



MINUTES

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

Other Trustees Present: Mike Bailey, Julia Brim-Edwards (*phone*), Julie Manning, Preston Pulliams, and Mike Thorne

University Staff Present: Charlene Alexander, Jennifer Almquist, Steve Clark, Debbie Colbert, Ed Feser, Becca Gose, Mike Green, Julee Otter, Lauren Skousen, Patti Snopkowski, and Irem Tumer

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

Committee Vice Chair Kirk Schueler called the meeting to order at 8:02 am, asked the assistant board secretary to call the roll, and noted a quorum.

2. Consent Agenda

a. Minutes of the October 17, 2019 Executive & Audit Committee Meeting

A motion was made and seconded to approve the minutes of the October 17, 2019, Executive & Audit Committee meeting. The motion carried.

3. Action Items

a. Conduct of Board Meetings Policy Amendments

Schueler asked Board Secretary Debbie Colbert and Vice President and Chief Diversity Officer Charlene Alexander to present this item. Colbert reminded trustees of the public comments received from several students earlier in the year advocating for the Board's adoption of a land acknowledgement at meetings. She shared that in response to those comments trustees embarked on a series of events with tribal leaders and OSU faculty, students, and staff to deepen their understanding of the practice of land acknowledgements and the history of Indigenous communities in Oregon.

Alexander complimented the Board for taking steps to better understand the history of the land and suffering of Native Peoples on whose lands the university resides. She noted that OSU has started the practice of land acknowledgement as a way to recognize the history and pay respect to Indigenous peoples. Colbert added that the Associated Student of OSU have also adopted the practice of land acknowledgements at their events.

Colbert noted that the proposed amendments to the Conduct of Board Meetings Policy do not specify the language to be used in the land acknowledgement. This flexibility allows the Board to work with the Office of Institutional Diversity to appropriately tailor the acknowledgement to the location of the meeting. Colbert also noted that the meeting conduct described in the policy has generally been

applied to committee meetings as well so, if the amendments are approved, then the land acknowledgment would occur at the start of Board meetings and at the start of the first committee meeting each day.

In response to a question from Trustee Paul Kelly, Colbert clarified that, if the amendments are approved by the Board, the Board would begin making a land acknowledgement at the April meetings. Trustee Darry Callahan expressed his support for adopting the land acknowledgement practice. He reflected on the erasure of Native American experiences in what is taught in history and how much he had learned from the Board's recent events and the book provided to the trustees by a tribal leader. Trustee Patty Bedient voiced her support for this practice noting that while symbolic, broader societal changes start with awareness and that the Board's adoption of this practice will likely lead to greater understanding for others. Kelly shared his appreciation for the Board's deliberate approach to considering the acknowledgement and the opportunity it created for greater understanding.

A motion was made and seconded that the Executive & Audit Committee recommend to the Board that it adopt the resolution amending the Conduct of Board Meetings policy as provided in Attachment 1. The motion carried.

b. Election or Re-election of Board Officers

Schueler asked Callahan and Colbert to present the nominations for election of Board officers. Colbert introduced this item by reminding the committee that in even numbered years the Board considers the election and re-election of officers. She described the recent solicitation for nominations from trustees that resulted in a number of trustees nominating Trustee Rani Borkar for re-election as Board chair and Trustee Kirk Schueler as Board vice chair. Colbert shared that both of them expressed their willingness to continue to serve. Callahan remarked on the number of trustees that will cycle off the Board over the next four years and the need to be mindful of succession planning in leadership. Bedient acknowledged Borkar and Schueler for their leadership and thanked them for their willingness to continue to serve.

A motion was made and seconded to recommend to the Board re-election of Borkar as chair and Schueler as vice chair. The motion carried. Following the vote, Schueler said that he enjoyed serving as vice chair and working with Chair Borkar, and he expressed appreciation for the support of his fellow trustees.

c. Office of Audit, Risk and Compliance 2019 Final Progress Report & 2020 Annual Plan

Schueler asked Chief Audit, Risk and Compliance Executive Patti Snopkowski and Deputy Chief Audit, Risk and Compliance Executive Julee Otter to summarize the Office of Audit, Risk and Compliance (OARC) final progress report and plan for the upcoming year. Snopkowski mentioned the summary of 2019 activities included in the docket materials, noting that the committee heard about the compliance program activities in October 2019 and will hear about risk management in the next agenda item. She discussed performance metrics for the office and efforts to benchmark results against peer institutions, noting lessons learned during the past year and the focus on continuous improvement. Snopkowski summarized the reports issued during the fourth quarter of the year. Kelly remarked on the detailed amount of information provided in the NCAA

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Financial Statement Agreed-Upon Procedures and asked to what extent trustees should be tracking this information. Snopkowski said that the information is directed primarily to the president of the institution. Trustees receive the report as an informational item and then have the opportunity to ask questions. Bedient remarked on the amount of revenues from football and men's basketball that fund other sports, suggesting that this information might be shared more broadly with the public. Snopkowski described 2020 plans across the audit, compliance, and risk service areas. In response to a question from Trustee Julie Manning, she described the management theory behind the concept of informed decision-making and the tools and training being developed to support risk management throughout the university.

Next, Otter provided an overview of the 2019 complaint summary, which includes complaints through the hotline and directly to the office. She discussed the number of complaints received benchmarked to western peer institutions. Otter suggested that the higher number of complaints received at OSU may be due to the extensive outreach, awareness, and training conducted. Trustee Mike Bailey asked if the comparison with peers was normalized on a per capita basis. While the data was not normalized in this manner, Otter noted that the peer institutions selected have a similar enrollment level as OSU. Otter shared that complaints were received across all but two categories with human resources and financial misconduct as the categories receiving the largest number of complaints. She described the timeliness of responding to complaints, noting that the average time to resolution is 61 days. She noted that each complaint is assessed upon receipt and prioritized based on risk level with a majority identified as low to medium risk. Those identified as high risk were prioritized and responded to immediately. She described next steps for 2020, including updating the office website, expanding office outreach, and continuing training efforts.

A motion was made and seconded to recommend that the Executive & Audit Committee approve the Office of Audit, Risk and Compliance's 2019 Final Progress Report and 2020 Annual Plan. The motion carried.

4. Education/Discussion Item

a. Enterprise Risk Management

Schueler asked Snopkowski, Provost and Executive Vice President Ed Feser, and Vice President for Finance and Administration Mike Green to summarize the most recent risk review and the university enterprise risk management (ERM) program. Feser noted the many avenues used for gathering input to assess risk each year. Feser highlighted that the issues facing higher education are constantly changing and the ERM process is designed to adjust to shifting demographic trends and changing compliance and regulatory environments. He noted that, as part of the risk review, the university considers efforts underway through Strategic Plan 4.0 and across campus. When a topic is addressed through those types of efforts, it can come off the ERM list, leaving the focus on those risk areas not fully covered elsewhere.

Snopkowski noted that managing risk is everyone's responsibility and should be proactive. She noted how critical Strategic Plan 4.0 efforts are to the maturity of the ERM program at the university. She described the annual ERM planning effort, which includes scanning the higher education landscape, assessing progress over the past year, and re-examining the university environment. Snopkowski reviewed the current list of ERM risks and risks that were considered but not determined to be high risk given ongoing

operations and programs in place. She discussed the strategies used to address risk such as avoid, mitigate, insure, and accept, citing examples of each strategy. Snopkowski reviewed the risks proposed for 2020, noting risk areas continuing from the prior year and those adjusted to reflect a maturing understanding of the risk.

Manning inquired how students are trained on lab safety and whether it was through an online module. Feser responded that the training modality for students varies depending on the type of lab. Kelly expressed his support for the current list of risks, noting that the changes this year present a more comprehensive view of those risks. Kelly asked if the university looks at instances that occur at other universities and analyzes the potential for that risk to occur at OSU. Feser shared that those types of incidents are often the topics of university leadership conversations and with peers at national meetings.

Green briefly talked about next steps that are planned in addition to the regular reporting that occurs at the Board's committees. He described efforts to engage in risk management discussions across the university and to roll out tools and training that can be used for risk assessment at all levels of the organization. In response to a question from Callahan regarding risk aversion, Green talked about working with management teams with a focus on teachable, rather than punishable, moments. He talked about the opportunity to learn from instances when people make a reasonable choice but do not have a good outcome. President Ed Ray commented on the need for people to believe they can report concerns and be supported in making decisions with a focus on lessons learned when things do not go as expected. Manning noted similarity with the healthcare industry in terms of the need to support decision makers as an element of the culture. Bedient commended staff for conversations across the organization, remarking on how pleased she is to see this approach to risk being embedded across the organization. Schueler asked about how cost and cost avoidance is figured in to how the university manages risk. Green shared examples from the Ten-Year Business Forecast initiatives in which conversations are focused on risk, costs, and opportunity but recognized that there is opportunity to do more in this area. Schueler concluded by echoing Bedient's appreciation for how the university is integrating risk management across the university.

5. Adjournment

With no further business proposed, Schueler adjourned the meeting at 9:19 a.m.

Respectfully submitted,

Debbie Colbert
Board Secretary