



## The Board of Trustees of Oregon State University

### Regular Meeting of the Executive & Audit Committee

May 31, 2018

Horizon Room, Memorial Union  
Corvallis, Oregon

### MINUTES

**Committee Members Present:** Patty Bedient, Rani Borkar (*chair*), Darry Callahan (*vice chair*), Paul Kelly, Kirk Schueler, and Ed Ray (*ex officio*)

**Other Trustees Present:** Mike Bailey, Mark Baldwin, Michele Longo Eder, Julie Manning, Preston Pulliams, and Mike Thorne

**University Staff Present:** Ron Adams, Jennifer Almquist, Lois Brooks, Susan Capalbo, Debbie Colbert, Jon Dolan, Ed Feser, Becca Gose, Mike Green, Cindy Sagers, Lauren Skousen, Patti Snopkowski, and Suzy Tannenbaum

#### 1. Call to Order/Roll/Declaration of a Quorum

Committee Chair Rani Borkar called the meeting to order at 8:07 a.m., asked the assistant board secretary to call the roll, and noted a quorum.

#### 2. Consent Agenda

##### a. Minutes of the April 5, 2018 Executive & Audit Committee Meeting

A motion was made and seconded to approve the minutes of the April 5, 2018, Executive & Audit Committee meeting. The motion carried.

#### 3. Action Item

##### a. Office of Audit Services Progress Report

Borkar asked Chief Audit Executive Patti Snopkowski to present this item. Snopkowski first reported on the annual audit of the OSU athletics compliance function, which was performed by a national expert retained by the Office of Audit Services (OAS). Snopkowski said that while she typically only shares with the committee a memo outlining the audit results, she had included additional detail on internal control metrics to demonstrate the complexity of the rules and level of responsiveness of the OSU Athletics staff. Trustee Darry Callahan thanked her for the additional information and said he was impressed with the breadth and depth of the review. Next, Snopkowski presented OAS engagements in progress. In particular, she noted the focus on the university's research enterprise as a result of the increase in awards. This includes an incurred cost audit by the National Science Foundation Office of the Inspector General, which Snopkowski said is something the agency has done at many other research intensive universities across the country. Lastly, Snopkowski said the OAS is on target with the 2018 audit plan. She said this was largely due to several successful hires, and she introduced two new OAS employees. Following the presentation, Borkar thanked Snopkowski for the report and for her attention to detail. A motion was made and seconded to approve the May 2018 Office of Audit Services progress report. The motion

carried.

**b. FY2016-2020 Presidential Employment Agreement Amendment**

Borkar asked Callahan to introduce this item. Callahan reminded trustees that in May 2015, the Board approved a five-year employment agreement with President Ed Ray covering fiscal years 2016 through 2020. At Borkar's request, Callahan and Ray met to review the current contract for accuracy and anticipate any changes needed in advance of its end date. Callahan provided an overview of the amendment to the Employment Agreement and Notice of Appointment developed following that review. He said that changes to Section 2.0 clarify rights and privileges should Ray elect to return to the faculty at the end of his employment agreement. Sections 5.4 and 5.5 also clarify items related to salary and benefits at the end of the contract. Modifications also include an update to reflect Ray's current salary and a clarification in terminology. In response to a question by Trustee Kirk Schueler, Callahan said that he was proposing to insert the statement, "During sabbatical and upon retirement" before the underlined text shown in TAB C, Attachment 1, section 5.4 because it was missed when the amendment was drafted. Referencing a statement in section 2.0, Trustee Paul Kelly asked about conditions for termination of employment. Board Secretary Debbie Colbert noted that the amendment only presented proposed changes and that the full employment agreement outlined conditions for termination. General Counsel Becca Gose added that the appointment as president is independent of academic rank and termination of employment as president would not automatically eliminate eligibility for continuation of an academic, tenure-related appointment or appointment to a fixed-term professional appointment. She said that she would conduct further research to determine whether additional clarification was needed, but the question should not preclude the committee from taking action. Kelly asked about the change in section 5.3 to replace the phrase "deferred compensation" with "annual supplemental retirement contributions." Callahan said this was done to clarify that the contribution is made annually, and Colbert noted that "supplemental retirement contributions" is the more appropriate terminology. Kelly also asked about the removal in section 5.5 of the condition that Ray return to the faculty at the conclusion of his sabbatical leave. Borkar noted that while faculty are eligible to use sabbatical leave during their appointment, Ray accrues 1.7 months of sabbatical leave for each contract year of service he has completed as president to be taken at the conclusion of his service as president. Because the condition regarding use of the leave is included in the employment agreement, it is not necessary to stipulate a return to a faculty appointment at the conclusion of the sabbatical leave. Following the discussion, a motion was made and seconded to recommend to the Board approval of the amendment of the Employment Agreement and Notice of Appointment as provided in Attachment 1 and inserting "During sabbatical and upon retirement" in section 5.4. The motion carried. Following the vote, Callahan added that he has asked Colbert to prepare a process for the Board to award the title of presidential emeritus, which she will present at the next meeting.

**4. Education/Discussion Item**

**a. IT Security, including risk management report**

Borkar asked Provost and Executive Vice President Ed Feser, Vice Provost for Information Services Lois Brooks, and Associate Provost for Information Services Jon Dolan to present this item. Feser thanked the committee for the opportunity to continue

the conversation about IT security. He then shared that Brooks had accepted a position at University of Wisconsin–Madison and Dolan would be assuming the role of interim vice provost for information services while a national search was conducted. Brooks said the conversation would build on the previous meeting's discussion of cyber security. She added that Dolan had been coordinating implementation of the strategy and would be leading the discussion. Dolan began with an overview of the main elements of the university's cyber security strategy, including ensuring institutional compliance, evaluating core systems against industry standards, and improving cyber security management practice. He said the university is in the process of re-evaluating its current approach. Dolan spoke about the unique IT security challenges and threats that higher education faces because the user base is constantly changing and the environment is profoundly decentralized. In developing its strategy, the university uses an information security maturity model. Dolan said that when IT security was first identified as a top risk, the university was at the initial level of maturity and has since progressed toward the middle of the model by such actions as defining policies and processes and working to improve user awareness. He added that moving to a level where the university can effectively manage institutional risk is a time-intensive process, but it is important because it reflects that the university takes seriously the management of risk. Borkar asked about the evolving engagement of users, particularly in the higher education environment. Dolan said that as the organization matures it moves from raising user awareness to establishing user accountability, adding that best practices indicate that investing in user awareness and training offers the greatest return. In response to a question by Trustee Patty Bedient about what will be needed for the organization to continue to mature, Dolan noted the importance of establishing a risk aware culture and accountability across the entire university. Next, Dolan spoke about recent improvements, including two-factor authentication and required training for employees. Trustee Mike Bailey asked about the status of training for employees, and Dolan said that the module on information security was included in the first phase of the rollout of critical employee training. In response to a question by Bedient about the deployment of two-factor authentication, Dolan said it is required to access certain financial records and will be added in front of other critical processes. It is presently available as an optional feature to anyone with an OSU account. Lastly, Dolan spoke about the network security audit and the findings indicating the need to evaluate current information security leadership and organizational structure, develop firewall management procedures and responsibilities, and engage an outside subject-matter expert in developing a network security strategy. Brooks added that she and Dolan were also engaging the university's compliance committee to address cyber security more broadly. Callahan asked about the anticipated timeline for responding to the findings, and Dolan said he expected to make progress in each area over the course of the year.

**b. All Hazards Planning, including risk management report**

Borkar asked Vice President of Finance & Administration Mike Green and Director of Public Safety Suzy Tannenbaum to present this item. Green began by stating that the safety of the Oregon State community is the university's top priority. This commitment requires continuous review of the university's all hazard planning efforts and evaluation of the response by the Department of Public Safety (DPS) to a range of incidents. Green reported that he had engaged an outside firm to evaluate and review the university's public safety program given the university's recent growth and changes nationally to the threat environment. He said the review is near completion, and he will share the findings and planned actions at a future meeting. Green noted that the need has already been identified, with Tannenbaum's assistance, to improve staffing levels to bolster the

university's public safety program. This is not in response to specific concerns; rather, it is part of the university's proactive efforts to maintain effective programs. Green added that Oregon State University was recently ranked the number one safest campus in the United States, but continual review and evaluation is needed to mitigate risk.

Next, Tannenbaum provided an update on the Emergency Operation Plan (EOP), which was accepted and signed in 2016. The EOP guides the university's all hazard emergency response and provides a broad framework and direction for the highly trained Incident Management Team (IMT). However, the campus as a whole found the specialized language of the initial plan confusing. Tannenbaum said that a revised plan that advises the campus in plain language on how to respond to a wide range of events was adopted in April 2018. The new plan directs people to contact DPS directly for all incidents and emergencies. She said the increased staffing noted by Green helped improve the department's ability to respond effectively, adding that they were now working toward 24-hour supervision and double coverage for dispatch. Identifying DPS as the first point of contact streamlines the response process and makes it possible for the department to triage incidents. Tannenbaum said that, in the event of an emergency incident, DPS will direct and advise the Situational Assessment Team, which will activate the IMT as needed. Lastly, Tannenbaum spoke about continued training on emergency protocols, including baseline trainings for OSU emergency personnel and members of the IMT and outreach communications to all students and employees of proper procedures in emergencies. Borkar asked about the 2017 survey of students and employees regarding plans, protocols, and training drills, and Tannenbaum said that Emergency Management is developing programs tailored to address issues revealed by the survey and plans to conduct another survey in 2018. Trustee Preston Pulliams asked about the role of Oregon State Police, and Tannenbaum said they provide law enforcement on campus. Trustees also discussed the number and role of dispatchers and how to reach dispatch.

**c. Succession Planning**

Borkar introduced this item by noting that it would be the start of a longer-term conversation about succession planning, with the initial conversation focused on succession planning for the Board and future discussions aimed at learning more about the university's strategies for internal succession planning. She reflected on her recent attendance at the national conference on trusteeship, noting that while she identified many areas in which the university is doing well, she was left with a clear sense of needing to be intentional in planning for the future. This includes thinking about the longer horizon of trustee appointments and identifying strategies to ensure the continued effectiveness of the board. Colbert reminded trustees of the Board's policy for nominating candidates, which sets out the process of identifying and recommending candidates to fill vacancies of at-large positions on the Board and sets the framework for seeking a balance of perspectives, backgrounds, experiences, and skills among board members. She then described the process for implementing the policy, which includes using a talent inventory based on the criteria in the policy that supports the Board's needs assessment as it looks to fill vacancies. While this approach works well to fill individual vacancies, the Board also needs to consider overall composition across multiple cycles. For example, Colbert noted that there are nine positions with terms ending in 2019 and five with terms ending in 2021. While the trustees with terms expiring in 2019 will be eligible for reappointment, only one will again be eligible in 2023. She said it is important to begin planning now for these

transitions, particularly with regard to preparing trustees to assume leadership positions. In response to a question from Schueler about staggering appointments, Colbert noted that one of the challenges is that a person filling an unexpected vacancy must complete the unexpired term rather than beginning their own term of service. Pulliams asked how people express interest in serving on the Board, and Colbert said that there is not presently a formal process to accept self-nominations. However, she said that when a vacancy is anticipated, she works with partners to solicit recommendations, which she retains for future consideration. Trustee Julie Manning noted the various board and councils across the university and suggested that those groups may also be a source of ideas for potential members of the Board of Trustees. Trustee Mark Baldwin said that for the non-faculty employee trustee position the classified employee union solicits nominations and puts the vote to the membership. Ray stressed the importance of continuing to maintain a balance among trustees and ensure that membership reflect a range of backgrounds, skills, and experiences. Bedient added that it would also be important to assess each nominee's level of commitment given that Board membership involves work and not simply operating in an advisory capacity. Borkar thanked trustees for their feedback and said that the next steps would be to include in the Board's annual survey questions about trustee background and skills to help update the talent worksheet and to look at scenarios of appointment cycles, committee membership, and other timelines to flag key areas for follow-up.

**5. Other business**

Colbert introduced Lauren Skousen, who recently joined the Office of the Board of Trustees as the Executive Assistant. Colbert also proposed scheduling a telephonic meeting in July of either the Executive & Audit Committee or the full Board in order to take action on several items.

**6. Adjournment**

With no further business proposed, Chair Borkar adjourned the meeting at 9:52 a.m.

Respectfully submitted,



Jennifer M. Almquist  
Assistant Board Secretary