditor learned from a project that was deemed out of scope for that project but deserves a second look. Ultimately, a column is populated with an agreed-upon resolution for that line item. Resolution options include more information needed, added to audit plan, prepare for consultation, or notes from a discussion with management that provide a conclusion. This document is discussed periodically to assess the escalation of projects denoted for audit plan that have no imminent project planned. You may see these audits on the plan in Tier II or III when there is no escalation or urgency to that audit being completed.

Requests for our work often come from management but can also come from executives, the board, and internal audit team members. Discussion is held to assess the concern and define the level of urgency. Additional planning is used to determine whether an audit project or a consultation should be planned.

Many risk-based projects were available for the audit plan. The plan you see proposed here is designed to include required projects and risk-based projects. Tier I includes projects we plan, as of now, to initiate during the year. Tiers II and III include projects that may substitute for Tier I projects. Reasons for substitution include penetrating or key personnel turnover in the area, implementation of new process or primary application within the process being reviewed, and the imminent need to complete one project over another. Projects placed in Tiers II and III are likely to be moved into Tier I in subsequent years, absent new or escalating risks not addressed in this plan. While we are hopeful to initiate Tier I projects during FY24, we recognize that we will not complete all of Tier I during the year.

FY24 Internal Audit Plan*		
	Operational Audits	IT Audits
Required Projects	Scholarship Recipient Eligibility Confirmation	
	NCAA Attendance Confirmation	
Tier I	Athletics Revenue Contract Payments	Identity Management
	Conflict of Interest/Commitment Processes	Data Center – Eugene Campus
	External Quality Assessment of OIA	
	Distributed Compliance (Consultation)	
Tier II	Clery Act Compliance	Data Center – other location(s)
	ESG Reporting	Knight Campus IT Risk Assessment
	Policy Governance Review	Business Continuity and Disaster Recovery
	Construction Project	FASS IT Risk Assessment
Tier III	National Security and Research	Research Data Security
	Custody of Human Remains, Phase II	Centers and Institutes
	Background Screening Process	

*Listed are projects we plan to *initiate* as circumstances beyond our control contribute heavily to delays, at times.

Objectives for required audits:

- Scholarship Recipient Eligibility Confirmation: The objective is to provide assurance that can ultimately be shared with the award sponsors that the selected recipient meets their stated criteria. An additional objective is to confirm the award’s receipt by the selected recipient.
- NCAA Attendance Confirmation: The objective is to confirm attendance recorded at UO home football games meets or exceeds the NCAA’s required threshold.

Preliminary objectives for Tier I risk-based audits:

- Athletics Revenue Contract Payments: The preliminary objective is to confirm payments received by UO Athletics align with contract terms and conditions. This review is not likely to involve the contract negotiation process but will focus on an analysis of payments received reviewing for conformance to the contract terms. The audit will begin with a selection of the contract(s) to be analyzed.
- Conflict of Interest/Commitment Process: The preliminary objective is to determine whether the process of identifying conflicts is optimally managed and there is consistency in the process for management plans, as needed.
- External Quality Assurance of the Office of Internal Audit: The Institute of Internal Auditors describes an external component to assessing the operations of the internal audit activity and recommends this component every 5 years.

- Distributed Compliance (Consultation): This project includes an evaluation of distributed positions with compliance responsibilities, staffing for those positions including percentage of FTE dedicated to compliance, and the compliance activities being performed.
- Identity Management: This project will review the identity management controls that safeguard the confidentiality and integrity of systems and data by restricting users to only the rights needed to fulfill authorized actions.
- Data Center – Eugene Campus: Widely accepted guidance for data centers includes physical and technical safeguards designed to facilitate the security and reliability of the data held within. This project will review the university’s Eugene data centers’ implementation of those safeguards.

Preliminary objectives for Tier II risk-based audits:

- Clery Act Compliance: The Clery Act requires universities with police departments or security departments to maintain certain crime data. Also required is a report that includes Clery reportable crimes. This project will review the adequacy of the process that informs the Clery Report for the university.
- ESG Reporting: Environmental, Social, and Governance reporting requirements are increasing and are becoming more impactful to reputation. This project will review reports made by UO and the data sources linked to those reports.
- Policy Governance Review: The preliminary objective for this review is to assess the governance processes for policy review. Upon dissolution of the Oregon University System, each university inherited the responsibility for developing their own policies. This review will include what is known at UO as Big P Policies though a similarly structured process might occur at the department or unit level.
- Construction Project: Construction projects begin with an idea, require funding, and are governed by architectural drawings and a contract. This project is not yet defined and will likely be determined by the type of contract utilized for the construction project.
- Environmental: This project is not yet defined but will have a regulatory/compliance component.
- Data Center – other location(s): Widely accepted guidance for data centers includes physical and technical safeguards designed to facilitate the security and reliability of the data held within. This project will review data centers’ (other than Eugene) implementation of those safeguards.
- Knight Campus IT Risk Assessment: An IT risk assessment project will provide foundational knowledge of risks particular to the Knight Campus. Of particular interest, will be exploring the necessary requirements for expansion of research project types.
- Business Continuity and Disaster Recovery: The primary objectives of a business continuity plan are to limit downtime during a business interruption, protect personnel in the event of a disaster, minimize financial losses due to a disruptive incident and

restore critical business functions and infrastructure following an incident. This project will review the business continuity and disaster recovery plans.

- FASS IT Risk Assessment: Increasing in popularity and use at UO, FASS IT services will undergo a risk assessment to evaluate the appropriateness of controls in this decentralized environment.

Preliminary Objectives for Tier III risk-based projects:

- National Security and Research: Undue influence in research generally occurs within the following categories: peer review violations, foreign employment arrangements, or overlap or over-commitment supporting a foreign grant or research effort. This project will examine the university's processes for protection in these areas and conformance to updated guidance.
- Custody of Human Remains, Phase II: This project will be initiated soon after management actions from Phase I can be confirmed as complete. Phase I recommendations included the development of an inventory and the implementation of work group recommendations. Phase II will include audit procedures for the inventories.
- Background Screening Processes: This review will take an in-depth look at the various background screens completed that occur pre-hire and upon internal transfer.
- Research Data Security: Controls for research data security begin prior to accepting research projects and continue through the life of the research project and include records management, retention, and possibly destruction. The preliminary objective for this project is to assess those data security controls.
- Centers and Institutes: Centers and Institutes: Certain centers and institutes operate IT environments at UO and are not directly connected to VPRI or ISO. The preliminary objective for this review is to assess research data controls.

COSO Internal Control — Integrated Framework Principles



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Control Environment

- 1 The organization demonstrates a commitment to integrity and ethical values.
- 2 The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- 3 Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- 4 The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- 5 The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Risk Assessment

- 6 The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
- 7 The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
- 8 The organization considers the potential for fraud in assessing risks to the achievement of objectives.
- 9 The organization identifies and assesses changes that could significantly affect the system of internal control.

Control Activities

- 10 The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- 11 The organization selects and develops general control activities over technology to support the achievement of objectives.
- 12 The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Information & Communication

- 13 The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
- 14 The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- 15 The organization communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring Activities

- 16 The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- 17 The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.



For more information
about COSO,
visit coso.org.



The Board of Trustees exercises oversight for the development and performance of internal control through each of the five components of the *COSO Integrated Framework*, as illustrated in the table below:

Internal Control Component	Oversight Activities of the Board
Control Environment	<ul style="list-style-type: none"> • Oversee the definition of and apply the standards of conduct of the University • Establish the expectations and evaluate the performance, integrity, and ethical values of the President • Establish oversight structures and processes aligned with the objectives of the University (e.g., Board and committees as appropriate with requisite skills and expertise) • Commission Board oversight effectiveness reviews and address opportunities for improvement • Exercise fiduciary responsibilities and due care in oversight (e.g., prepare for and attend meetings, review the University's financial statements and other disclosures) • Challenge senior management by asking probing questions about the University's plans and performance, and require follow-up and corrective actions, as necessary (e.g., questioning transactions that occur repeatedly at the end of interim or annual reporting periods)
Risk Assessment and Management	<ul style="list-style-type: none"> • Consider internal and external factors that pose significant risks to the achievement of objectives; identify issues and trends (e.g., sustainability implications of the University's operations) • Challenge management's assessment of risks to the achievement of objectives, including the potential impact of significant changes (e.g., risks associated with entering a new market), and fraud or corruption • Evaluate how proactively the University assesses risks relating to innovations and changes such as those triggered by new technology or economic and geopolitical shifts
Control Activities	<ul style="list-style-type: none"> • Make specific inquiries of management regarding the selection, development, and deployment of control activities in significant risk areas and remediation as necessary (e.g., in response to significant risks emerging from internal or external factors) • Oversee senior management in its performance of control activities
Information and Communications	<ul style="list-style-type: none"> • Communicate direction and tone at the top • Obtain, review, and discuss information relating to the University's achievement of objectives • Scrutinize information provided and present alternative views • Review any financial statement disclosures for completeness, relevance, and accuracy • Allow for and address upward communication issues
Monitoring	<ul style="list-style-type: none"> • Assess and oversee the nature and scope of monitoring activities, any management overrides of controls, and management's evaluation and remediation of deficiencies • Engage with management, internal and external auditors, and others, as appropriate, to evaluate the level of awareness of the University's strategies, specified objectives, risks, and control implications associated with evolving business, infrastructure, regulations, and other factors

Date: August 14, 2023

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

From: Leah Ladley
Chief Auditor, University of Oregon

Re: Annual Governance Confirmations

The OIA's activities are governed by Standards promulgated by the Institute of Internal Auditors, known as the International Professional Practices Framework. The following required communications fulfill the governance obligations contained therein:

Organizational Independence

The OIA must confirm to the board, at least annually, the organizational independence of the internal audit activity. UO's OIA reports administratively to the President's Office and functionally to the Executive, Audit, and Governance Committee (EAGC) of the Board of Trustees. Reporting functionally to the EAGC promotes the independence necessary for the OIA to adequately perform its job function.

Organizational independence remains intact.

Impairments to Independence or Objectivity

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed.

There were no impairments to independence or objectivity for any activities performed during the reporting period.

Disclosure of Nonconformance

Rarely, circumstances require the completion of projects/engagements in a manner that is not consistent with all applicable standards. When this occurs, the OIA must disclose the nonconformance and the impact to executive management and the board.

During the reporting year, there were no instances in which projects were performed in a manner that did not comply with applicable standards.

Resolution of Management's Acceptance of Risks

Each audit engagement can potentially reveal items that may pose risks to university operations. Some items will require management's attention while others may be situations in which management decides to accept the risk associated with the current practice. This is normal in limited circumstances and is often due to cost/benefit or capacity constraints. The OIA is required to disclose to executive management and the board any situations in which it believes University personnel have accepted a level of residual risk that may not adequately reduce/mitigate the risk of loss.

There have been no such instances during the current reporting year.

Department Staffing

			
Katie Bumgardner	Brandi Fleck	Internal Auditor I or	Leah Ladley
IT Auditor II	Internal Auditor I	Internal Auditor II or	Chief Auditor
CIA	CIA in progress	Sr. Internal Auditor	CPA, CIA, CFE, CRMA
Joined OIA: March 2016	Joined OIA: Oct. 2021	<i>Recruitment open</i>	Joined OIA: Feb. 2020

Information Technology
Certificates:
ITIL 4 and CompTIA A+

IT Audit Support: Baker Tilly
Administrative Support: Finance and Administration Shared
Services (FASS)

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

Resolution: Adoption of FY24 Risk Assessment and Audit Plan

WHEREAS, the University of Oregon (University) is governed by, and the business and affairs of the University are ultimately managed by, the Board of Trustees;

WHEREAS, the University takes seriously the responsibility to manage, invest, and spend resources;

WHEREAS, the University's Office of Internal Audit (Internal Audit) provides independent, objective evaluations and advisory services that add to the accountability of the University;

WHEREAS, the Internal Audit works closely with university leadership, faculty, and staff to conduct and coordinate a broad range of audit functions for the University;

WHEREAS, the Office of Internal Audit has developed a Risk Assessment and Audit Plan for Fiscal Year 2024, attached hereto as Exhibit A;

WHEREAS, the Policy on Committees authorizes the Executive, Audit, and Governance Committee to submit items to the full Board as a seconded motion, recommending passage.

NOW, THEREFORE, Executive, Audit, and Governance committee of the Board of Trustees of the University of Oregon hereby refers to the full Board of Trustees the recommendation approving the proposed FY24 risk assessment and audit plan contained within accompanying board materials, and directs the officers, or their designee(s), of the University to take all actions and steps deemed necessary and proper to implement the approved plan.

Moved: _____ Seconded: _____

Trustee	Vote	Trustee	Vote
Aaron		Hornecker	
Evans Jackman		Seeley	
Holwerda		Storment	

Record here if voice vote without dissent rather than roll call: _____

Dated: _____ Recorded: _____