UNIVERSITY OF OREGON

May 15, 2019

TO: The Board of Trustees of the University of Oregon

FR: Angela Wilhelms, Secretary

RE: Notice of Executive and Audit Committee Meeting

The Executive and Audit Committee of the Board of Trustees of the University of Oregon will hold a public meeting on the date set forth below. The subjects of the meeting will be: internal audit (quarterly report and FY20 audit plan), enterprise risk management, Transform IT and information services update, and consideration of a new PhD program for PPPM.

The meeting will occur as follows:

Wednesday, May 22, 2019 at 1:30 p.m.
Jordan Schnitzer Museum of Art (JSMA), Ford Lecture Hall

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

The JSMA is located at 1430 Johnson Lane, Eugene, Oregon. If special accommodations are required, please contact Jennifer LaBelle (541) 346-3166 at least 72 hours in advance.

UNIVERSITY OF OREGON

Board of Trustees of the University of Oregon
Executive and Audit Committee
1:30 p.m. | May 22, 2019
Jordan Schnitzer Museum of Art | Ford Lecture Hall

Convene

- Call to order, roll call, verification of a quorum
- Approval of March 2019 minutes (Action)

1. **Quarterly Audit Report and FY20 Audit Plan (Action):** Trisha Burnett, Chief Auditor

2. **Semi-Annual Enterprise Risk Update:** Andre LeDuc, Associate Vice President and Chief Resilience Officer

3. **Semi-Annual Transform IT and Information Services Report:** Jessie Minton, Chief Information Officer

4. **New Program Proposal – PhD in Planning and Public Affairs (Action):** Rich Margerum, Professor and School Head for Planning, Public Policy and Management

Meeting Adjourns

Agenda Item #1

Quarterly Audit Report &
FY20 Audit Plan Proposal

Every year, the Board of Trustees—via the Executive and Audit Committee—authorizes an audit plan for the Office of Internal Audit. That plan is the culmination of discussions with senior leaders, observations by the Office of Internal Audit, projects deferred from prior years, and other inputs. The resolution and FY20 plan proposal (Exhibit A) are in this packet following the quarterly report from OIA and the Office of the Vice President for Research and Innovation quarterly management plan update (regarding the reporting deadline finding last year).

In addition, the Office of Internal Audit annually provides trustees with the COSO Internal Control – Integrated Framework Principles with articulated details of the Board's oversight activities relative to the five components of the Framework. All trustees, not just members of the EAC, should understand this information. It is provided in this packet following the resolution and exhibit,

UNIVERSITY OF OREGON

Office of Internal Audit

Quarterly Report

May 2019

Report to the Board of Trustees of the University of Oregon
Executive and Audit Committee

TABLE OF CONTENTS

Summary....2
Completed Projects....3
Projects in Progress....3
Follow-Up Projects....5
Upcoming Projects....5
Hotline Summary....5
Ongoing Projects....6
Administrative....6

SUMMARY

The Office of Internal Audit ("Internal Audit") provides a quarterly report to assist the President and the Executive and Audit Committee with their oversight responsibilities for Internal Audit.

Internal Audit works to complete projects from the approved audit plan while meeting administrative goals for the year. Consulting projects are also proposed by campus units, and are prioritized based on audit staff capacity in an effort to proactively address risks and increase efficiencies across campus. Additionally, the office recently completed a successful search and has filled the vacant associate auditor position.

During the previous quarter, Internal Audit finalized two assurance projects. In addition, there are nine assurance projects and three consulting projects in progress at various stages of completion. Follow up projects are also performed to ensure previous audit recommendations have been followed, and risks have been appropriately addressed; one follow up project is in progress as of now.

Finally, a partnership with student members of the undergraduate accounting society Beta Alpha Psi during the Winter and Spring terms allowed us to begin another project with a new group of students. The team is working on the Vendor Reviews audit under the supervision of the Senior Auditor.

If there are any questions regarding the content of this report, I am available for discussion. Thank you for your work and your continued support of Internal Audit.

COMPLETED PROJECTS

ASSURANCE

Scholarship Award Compliance

The objective of this project was to ensure all compliance requirements were met for a departmentally selected recipient of a specific scholarship. No instances of noncompliance were noted. Internal Audit performs this audit on an annual basis.

Firearms Inventory

The objective of this project was to ensure processes were in place to provide assurance that all firearms purchased by the University of Oregon Police Department are tracked, accounted for, and properly registered as required. No instances of noncompliance were noted, but recommendations for process improvement were made.

CONSULTING

There were no consulting project finalized during this quarter.

PROJECTS IN PROGRESS

ASSURANCE

Non-Retaliation Processes

Internal Audit began this project in August 2017. This project was identified on the approved FY18 audit plan. The objective is to evaluate the compliance and effectiveness of current University policies governing retaliatory behavior. This project had been reassigned to the Chief Auditor for completion due to turnover. This project is currently in the reporting phase pending management responses. *Estimated completion: June 2019*

Human Resources (HR) Practices and Controls

Internal Audit, in collaboration with Baker Tilly, began this project in May 2018. This project was identified on the approved FY18 audit plan. The objective is to evaluate the effectiveness of processes within the central function. This project is currently in the reporting phase pending management responses. *Estimated completion: June 2019*

Payment Card Industry (PCI) Program Assessment

Internal Audit, in collaboration with Baker Tilly, began this project in October 2018. This project was identified on the approved FY19 audit plan. The objective is to review and assess the University's program for complying with PCI Data Security Standards (DSS) requirements. While this report did not identify any compliance issues, opportunities to improve processes were identified. As a result, management requested the opportunity to respond. This project is currently in the reporting phase pending management responses. *Estimated completion: June 2019*

University Health Center IT Assessment

Internal Audit, in collaboration with Baker Tilly, began this project in October 2018. This project was identified on the approved FY19 audit plan. The objective is to conduct an IT assessment for the University Health Center covering key people, processes, and technology used. This project is currently in the reporting phase pending management responses. *Estimated completion: June 2019*

Vendor Reviews

Internal Audit, in collaboration with a student employee and students from Beta Alpha Psi, began this project in December 2018. This project was identified as a Tier II project on the approved FY19 audit plan. The objective is to verify appropriate contracts are in place, as required. This project is currently in the fieldwork phase. *Estimated completion: June 2019*

Critical Business Functions

Internal Audit began this project in September 2018. This project was identified on the approved FY19 audit plan. The objective is to perform an assessment of where and how decentralized critical business processes occur at the University. This project is currently in the fieldwork phase. *Estimated completion: June 2019*

GLBA Financial Assistance Compliance

Internal Audit, in conjunction with Baker Tilly, began this project in March 2019. This project is identified on the FY19 audit plan. The objective is to evaluate how the University's financial aid processes meet the GLBA requirements outlined in a 2016 Dear Colleague Letter. This project is currently in the reporting phase. *Estimated completion: June 2019*

Physical to Cyber

Internal Audit, in conjunction with Baker Tilly, began this project in March 2019. This project was added to the FY19 audit plan. The objective is to evaluate the security practices of high risk physical-to-cyber systems and validate adherence to UO's policies and procedures and industry leading security practices. This project is currently in the reporting phase. *Estimated completion: June 2019*

Ticket and Parking Sales Processes

Internal Audit began this project in April 2019. This project was identified on the approved FY19 audit plan. The objective is to evaluate the adequacy of controls over reporting and accountability for ticket and parking sales. This project is currently in the planning phase. *Estimated completion: August 2019*

CONSULTING

Internal Audit is currently working on three consulting projects for different units on campus that are at various stages of completion, with three additional consulting projects requested. The most notable current project is a process review in SPS to ensure controls are in place to ensure compliance with grant requirements. While these projects take time away from planned assurance projects, they serve three very important purposes, 1) to improve efficiencies and effectiveness in a proactive manner, 2) to reinforce Internal Audit's purpose to be a valuable partner, and 3) to provide Internal Audit with more insight regarding campus risks. Areas addressed in the current year include internal controls, process improvement, and identification of efficiencies. Once finalized, reports are issued summarizing any recommendations.

FOLLOW-UP PROJECTS

To comply with internal auditing standards that require monitoring of audit recommendations communicated to management, Internal Audit performs follow-up projects. The objective is to ensure corrective actions on the audit recommendations, including those that may have been considered non-reportable, have been effectively implemented by management, or that management has accepted the risk of not taking action.

COMPLETED

There were no follow-up assurance or consulting projects completed during this quarter.

PROJECTS IN PROGRESS

Follow Up of Purchasing Practices

Internal Audit is following up on six observations and related management corrective actions from the original report. *Estimated completion: June 2019*

UPCOMING PROJECTS

ASSURANCE

International Student Employment

Internal Audit plans to begin this project follow up once FY19 audit projects are complete. The objective is to assess compliance with DHS and other relevant requirements for international student employment.

CONSULTING

There are three consulting projects due for follow up in the next quarter. Internal Audit plans to begin these follow up projects once FY19 audit projects are complete.

FOLLOW UP

Grant Management Processes

Internal Audit plans to begin this project follow up once FY19 audit projects are complete. This project is a follow up of an audit performed in FY15.

HOTLINE SUMMARY

Internal Audit has received the following requests for investigative services during the current fiscal year. Of these, three are complete, two are in progress, and 13 have been referred to other units. Note that those referred to other units are followed up on by Internal Audit to ensure appropriate disposition.

Reporting Sources for FY19 Investigative Services	
Campus Direct to Internal Audit	4
3rd Party Hotline	14
Grand Total	**18**

It is common for a university our size to have an active hotline. Peer institution benchmarking indicates the activity has been low for our institution, but has improved from the prior fiscal year. Internal Audit is working with leadership on additional ways to market this tool. In addition, Internal Audit is working to inventory other reporting mechanisms that may exist on campus.

ONGOING PROJECTS

Consulting: As mentioned previously, consulting projects are performed at management's request. The FY19 audit plan includes time for these activities. This is an area that Internal Audit has emphasized and pursued heavily. As opportunities arise, Internal Audit offers this service and it has been well received by the University community. Internal Audit continues to offer training on internal controls, risk, and fraud awareness and presents at the annual Financial Stewardship Institute. Additionally, Internal Audit has developed a training series on the COSO Internal Control Framework to be offered through the Professional Development initiatives in Human Resources. Internal Audit offers facilitated internal control self-assessments as a service for the campus, as well as continues campus outreach and presentations to reach new audiences and introduce new concepts.

External Audit Coordination: Internal Audit is charged with coordinating and providing oversight for other control and monitoring functions, including external audit. Moss Adams, LLP is the external firm responsible for the university's financial statement audit, single audit, and NCAA agreed upon procedures. During the past quarter, Internal Audit met with Moss Adams to continue collaboration and information sharing.

ADMINISTRATIVE

Internal Audit has completed its first strategic plan (dated July 1, 2017-June 30. 2019). As noted in the FY20 audit plan, time has been allocated to work through an update to the Strategic Plan for future years. Outreach on campus and involvement in national organizations were conducted during the prior quarter. Implementation of internal control, risk, compliance and fraud trainings and resource templates for units are in progress.

RESEARCH AND DEVELOPMENT COMPLIANCE AUDIT -- UPDATE

Summary of Key Activities
May 9, 2019

SUMMARY

Following the FY2018 Research Compliance Audit, the Office of the Vice President for Research and Innovation (OVPRI), Sponsored Projects Services (SPS) has engaged in many activities to address the issues identified in the audit and identify opportunities for improvement with our compliance with federal requirements. OVPRI and SPS has worked in close collaboration with Internal Audit (IA), Business Affairs Office (BAO), and the Vice President for Finance and Administration (VPFA) throughout this process.

ADDRESSING AUDIT FINDING

- By January 2019, SPS submitted (or extended) all outstanding final financial reports (FFR) identified in the audit. In May 2019, one additional outstanding FFR from early 2018 was discovered and was submitted to and has been accepted by the sponsor. SPS and unit staff were retrained in FFR tracking, preparation, and submission procedures.
- Since November 2018, SPS has submitted all new FFRs on time or has requested extensions.
- SPS has implemented all of the activities on the R&D audit corrective action plan.

IMPROVING AUDIT RESPONSE CAPACITY AND PREPARATION FOR FY2019 R&D AUDIT

- SPS and IA have met regularly to review SPS procedures related to R&D audit compliance areas. SPS is updating procedures based on this review, with a planned completion date of December 2019.
- SPS staff have participated in training sessions to prepare for the Certified Research Administrator Certification exam. Most staff members will test in May or November 2019.
- IA has provided training on R&D audits to a broad range of SPS staff.
- SPS Post Award staff is meeting weekly to discuss procedures, best practices, and compliance areas to ensure a continuous learning environment.
- SPS, IA, BAO, and VPFA have developed a document that outlines steps, roles, and responsibilities for staff across the lifecycle of the annual financial statement and R&D compliance audits.
- SPS, BAO, and IA have met regularly to prepare for the FY2019 audit.
- SPS, BAO, and IA, OVPRI, and VPFA have met periodically to track progress on the corrective action plan and audit preparations.

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

Resolution: Adoption of FY20 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 an Risk Assessment and Audit Plan for Fiscal Year 2020, attached hereto as Exhibit A; and,

Whereas, the Policy on Committees authorizes the Executive and Audit Committee to act on behalf of the full Board of Trustees when appropriate;

NOW, THEREFORE, the Executive and Audit Committee of the Board of Trustees of the University of Oregon hereby approves the proposed FY20 risk assessment audit plan attached hereto 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	**Yes**	**No**
Bragdon		
Ford		
Kari		
Lillis		
Ralph		
Wilcox		

Record here if a vote was taken without roll call: _____

Dated: _____ Recorded: _____

EXHIBIT A

Office of Internal Audit
Annual Risk Assessment and
Internal Audit Plan

FY2020

Risk Assessment
Conducted for the purpose of developing the
Annual Risk Based Audit Plan

TABLE OF CONTENTS

Executive Summary 2
Methodology 2
Results 2

EXECUTIVE SUMMARY

During FY19, the Office of Internal Audit ("Internal Audit") performed a risk assessment to ensure the annual audit plan was appropriately determined. Based on this systematic and disciplined process, Internal Audit created the FY19 audit plan.

Time will also be allocated on the audit plan for consulting services and administrative tasks. Internal Audit will advise on internal controls, compliance, efficiency, and effectiveness in any areas requested by leadership. Internal Audit will also use administrative time to research process improvements, implement strategic plan goals, and continue mentoring students working with the office. The progress and action plans will be included in communications to the Board of Trustees.

METHODOLOGY

During the preparation of the FY20 audit plan, Internal Audit used a comprehensive risk assessment process to ensure appropriate coverage. Internal Audit typically uses five (5) different risk sources defined as follows:

1. Risk Source #1: Central Functions
2. Risk Source #2: Interviews
3. Risk Source #3: SERMC Risk Matrix
4. Risk Source #4: Survey
5. Risk Source #5: Miscellaneous

Risk Source #1 – Central functions are those operating units that support the university by providing guidance and assessment of internal control related to their area of expertise. As the plan is prepared each year, these areas are considered for coverage and will ideally be placed on a rotation. Audit objectives will focus on evaluating the internal control structure of these functions based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") model and the efficiency of processes.

Risk Source #2 – Interviews were held with members of senior leadership and others in key positions to gather information about factors that could prevent the university from meeting its objectives.

Risk Source #3 – The results of the SERMC Risk Matrix identify risks that could negatively affect the university's ability to achieve its core mission of instruction, research, and public service. As a result of this process, leadership identifies areas of focus for the coming year. Through the risk assessment process, Internal Audit coordinates efforts to ensure appropriate coverage of risks.

Risk Source #4 –In previous years, an anonymous survey was sent to the campus community to gather input. Internal Audit did not perform the survey in the current year.

Risk Source #5 – Miscellaneous sources, such as information noted by Internal Audit during previous work, financial impact of the unit, and the last time the unit was audited are factored. In addition, information from other institutions, or nationwide trends/issues in higher education were considered.

Using this criteria, risk rank was assigned based on the audit staff's best judgment considering the likelihood of the event occurring and impact to the institution, as well as the most value add for the university.

RESULTS

Vision Statement

To be a premier partner that adds value, provides objective insight, and proactively collaborates to maintain the highest standard of excellence.

Mission Statement

Driven by the highest professional an ethical standards, Internal Audit helps the University accomplish its objectives by evaluating and identifying opportunities to improve the effectiveness of governance processes, risk management, and internal controls.

Introduction

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

Audit Resources

Internal Audit is currently comprised of a chief auditor, a senior auditor, two associate auditors and a student position. While student time cannot be easily determined, audit staff resources are expected to be allocated as follows:

Position	Gross Available Hours	Leave & Holidays	Training & Related Travel	Other Administrative Tasks	Net Available Hours
Chief Auditor	2,080	350	120	720	890
Senior Auditor	2,080	350	120	415	1,195
Associate Auditor	2,080	350	120	665 *	945
Associate Auditor	2,080	350	300 ^	240	1,190
Total	8,320	1,400	660	2,040	4,220

* Note this position is 40% executive support

^ Note that in addition to annual continuing education requirements, new employees are required to attend University orientation and other introductory trainings.

2020 Audit Plan

Internal Audit identified an audit plan incorporating high-risk areas based on the previously defined input. These high-risk areas are shown as planned audit projects below. Other administrative goals for FY20 include, but not limited to, the performance of a Quality Assurance Review ("QAR"), process improvements, strategic plan initiatives, and student mentoring.

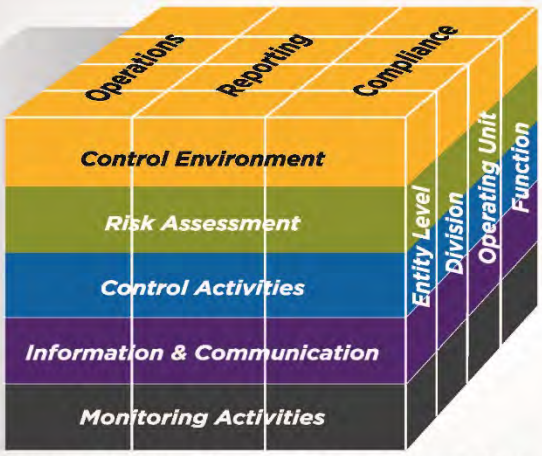
Internal Audit engages in three primary activities – assurance, consulting, and investigative services. Additionally, Internal Audit performs follow-up engagements and coordinates external audit efforts. The focus of Internal Audit is to actively work with the university to assist leadership in addressing strategic, financial, operational, compliance, and reputational risk and exposures on both university-wide and departmental level processes and control systems. Internal Audit brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Audit's planned audit projects for FY20 are:

Audit Unit	Audit Title	Audit Focus	Risk Source	Estimated Hours
Assurance Services				
Projects in progress from FY19 Plan	Various	Various	FY19	160
Office of Admissions	Admissions Processes	To evaluate the processes used to admit students, including consistency of decision making and classifications.	3,5	300
Global Engagement	International Student Employment	To assess compliance with DHS and other relevant requirements for international student employment.	1,2,3,5	300
University Wide	IT Risk Assessment	To refresh the enterprise-wide IT risk assessment from FY16 to identify and prioritize University IT risks.	3,5	160
University Wide	Data Governance	To review the data governance, use, and storage practices at the University based on best practice data governance guidance (EDUCAUSE). This includes IT partnerships with outside parties.	3,5	120
Purchasing and Contracting Services	Procurement Cards	To evaluate the use of procurement cards on campus, including the oversight of the program.	1,5	240
University Wide	University Committees	To review the structure, authority, accountability, and governance of University committees.	3,5	300
University Wide	Affiliated Entities	To identify and assess all university affiliated entities, including ensuring appropriate contractual agreements are in place.	3,5	300
College of Education	EC Cares	To assess the processes used to administer an award from state and federal sources for early childhood research.	2,5	240
University Wide	Internal Funding Follow up	To review the process to ensure internal funding awards are used for their intended purposes.	2,5	200
Athletics	Athletic Equipment	To determine if Athletic equipment is appropriately safeguarded, tracked, and in compliance with NCAA and financial reporting obligations.	5	240
Athletics	Ticket Count	To verify average minimum attendance per the NCAA Division I requirements.	Required	60
College of Education	Scholarship Verification	To verify that the selected awardee meets the qualifications as listed in the award agreement.	5	10

Consulting Services				
Campus Wide	Trainings and Presentations	Internal Audit will continue offering training on internal controls, risk, and fraud awareness as requested and plans to establish ongoing professional development opportunities.		50
Campus Wide	Consulting Services	Management may request Internal Audit advisory services to be performed in accordance with the mission and authority of Internal Audit.		200
Campus Wide	Committee Involvement	To serve on standing university committees in an advisory capacity as requested by leadership.		200
Investigative Services				
Campus Wide	Investigative Audits	Based upon the number of reports received from Ethics Point hotline and leadership.		240
Follow-Up				
Campus Wide	Follow up procedures	Follow up on corrective actions from previous engagements.		240
External Audit Coordination				
Business Affairs, Sponsored Projects Services & Athletics	Financial Statements, Single Audit, and NCAA AUP	Coordinate with and provide oversight of external audit in accordance with the Internal Audit Charter.		80
Risk Assessment & Audit Planning				
Campus Wide	Annual Risk Assessment	The annual risk assessment forms the basis of the audit planning for future years. Estimated budget includes participation in and alignment with Enterprise Risk Services enterprise wide risk assessment.		200
Administrative				
Office of Internal Audit	Quality Assessment Review	To perform a self-assessment of internal audit processes for adherence to the International Professional Practices Framework (IPPF) to be validated by an external team.		160
Office of Internal Audit	Strategic Plan Update	To prepare a new strategic plan for the office for the coming fiscal years.		60
Office of Internal Audit	Reserve	To provide additional time for projects when unanticipated issues arise.		160
			Total Hours	4,220

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 is involved in exercising oversight for the development and performance of internal control through each of the five components of the *Framework,* as illustrated in the table below:

Internal Control Component	Oversight Activities of the Board
Control Environment	• 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	• 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	• 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 Communication	• 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	• 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

Transparency obligations reinforce accountability of both senior management and the Board of Trustees. The Board of Trustees oversees such that needs are understood and met over time. Reporting to the Board of Trustees occurs both on a regular and ad hoc basis, as needed, to help the Board oversee the issues relating to the system of internal control.

Agenda Item #2

Enterprise Risk Management

Strategic Enterprise Risk Management and Compliance Committee Report

University of Oregon Board of Trustees

May 2019

Developed by:

Safety and Risk Services

UNIVERSITY OF OREGON

Overview

The Strategic Enterprise Risk Management and Compliance (SERMC) committee is charged by the President of the University to:

1. Develop tools and processes to actively identify, evaluate, and manage university risks
2. Ensure that systems and processes are in place to provide accountability for compliance with the University's legal and policy obligations
3. Encourage communications, problem-solving, and collaboration across divisions, units, and departments

The committee is chaired by the Chief Resilience Officer and Associate Vice President for Safety and Risk Services.

Membership includes:

- Vice President for Finance and Administration and Chief Financial Officer
- Vice President for Research and Innovation
- Vice President and General Counsel to the University
- Vice President for Equity and Inclusion
- Vice President for Student Life
- Vice President for Student Services and Enrollment Management
- Vice President for University Communications
- Vice President for University Advancement
- Executive Vice Provost for Operations
- Vice Provost for Information Services and Chief Information Officer
- Chief Human Resources Officer and Associate Vice President for Human Resources
- Chief Auditor
- Associate Vice President for Business Affairs and University Controller
- Senior Associate Vice President for Research and Innovation
- Director of Intercollegiate Athletics

Committee members serve as risk area leads or "risk owners" over the potential risk exposure areas, conditions or events that exist in their portfolios.

In 2017-2018 the committee asked risk owners and subject matter experts within their portfolios to review and provide feedback on their areas within the University of Oregon Risk Exposure Matrix and to identify existing controls and mitigation strategies.

The Risk Exposure Matrix is the tool the university developed to actively identify, evaluate, and manage high-level risk exposures. It is a dynamic tool designed to keep leadership informed of potential risk exposures and assist the risk owners in documenting mitigation and controls used to navigate risk exposures as the university advances its mission.

Summary of Emerging Risks by Marsh - UO Insurance Broker

Below is a brief summary by the university insurance broker highlighting national trends and potential risks colleges and universities face.

US Colleges and Universities Challenges

- Experiencing an unprecedented level of *uncertainty* as a result of actions taken by the current U.S. Administration.
- Immigration Ban creating perception of US as hostile bureaucracy with downturn in foreign students attending
- Facing financial challenges.
  - Changing business model to diversify revenue streams
  - Decrease in funding from State/Federal Government
  - Impact on staff, tenure track and program modifications
- Delivering education through innovation.
  - Online learning increase to augment traditional learning, reach to adult learners
  - Increased focus on research for revenue and entrepreneurial opportunities
- More focused on Mergers and Acquisitions than ever before.
  - Increasing amount of consolidation within large public systems
- Under increasing scrutiny to ensure they take precautions to protect their students from discrimination.

Potential Institutional Risks – A Sampling from Higher Education

MARSH

6

MARSH & McLENNAN COMPANIES

SERMC Work Groups

When SERMC identifies potential gaps or risk exposures that do not have a risk owner or that require additional in-depth analysis the committee establishes inter-departmental and cross-disciplinary work groups to explore the concern. The groups primarily focus on topics that require special attention for purposes of compliance, planning response, or risk management. SERMC provides the work group with a clearly defined charge, a set of expected outcomes, and a timeline for the work group to return to the committee with recommendations. The work groups utilize a planning model called Strategic Doing.

***Work Group Process**: from risk identification to action*

The work group approach allows SERMC to bring campus partners to the table to better understand specific risk exposures, and to develop actionable recommendations to mitigate those risks. The work group structure also encourages trust, information sharing, problem-solving, and collaboration across divisions, units and departments.

Nighttime Safety Campus and Near Campus Lighting Work Group

SERMC charged the campus and near campus lighting sub-work group to:

- Explore opportunities to expand the current night campus safety route map such that it connects users with near off-campus buildings, Greek Life housing, and other sites off campus
- Reach out to the City of Eugene, near campus neighborhood associations and nearby businesses to explore collaborative efforts and projects to increase lighting near campus
- Develop recommendations for SERMC to review

Membership:

- *Safety and Risk Services*
    - *Campus GIS and Mapping*
    - *UO Police Department*
- *Dean of Students*
- *Campus Planning and Facilities Management*
- *Government and Community Relations*
- *Eugene Police Department*
- *Fraternity and Sorority Life*
- *City of Eugene*

Findings:

- *Both UO and the City of Eugene have explored improving lighting both on and near campus.*
- *UO has developed an app within the UO Map app that allows anyone to "drop a pin" in areas the user feels have insufficient lighting. The app automatically sends a message to Campus Planning and Facilities Management identifying the location and need for follow-up.*
- *Dimly lit and poorly lit areas exist near campus in the south university neighborhood, west university neighborhood and north of campus.*

Actions / Recommendations

- The Work Group cataloged locations in need of lighting improvements during three nighttime observation walks conducted in the South University, Fairmount and West University neighborhoods. Geographic Information Systems converted the lighting data into a map.
- The Work Group ranked the areas of concern by level of importance using criteria such as proximity to existing lighted paths, student foot traffic observed during the walks and feedback from law enforcement.
- UO and the City of Eugene calculated estimated costs for lighting improvements on campus and off campus respectively.
- The Provost's Office approved funding for the work group's recommendations in January 2019. Government and Community Relations and Safety and Risk Services are working with the City of Eugene to nail down cost and timeline of suggested improvements.

University Reporting Channels Work Group

SERMC charged the University Reporting Channels Work Group to:

- Catalog current reporting channels on campus, e.g., Fraud Hotline, behavioral health concerns, accessibility, violation of academic integrity, etc.
- Explore alternative, more holistic reporting system for the University; establish roles and responsibilities for the investigation of allegations reported through the decided upon channel
- Develop recommendations for SERMC as to next steps

Membership:

- *VPFA*
- *Internal Audit*
- *General Counsel*
- *University Communications*
- *Office of the Provost*
- *HR Employment and Labor Relations*
- *Research & Innovation*
- *Safety and Risk Services*
- *AAEO and Title IX*
- *Student Life*
- *Business Affairs*
- *Athletics*
- *Information Services*
- *Purchasing and Contracting Services*

Findings:

- *Student related concerns, behavioral evaluation and threat assessment (BETA) and Title IX concerns are cataloged using Maxient, an incident reporting and recordkeeping software program. Student Life procured Maxient in 2017 for student discipline, conduct and well-being case management.*
- *Concerns around unethical actions such as financial fraud, academic integrity, and employee related concerns are reported through EthicsPoint software. Internal Audit adopted EthicsPoint in 2014 after the university's separation from OUS.*
- *Some reporting channels on campus are not easily accessible to all campus constituencies. Current reporting channels in EthicsPoint are being triaged by Internal Audit. Defined workflow processes need to be established.*

Actions / Recommendations

- The Work Group recommended that UO utilize a single system, specifically Maxient, for all reporting needs. All existing reporting channels should be transferred over to Maxient.
- Work flows for each reporting channel should be established and documented in a central database maintained by Safety and Risk Services.
- A single centralized reporting website should be developed that would include instructions and links to all ethics and compliance reporting channels for both internal and external audiences.
- The Work Group is exploring options to permanently fund a position to administer and support the Maxient system. Of note, components of this position directly correlate with Clery Act compliance. Clery reporting and analytics will go through Maxient.

Enterprise Training Coordination and Systems Work Group

SERMC charged the Enterprise Training Coordination and Systems Work Group to:

- Identify and catalog all training systems currently used on campus by cost, system owner, target audience, etc.
- Explore strategic cost savings (both operational and direct costs) of moving to a comprehensive and managed enterprise training system, and
- Develop recommendations for the Strategic Enterprise Risk Management Committee.

Membership:

- *Human Resources*
- *University Communications*
- *Purchasing and Contracting Services*
- *Office of General Counsel*
- *Office of Research and Innovation*
- *Office of Investigations & Civil Rights Compliance*
- *Safety and Risk Services*
    - *Environmental Health & Safety*
    - *HIPAA Privacy Office*
- *Student Life*
- *Business Affairs*
- *Office of the Provost*
- *Information Services*
- *Office of the Registrar*

Findings:

- *There are four intended audiences for all mandatory and activity based trainings at the university: students, student employees, faculty /staff and volunteers.*
- *The current software used for employee training, MyTrack, can't deliver, track or collect data for reports on trainings for students and student employees.*
- *The university currently uses a different platform, Canvas, for delivering course content to students.*
- *There is no central training database or central website for training course content.*
- *The university is financially invested in MyTrack. Due to the level of investment procuring a more robust comprehensive training software program is not feasible at this time.*

Actions / Recommendations

- The Work Group recommended that the university continue to use MyTrack for delivering, tracking, and capturing data on faculty and staff employee trainings.
- The Work Group recommended that the university utilize Canvas to track trainings available to students, student employees and volunteers.
- The Work Group recommended that campus partners create a central website that would direct all audiences to one training portal where anyone can identify their affiliation with the university, and have access to all available trainings based on their affiliation.

Clery Act Compliance Work Group

SERMC charged this Work Group to:

- Review all Clery-related workflows and systems at the university as required by the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act statute
- Document Clery-related workflows and existing systems in written procedures
- Identify potential opportunities to enhance or streamline systems to ease the administrative burden while ensuring compliance with the Clery Act, and
- Review and compare UO's Annual Campus Security and Fire Safety Report to other universities' reports for purposes of assessing how UO presents its data.

Membership:

- *University Communications*
- *Office of the General Counsel*
- *Internal Audit*
- *Fire Marshal*
- *Dean of Students*
- *Student Life*
- *University Housing*
- *Office of Financial Aid*
- *Business Affairs*
- *Safety and Risk Services*
- *Parking and Transportation*
- *UO Police Department*
- *Campus GIS and Mapping*

Findings:

- *The work group reviewed and assessed the following: Clery geographic boundaries, Campus Security Authorities (individuals who by virtue of their university responsibilities and under the Clery Act, are designated to receive and report criminal incidents), crime statistics collection on campus, UO's daily crime log, emergency response practices, and the mandated Annual Campus Security and Fire Safety Report*
- *The current report and process meets the federal requirements.*
- *Opportunities exist to improve upon current practices for efficiency and transparency.*

Actions / Recommendations

- The Work Group recommended that Safety and Risk Services adopt the following: procedures for collecting, classifying, counting and publishing Clery Act data; procedures for fire safety disclosures and the fire list notification process, and a campus crime alert protocol.
- The Clery Act Work Group in conjunction with the University Reporting Channels Work Group, recommended that a campus-wide Maxient program manager be hired to back up the Clery Coordinator.
- The Work Group recommended that the university maintain a list of all Campus Security Authorities and make sure they receive ongoing annual training.
- The Work Group also recommended that Clery Act compliance be included in the Annual Audit Plan conducted by the Office of Internal Audit.
- The Work Group recommended the creation of a central Clery website to provide information and resources to all campus constituencies regarding Clery Act compliance.

Agenda Item #3

Transform IT / IS Update

Information Technology Report

University of Oregon Board of Trustees

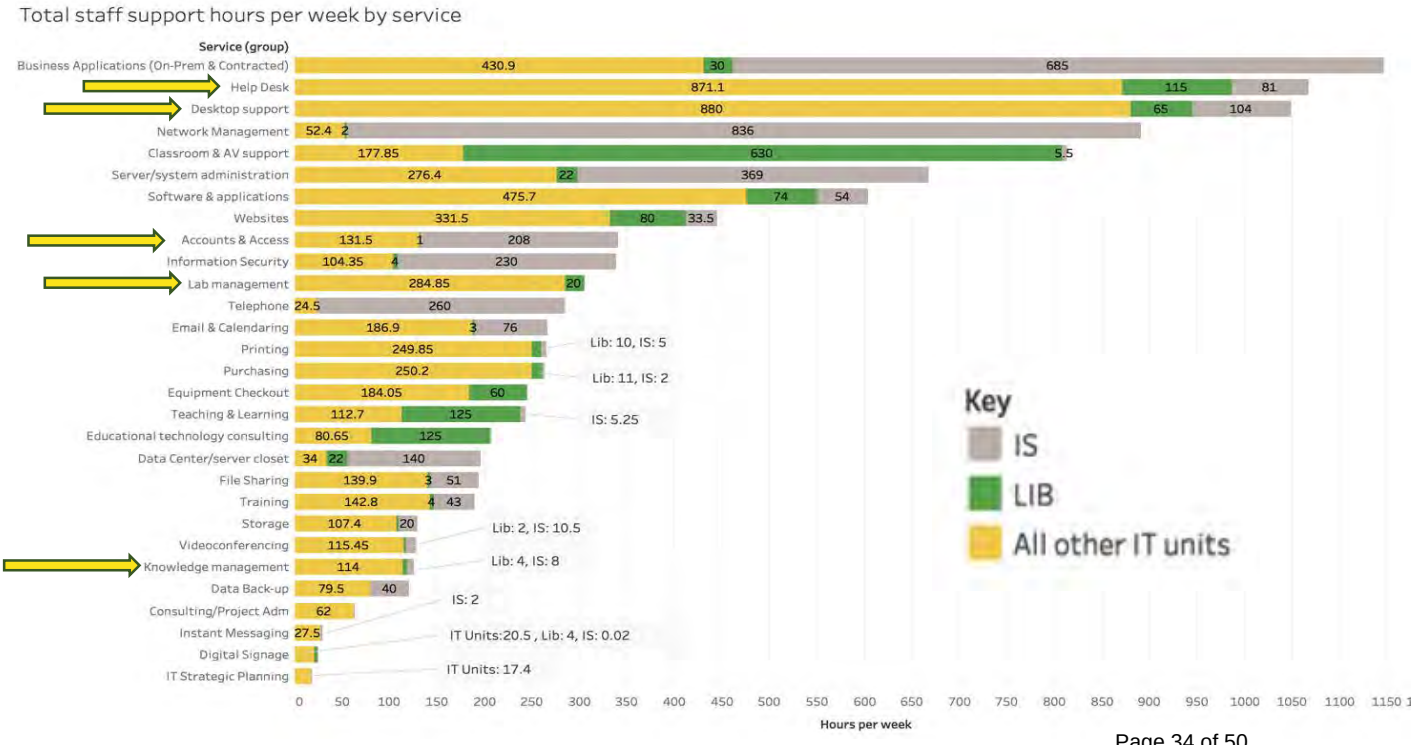
May 22, 2019

Presented by: Jessie Minton, Vice Provost for Information Services and Chief Information Officer

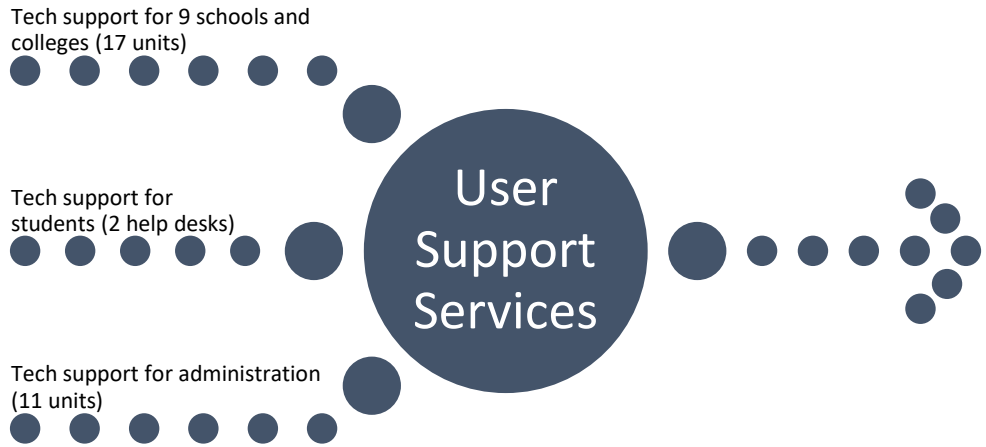
Agenda

- Transform IT – User Support Services
- Cybersecurity
- Research technology support

Transform IT Campus Engagement Report



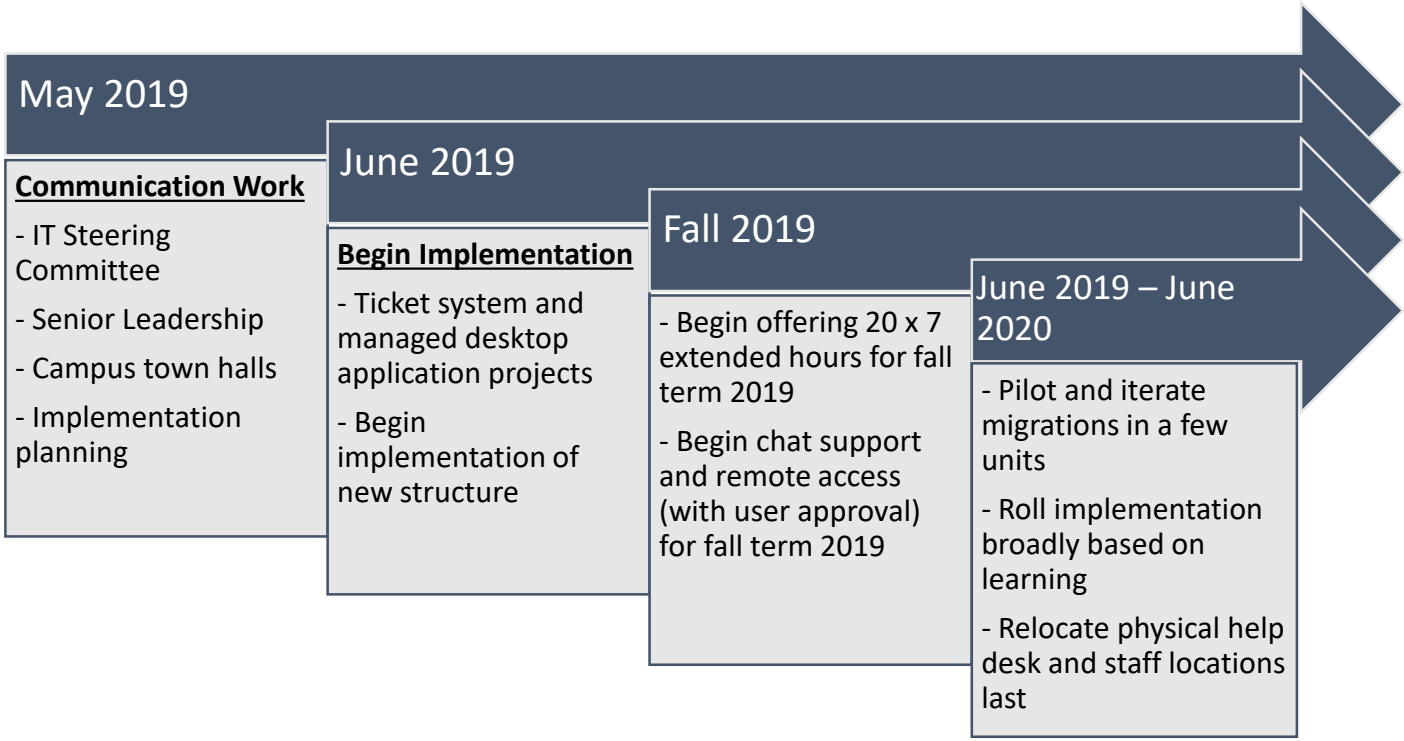
User Support Services Outcomes



Create opportunities to focus IT around mission and strategy:

- Increase efficient use of IT support resources
- Consolidate support tools, processes, and services
- Drastically reduce or eliminate duplication of user support for IT services
- Create consistent user experience for all users, *including researchers*

User Support Services Timeline



6-Month Progress & Plans

Function (in priority order)	Dec 2018 to Date	Jun – Dec 2019
2-Factor Authentication (2FA) To reduce likelihood & impact of breaches	77% of IT staff now use 2FA to access high risk systems like Banner	Pending funding, require 2FA for high risk services
Awareness Training To target training & decrease user susceptibility to phishing attacks	Steady growth in uses completing online awareness training	Pending funding, expand training to cover students; implement self-phishing tools
Vulnerability Management To find and fix vulnerabilities before the adversary	Completed proof of concept of vulnerability scanning tool	Pending funding, implement vulnerability scanning tool plus FTE
Data Loss Protection (DLP) To curtail insecure data storage	Data Security Framework development in progress	Pending funding, implement tool to continuously detect and address at-risk stored data
Incident Monitoring & Response To incident increase visibility & response speed	Cyber-Physical Security Operations Center (CPSOC) planning with Safety and Risk Services	Pending funding, implement student-run CPSOC

Research Technology – on campus

Technical help via User Support Services

Service center model to be faculty governed and aligned to core facilities

- Pilot services targeted for January 2020 availability

Talapas supercomputer at Research Advanced Computing Services

Gap for mid-tier complexity research technology services

Link Oregon: Dedicated to Science, Education and the Public Sector

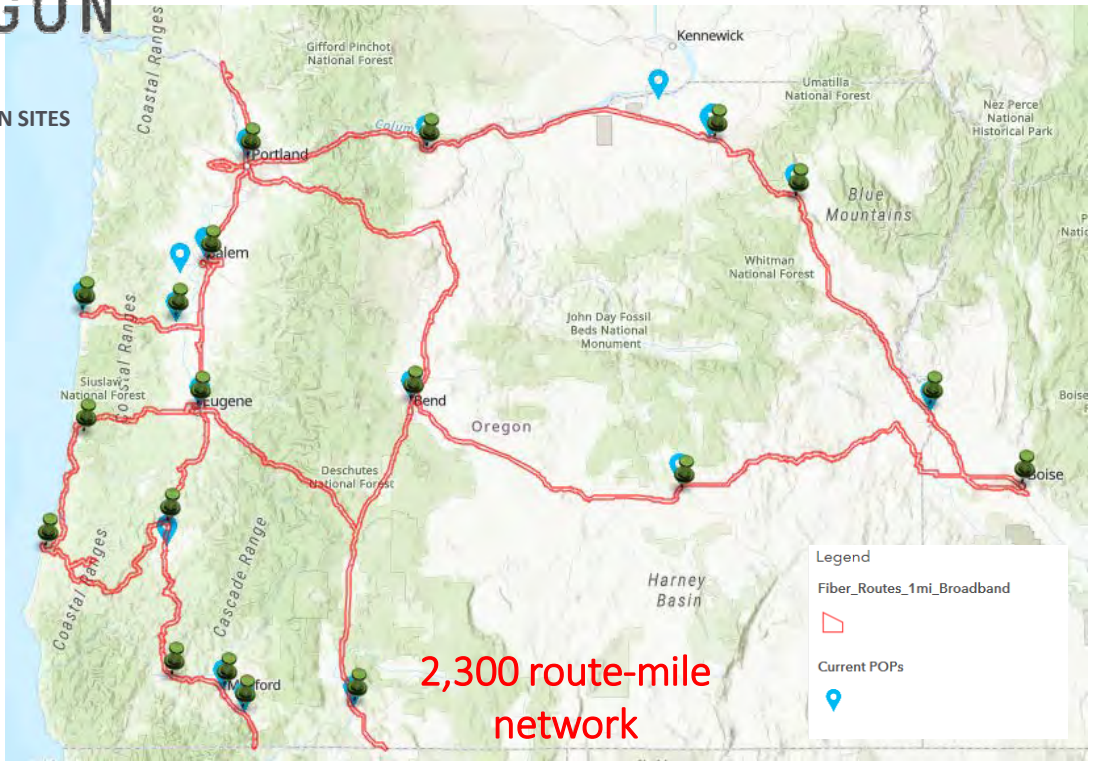
- Link Oregon is the first post-OUS non-profit established to drive a statewide technology initiative; there is the potential to house related collaborative IT projects (e.g., cybersecurity, research computing)
- Link Oregon will facilitate work in the data-intensive sciences, including field science generally, human/plant/animal genomics and medical imaging
- Link Oregon is bringing public CIOs together to work on building new digital infrastructure statewide
- Link Oregon serves as a neutral anchor tenant by integrating efforts with local and national telecom providers and local networking organizations to improve broadband access
- Link Oregon is focused on the public and non-profit sectors to bring information and digital services to all Oregonians

LINK OREGON

LINK OREGON

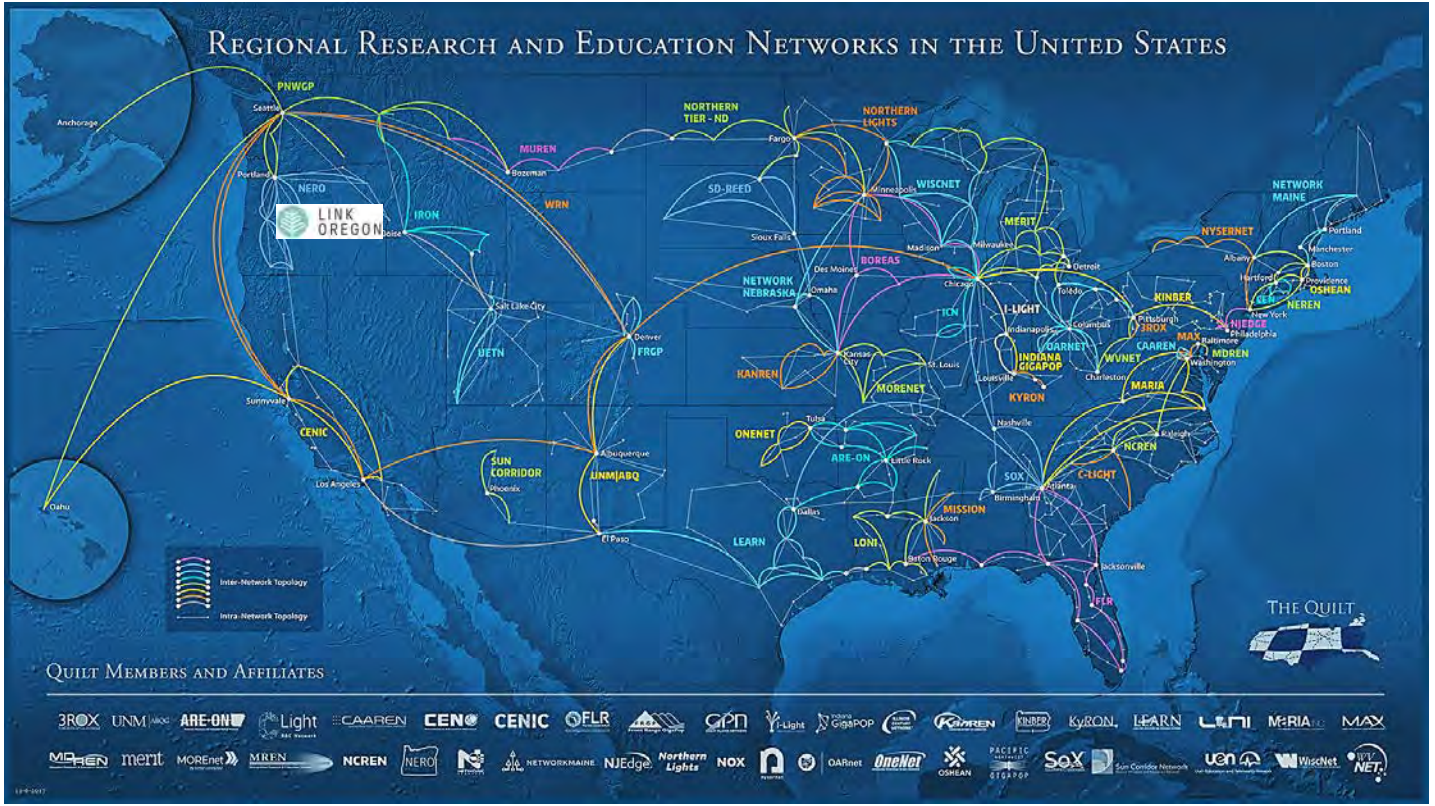
PLANNED NETWORK CONECTION SITES

- Newport
- Portland/Hillsboro
- Salem
- Corvallis
- Eugene
- Roseburg
- Grants Pass
- Medford/Central Point
- Ashland
- The Dalles
- Bend
- Klamath Falls
- Pendleton
- La Grande
- Ontario
- Burns
- Boise, Idaho
- Florence - possible
- Coos Bay - possible

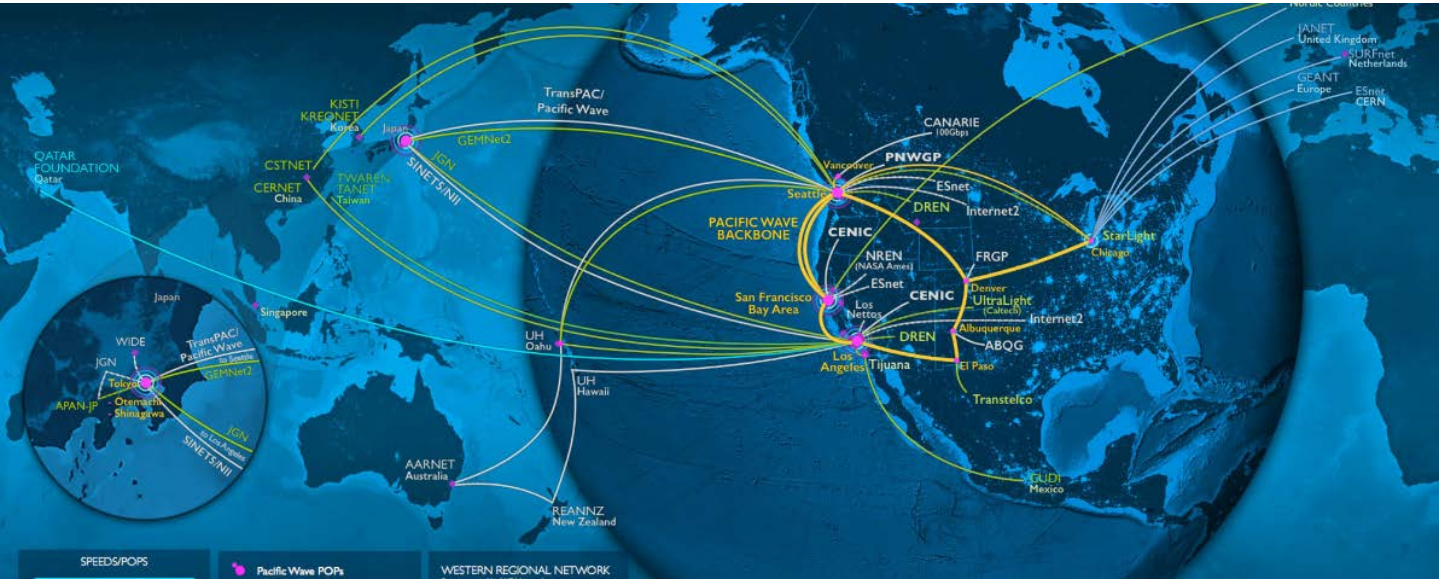


IMPLEMENTATION

- Over 3-5 years
- State of Oregon and University funding
- Partnerships with private and public telecommunications companies


Regional Research and Education Networks in the United States
PNWGP
Seattle
Anchorage
Portland
NERO
LINK OREGON
Boise
IRON
MUREN
Bozeman
WRN
NORTHERN TIER - ND
Fargo
NORTHERN LIGHTS
SD-REED
Minneapolis
WISCNET
Sioux Falls
Madison
Milwaukee
MERIT
Detroit
BOREAS
Des Moines
NETWORK NEBRASKA
Omaha
Chicago
Toledo
Salt Lake City
Denver
FRGP
UETN
ICN
I-LIGHT
Indianapolis
Columbus
Pittsburgh
3ROX
KINBER
NYSERNET
NEREN
NIEDGE
Philadelphia
Baltimore
MAX
MDREN
Washington
CAAREN
WVNET
Charleston
INDIANA GIGAPOP
OARNET
Kansas City
St. Louis
KANREN
Louisville
MORENET
KYRON
MARIA
Sunnyvale
CENIC
Tulsa
ONENET
Nashville
Raleigh
NCREN
ARE-ON
Albuquerque
SUN CORRIDOR
Phoenix
UNM|ABQ
Los Angeles
Little Rock
SOX
C-LIGHT
Atlanta
Oahu
Dallas
Jackson
MISSION
Birmingham
LEARN
LONI
Baton Rouge
El Paso
Jacksonville
FLR
Inter-Network Topology
Intra-Network Topology
THE QUILT
Quilt Members and Affiliates
3ROX
UNM ABQ
ARE-ON
Light
CAAREN
CENIC
FLR
GPN
I-Light
GigaPOP
KINBER
KyRON
LEARN
LONI
MAX
MREN
merit
MOREnet
NCREN
NERO
NETWORKMAINE
NJEdge
Northern Lights
NOX
OARnet
OneNet
OSHEAN
PACIFIC WAVE
GIGAPOP
SoX
WiscNet
NET

Connecting Oregon to the world



Questions?

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Agenda Item #4

PhD in Planning and Public Affairs

The UO seeks approval from the Board of Trustees' for a new PhD in Planning and Public Affairs, offered through the School of Planning, Public Policy and Management. The new program would take effect fall 2020.

Board approval is required before this new program is submitted to the Higher Education Coordinating Commission (HECC), and the Executive and Audit Committee may act on behalf of the Board when appropriate. (Normally such approvals run through the Academic and Student Affairs Committee, which is not meeting spring quarterly 2020.)

The below information is provided by the School and the Office of the Provost. All appropriate University committees, the University Senate, and the Provost have approved the proposed program. Detailed information (e.g., associated coursework, exam schedules and degree obtainment progression timelines) as provided to these bodies, and which will be provided to the HECC, is available upon request.

---

1. ***Describe the purpose and relationship of the proposed program to the institution's mission and strategic plan.***

   The mission of the University of Oregon emphasizes a commitment to exceptional teaching, discovery, and service. Our mission statement notes: "We work at a human scale to generate big ideas."

   Research in the School of PPPM epitomizes the concept of working at a human scale to generate big ideas. The PhD in Planning and Public Affairs is designed to train faculty for research and teaching in one of three professional academic disciplines:

   - Community and Regional Planning
   - Public Policy / Public Administration
   - Nonprofit and Arts Management

   PPPM faculty are engaged in research addressing critical issues facing society today, and the PhD program will be organized around three research groups that build on existing strengths that are also cutting-edge research areas:

   - UrbanismNext: sustainable transportation in the face of dramatic changes in mobility, autonomous vehicles, e-commerce, and ridesharing
   - Access and Equity: whether policies such as housing and economic development are considering equity and promoting access by underrepresented communities
   - Philanthropy and Social Enterprise: how emerging trends in philanthropy and social entrepreneurship are affecting the nonprofit sector

   This proposal also addresses two of the UO's institutional priorities:

- *Enhance the impact of research, scholarship, creative inquiry, and graduate education*: the additional hires in the School of PPPM are leading to the creation of three research groups that will increase research productivity, attract new doctoral students, and offer advanced coursework options for Masters students. We also expect advanced doctoral students to be able to offer seminars and courses for our increasing number of undergraduate majors and minors.
- *Attract and retain high quality, diverse students, faculty, and staff*: Developing research groups creates a higher quality environment for faculty and students to conduct their research. The research groups were chosen based on (1) emerging issues where PPPM and the UO currently have strengths; and (2) areas where we have the potential to become national leaders. Diversity has been a long term hiring strategy of the School of PPPM, and we currently have 9 female and 9 male faculty; 3 Latinx faculty, and 3 Asian/Southeast Asian faculty. Our faculty diversity will help in recruiting diverse students. We believe the topic area of Access and Equity will also help attract future diverse faculty and students.

2. What evidence of need does the institution have for the program?

There is not good comprehensive data on the specific demand within the subdisciplines identified for these programs. When developing the PhD program proposal we reviewed 42 planning, policy and nonprofit programs to identify areas of overlap and gaps. We have also been monitoring the academic job market over the past several years at our national conferences to identify some of fields that are consistently hiring.

In making the final decisions about which three research concentrations to choose for the PhD program, the market demand for graduates of the program were one of the deciding factors. All three of our areas have seen sustained demand in the academic job market. Furthermore, all three areas have strong potential for non-academic job opportunities for graduates working for agencies, think-tanks, consulting firms and research organizations.

3. Are there similar programs in the state? If so, how does the proposed program supplement, complement, or collaborate with those programs?

Oregon State University and Portland State University both have PhD programs. However, the specific research areas proposed for this program do not directly overlap with these areas. There is also potential that our research groups could lead to increased collaboration with researchers at these institutions. The scope for recruiting students will be national or international and we do not expect it will directly compete with either university.

University	Degree	Areas of Concentration
Oregon State University	PhD in Public Policy	Areas of concentration include: Energy Policy; Environmental Policy; International Policy; Law, Crime, and Policy; Rural Policy; Science and

		Technology; Policy; and Social Policy
Portland State University	PhD in Urban Studies or Urban Studies: Regional Science	Students choose two specializations: Planning, Community Development, Economic Development, Environment, Gerontology, Social Demography, Transportation, Urban Economic and Spatial Structure, History and Theory of Urban Studies, Sociology and Politics of Urban Life For Regional Science PhD: specializations will include either Transportation or Economic Development plus research/coursework on Regional Science
Portland State University	PhD in Public Affairs and Policy	The curriculum of the Ph.D. program focuses on governance and the integrated study of political, administrative, and policy processes in the public sector.

4. ***What new resources will be needed initially and on a recurring basis to implement the program? How will the institution provide these resources? What efficiencies or revenue enhancements are achieved with this program, including consolidation or elimination of programs over time, if any?***

Faculty: The PPPM undergraduate and graduate programs expanded significantly over the past 10 years and we have been working to catch up through tenure track hiring. As a result of this expansion and the intent to introduce a PhD program, the School of PPPM was successful in hiring three new faculty in 2018. One faculty member does work related to the UrbanismNext research group. The other two faculty do research related to Access and Equity. To fully support the Philanthropy and Social Enterprise research group, we believe it will be important to hire at least one additional faculty member in this area. This faculty member would also help support the strong demand for nonprofit classes in our undergraduate and Masters program. We expect to compete for future hires in this area through the Institutional Hiring Plan process.

Staff: The School of PPPM is hiring an additional staff person in 2019 to address increased need for student services, which was funded by a graduate tuition increase. This position will also help support the PhD program. However, given the size of the program and the gradual build-up, the demands on this position will be relatively small. The School is working to integrate activities with the Institute for Policy Research and Engagement and the Sustainable Cities Institute. These institutes are critical infrastructure to supporting the research groups.

Students: The College of Design is committed to fully funding the PPPM PhD program. They have been reallocating Graduate Employee positions internally to support doctoral programs across all of the Schools and Departments. The College and School also intend to compete for additional UO doctoral GE positions. Finally, based on our record of grant-funded research, we believe we will be able to support a

portion of doctoral students through external grants

Facilities: The School and its affiliated Institutes are currently spread across three buildings and two basement spaces. In summer 2019, the School of PPPM, IPRE and SCI will all consolidate into Hendricks Hall by expanding into the space being vacated by the UO Career Center (which is moving to Tykeson Hall). All of these same units have been incorporated into the plans for the new Environment and Society building being planned for the center of campus. The PhD program student count has been factored into the office planning for this building.

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

Resolution: Program Approval – PhD in Planning and Public Affairs

Whereas, the University of Oregon (University) benefits from a cross-section of high quality, well-designed academic degree programs;

Whereas, the College of Design wishes to offer a PhD level program in Planning and Public Affairs through the School of Planning, Public Policy and Management;

Whereas, the proposed program is part of providing broad-based graduate educational opportunities;

Whereas, the program has been approved by the School, the College, relevant academic committees, and the University Senate; and,

Whereas, Section 4.3 of the Policy on Retention and Delegation of Authority authorizes the Executive and Audit Committee to act on behalf of the Board of Trustees when appropriate.

> Now, therefore, the Academic and Student Affairs Committee of the Board of Trustees of the University of Oregon hereby approves the School of Planning, Public Policy and Management's new **PhD in Planning and Public Affairs** as proposed in the provided documentation.

Moved: _____

Seconded: _____

Trustee	**Yes**	**No**
Bragdon		
Ford		
Kari		
Lillis		
Ralph		
Wilcox		

Dated: _____

Recorded: _____