



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

June 1, 2017

Committee Membership

Chuck Lillis, Chair	Present
Peter Bragdon	Present
Allyn Ford	Present
Ross Kari	Present
Ginevra Ralph	Present
Mary Wilcox	Present

The Executive and Audit Committee (EAC) of the Board of Trustees of the University of Oregon (Board) met in the Ford Alumni Center on the UO's Eugene campus on June 1, 2017. Below is a summary of committee discussions and actions. An audio recording is maintained on file.

Convening, Introduction, and Approval of Minutes. The meeting was called to order at 1:16 p.m. by Committee Chair Chuck Lillis. Roll call was taken and a quorum verified. Minutes from the March 2017 meeting of the EAC were approved without amendment.

Quarterly Audit Report. Chief Auditor Trisha Burnett walked trustees through the quarterly audit report for the third quarter of FY17, including two completed advising projects relating to the Clark Honors College and IT cost models. She also reported on audit projects underway but nearing completion, including one related to cash handling and one related to accounts payable. Burnett presented the FY18 proposed audit and risk assessment plan, including methodology used to develop the plan. Committee members requested to see summary information for completed projects.

Action: The Executive and Audit Committee considered the resolution to adopt the FY18 risk assessment and internal audit plan. It was moved by Ford and seconded by Wilcox; it passed by voice vote without dissent.

Burnett introduced the new Office of Internal Audit charter proposed for approval. She described that changes are generally rooted in a desire to streamline the document, remove duplication with other guiding documents (e.g., board policy on committees), and better align with industry best practices.

Action: The Executive and Audit Committee considered the resolution to adopt the FY18 risk assessment and internal audit plan. It was moved by Kari and seconded by Bragdon; it passed by voice vote without dissent.

Andre Le Duc, associate vice president for safety and risk services and the UO's chief resilience officer, provided trustees with an annual strategic risk management update. He began by reviewing organizational resilience and the UO's approach to risk management through committees and its overall Enterprise Risk Management Framework. He updated trustees on key risks identified during the 2017 assessment and how those align with national trends and critical risks for the education industry at large. Le Duc listed seven top risk areas for 2017-18: budget (specifically, tuition dependency), facilities and infrastructure conditions,

cyber security, talent recruitment, student admissions and retention, IT infrastructure, and equity and inclusion (campus climate).

Le Duc then spoke to trustees specifically about the UO Insurance Program, which is a relatively new independent program established after institutional governance as a way to obtain better insurance coverage at a lower cost. He noted that the UO reduced its risk exposure under this new model and has saved approximately \$286K over two years while increasing the amount of coverage. He walked trustees through the various types of insurance the UO has, including, but not limited to: general and excess liability; property damage, including coverage for fine arts holdings (e.g., museum and special collections); cyber security; study abroad medical and evacuation; and kidnap, ransom, and disappearance.

Investment Principles. Chair Lillis introduced the resolution relating to investment principles. Trustees discussed the use of “ESG” (environmental, social, and governance) language in the statement, how ESG factors are not incongruent with other risk factors and key principles, and how the analysis would be practically applied.

Action: The Executive and Audit Committee considered the resolution to adopt Statement of Investment Principles. It was moved by Kari and seconded by Wilcox; it passed by voice vote without dissent.

Presidential Assessment. Vice Chair Ginevra Ralph walked trustees through the process for the 2017 review. The policy and process points are available in meeting materials.

Adjournment. The meeting was adjourned at 2:12 p.m.