



Executive and Audit Committee
Meeting Minutes, September 10, 2015

The Executive and Audit Committee (EAC) of the Board of Trustees of the University of Oregon met on September 10, 2015 in the Ford Alumni Center on the UO campus. An audio recording of the full meeting is available.

Committee Attendance

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

Convening. The meeting was called to order at 8:32 am by Committee Chair Chuck Lillis. The Secretary recorded roll; all members were present and a quorum verified. Minutes from the June 2015 EAC meeting were approved by a voice vote.

Internal Audit Update. Brenda Muirhead, Chief Auditor, highlighted the activities over the last year. She spoke about the work Internal Audit is doing to complete its initial set-up, such as finalizing the website, reviewing audit-related policies for revision early in the academic year, ensuring the reporting hotline is widely publicized, and getting data analytics tools to assist in audit functions. Muirhead updated the committee on the IT risk assessment underway by Baker Tilly, LLC. Baker Tilly has focused thus far on meeting with all IT units distributed throughout campus to gather information; they will next turn to follow-up meetings for purposes of expanding insight into key areas and formulating their findings. This project should be completed in time for a report at the December 2015 EAC meeting. Muirhead also updated the committee on peer review practices and requirements for internal audit offices. Muirhead indicated that she will bring a proposal regarding a peer review to the EAC in December for their input and approval.

Trustee Peter Bragdon asked a follow up question about the status of the reporting hotline. Muirhead and VPFA/CFO Jamie Moffitt informed trustees that the hotline, run by a third party, is – and has been for some time – operational; Muirhead clarified that the focus now is ensuring that information about the hotline becomes well-integrated through various departmental communications tools so that the community can easily access it and feel comfortable using it. Trustees asked Muirhead whether community members can provide input with regard to efficiency, miscellaneous ideas, etc. Muirhead indicated that all ideas are welcome and she hopes to incorporate that type of tool on her website as well.

Statement of Governance and Trustee Responsibilities. Chair Lillis turned to a discussion about proposed amendments to the Statement of Governance and Trustee Responsibilities. Trustee Ginevra Ralph addressed the issue of attendance, noting its importance and value, but also reminding the community of the value of diversity in profession and geography of board service and reminding the community that attendance by volunteer board members carries significant financial and opportunity costs. She expressed a desire that the Board use modern technologies for its meetings and work, and wanted to ensure that offsite

participation is not devalued. Trustee Susan Gary spoke to the issue of the three campus positions (faculty, staff, student) being mindful that they represent the institution as a whole, noting that the three individuals holding the positions currently do respect and value that responsibility, but that putting clarification language into the statement is helpful and a good idea. Trustee Willcox disagreed and noted that the second and third proposed changes (*see* associated resolution) do not add any additional clarity, indicating that there are times when these positions offer ideas or information perhaps rooted in their perspective, but that they believe is also in the best interest of the university. He expressed concern that the additional language may encourage silence. Chair Lillis recognized that careful judgment is a component of all of these positions and that he appreciates the judgment held by current trustees, particularly when it comes to the three campus-based positions and the issue of articulating a personal opinion versus an opinion of the Board. He noted that several trustees suggested we include language to further enhance the responsibilities. Ralph noted that all trustees can be put in awkward positions with regarding to statements being taken out of context, and that it is not unique to campus-based positions. Trustees Mary Wilcox and Ross Kari expressed support for the changes. Bragdon noted that he read the proposed changes as a message to the community more than a message to trustees, and that strengthening the language can be valuable in that context. The committee discussed two wordsmithing changes to the proposed amendments. The first changed the word “still” to “nevertheless” in bullet one on the second page; the second changed “...but should...” to become the start of a new sentence reading “Trustees should...” in the second-to-last bullet on page one.

ACTION: The Committee then took action to consider the Resolution as amended. The resolution passed by voice vote. The ayes carried without dissention.

Board Officers. Chair Lillis turned the discussion to the second resolution relating to Board operations, which proposed amending the bylaws to add clarity around the selection and terms of board officers. He started the discussion by explaining the proposed change to the length of terms for officers from two years to three years given the steep learning curve many trustees face when becoming engaged in university governance. University Secretary Angela Wilhelms explained the additional changes, which are explained in detail in the board packets. (*See* associated resolution.) Ralph noted that we should specify the meeting at which elections will occur and the Committee agreed that spring (the last quarterly meeting before the start of a fiscal year) was appropriate. The Committee also agreed that the EAC would act as the body managing nominations and related actions.

ACTION: The Committee then took action to consider the Resolution. The resolution passed by voice vote. The ayes carried without dissention.

Additional Comments. Willcox expressed concern over the fact that the Academic and Student Affairs Committee (ASAC) and the Finance and Facilities Committee (FFC) were scheduled concurrently during the September meeting since trustees – and others – lose the value of the discussion and the insight of guests that occurs during the meetings. He recognized the value of two day meetings (versus three days), but encouraged his colleagues to ensure those committees are not scheduled at the same time as one another. Willcox also noted that public comment is scheduled after academic presentations, which can be difficult for those taking time off of work and that the Board should make every effort to make public comment accessible. Chair Lillis expressed that the single most important piece of the Board’s work at this time is to better understand the academic issues facing the university and, as a result, those academic presentations were placed first on the agenda and with an extended time frame. Wilcox noted that she agreed with Willcox’s premise about concurrent meetings, but urged the Board to think creatively about how to be more efficient with the use of time. Trustee Allyn Ford raised the issue of focusing talent and time with respect

to specializing on committee efforts. Ford also expressed support for two days as opposed to three. Gary agreed with Wilcox, noting that her service on FFC was premised on the notion that she would be able to attend both committees. Trustee Schlegel recognized Chair Lillis's point about putting academic presentations first and suggested that we put an approximated time for public comment on the agenda to help with planning. Chair Lillis agreed that this made sense and would be done going forward.

Adjournment. 9:26 am