



OSU Board of Trustees
Oregon State University
638 Kerr Administration Bldg
Corvallis, Oregon 97331-8655
P 541-737-3449
F 541-737-0712
oregonstate.edu

September 26, 2019

To: Executive & Audit Committee

From: Rani Borkar, Chair

Re: 2020 Executive & Audit Committee Work Plan and 2019 Board Assessment Results

At our October 17 committee meeting, we will discuss the topics for our calendar year 2020 work plan. As we think about our work next year, we start by reflecting on our responsibilities as a committee (Attachment 1) and the work we accomplished over this year (Attachment 2).

I am encouraged by the overall positive responses in the latest Board self-assessment survey regarding the committee (Attachment 3). Based on those results, as a starting place for our discussion, I am proposing that we carry forward our approach from this year into next year's work plan (Attachment 4). It would be helpful if you could come prepared at the October 17 meeting to speak to any gaps in our work plan or strategic topics related to our committee charter that we would like to pursue in the next year.

I appreciate the thoughtful contributions that each of you make to this committee and look forward to our discussion.



Oregon State University Executive & Audit Committee Charter

The Executive & Audit Committee is established. The Committee is empowered to act for the Board in the case of emergency between regular Board meetings and to assist the University in its oversight of the University's financial practices and standards of conduct, as provided in this policy.

The Committee shall have the following five voting members: the Chair of the Board, the Vice Chair of the Board, the Chair of the Academic Strategies Committee, the Chair of the Finance & Administration Committee, and one at-large member appointed from among the remaining trustees. The President is an ex-officio, non-voting member of the Executive and Audit Committee. The Chair of the Board is the Chair of the Executive & Audit Committee.

The Committee is empowered to act for the Board if the Committee determines an emergency exists between regular Board meetings on any matter except the following, which shall be reserved for the Board: (1) presidential hiring, evaluation and removal; (2) election of Board officers; (3) changes in the mission and purposes of the University; (4) amendments to the bylaws; (5) sale or purchase of real property; (6) condemnation of real property; (7) determination of tuition and mandatory enrollment fees; and (8) adoption of the University budget.

The Committee's areas of responsibility are to assist the Board in: (1) overseeing the institution's standards of conduct; (2) monitoring the University's internal control structure to ensure key risk, compliance, and regulatory requirements are met and (3) overseeing audit activities, including internal and external audits. As part of its responsibility to assist the Board in overseeing audit activities, the Committee is empowered to perform the following duties:

External Audit

- Review and approve the selection of the external audit firm hired to perform the annual financial statement and federal compliance audit; and
- Review and accept the annual external audit of the OSU financial statements and A-133 federal compliance procedures.

Internal Audit

- Annually review and approve the internal audit charter and organizational structure to confirm the Office of Audit, Risk and Compliance's organizational independence;
- Participate in the annual audit planning risk assessment process and approve the annual audit plan;
- At least four times a year on such dates as specified by the Committee Chair, review and approve audit reports detailing the results of recommendations and follow-up procedures and receive periodic reports as deemed necessary; and
- Approve the appointment or removal of the Chief Audit, Risk and Compliance Executive of the Office of Audit, Risk and Compliance, as recommended by the President.

October 17-18, 2019 Board of Trustees Meetings

In addition, the Committee is responsible for such other matters as may be referred to it by the Board.

The Committee has the authority, through its Chair or a majority vote of its voting members, to ask management to address specific issues within the mandate of the Committee, as well as the authority to engage independent legal counsel and other professional advisers to carry out its duties.

The Committee is responsible for making nominations to the Board for Board officers. The Committee is also responsible for conducting a needs assessment to guide the identification of potential candidates for vacant at-large positions on the Board and for reviewing the President's recommendations of candidates to forward to the Governor. The Committee is also responsible for reviewing elements of proposed presidential compensation and making recommendations to the Board. The Committee also reviews and makes recommendations to the Board regarding acceptance of the Board Chair's report on the President's annual and comprehensive assessments.

The Offices of the Secretary to the Board and the Chief Audit, Risk and Compliance Executive are responsible for providing staff support to the Committee.

Document History

- Adopted by the Board of Trustees January 9, 2014
- Amended March 13, 2014
- Amended July 18, 2014
- Amended October 20, 2017
- Amended January 18, 2019



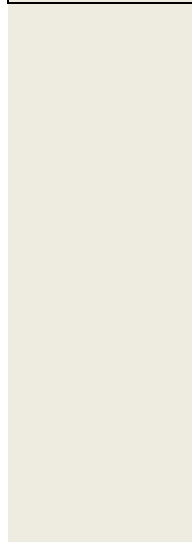
**Executive & Audit Committee
2019 Work Plan**
Approved Oct 25, 2018

Annotated to reflect work completed or
Scheduled to be completed at October 2019 Meeting (indicated with ✓),
Adjustments and additions (all shown in red)

Meeting Dates, 2019	Item	Link to Charter/ Policy
Jan 17, 2019	FY2018 Annual Financial Statements ✓ (joint meeting with Finance & Administration Committee)	Charter: Oversee audit activities
	Office of Audit, Risk and Compliance (OARC) 2018 Final Progress Report ✓ (Approve)	Charter: Oversee audit activities
	OARC 2019 Audit Plan ✓ (Approve)	Charter: Oversee audit activities
	Review of OARC Charter ✓ (Approve) <i>Approved amendments to charter at October 25, 2018 meeting</i>	Charter: Oversee audit activities
	Enterprise Risk Management ✓	Charter: Monitor risk
	Presidential Compensation Adjustment ✓ (Recommend to the Board)	Presidential Compensation Philosophy
Apr 4, 2019	OARC Audit Report, including comprehensive review of open audit recommendations and status ✓ (Approve)	Charter: Oversee audit activities
	IT Security, including risk management report ✓	Charter: Monitor compliance Matter referred to committee
	<i>Board Officers Policy Amendment ✓</i>	Bylaws: Maintain currency of governance policies and practices
May 30, 2019	OARC Audit Report ✓ (Approve)	Charter: Oversee audit activities
	All Hazards Planning, including risk management report ✓	Charter: Monitor compliance Matter referred to committee
Oct 17, 2019	OARC Audit Report ✓ (Approve)	Charter: Oversee audit activities
		Charter: Oversight of institution's standards of conduct

October 17-18, 2019 Board of Trustees Meetings

Meeting Dates, 2019	Item	Link to Charter/ Policy
	Annual Compliance & Ethics Program Report, including trends and emerging issues ✓	Charter: Ensure key risk, compliance, and regulatory requirements are met Charter: Oversight of institution's standards of conduct
	Board Chair's Report: FY2019 Presidential Performance Assessment ✓ (Recommend to Board)	Presidential Assessment Policy; Matter referred to committee
	Annual Review of Delegation of Authority ✓ (Recommend to Board) (Incorporated into Board's Annual Governance Refresher)	Annual review requirement for Delegation of Authority to the University
	Annual Committee Work Plan ✓ (Approve)	Board Officers Policy
	General Counsel Annual Report ✓	Charter: Ensure key risk, compliance, and regulatory requirements are met



**2019 Trustee Self-Assessment Survey:
Executive & Audit Committee**

Average Response to Questions (rating scale ranged from 1-strongly disagree to 5-strongly agree)

Criteria	Question	2015	2016	2017	2018	2019	Prior 4 Yr Average
Responsibilities/Performance	As a committee member, I have a clear understanding of the committee's role and responsibilities.	4.2	4.8	4.8	4.8	4.8	4.6
Responsibilities/Performance	Committee work is guided by a strategic and clearly articulated work plan.	4.0	4.8	4.8	4.3	4.8	4.5
Engagement	Committee members actively participate in discussions.	4.8	4.8	4.5	4.8	4.6	4.7
Culture/Relationships	Committee members listen to and value each other's comments.	4.4	4.6	5.0	5.0	4.8	4.8
Leadership	The leadership of the committee is effective.	4.8	4.6	4.8	4.6	4.8	4.7
Support	Committee meetings...Have agendas and materials that are distributed far enough in advance to give them adequate consideration.	4.6	4.4	4.5	4.8	4.6	4.6
Support	Committee meetings...Rely on written and presentation materials that provide the right type and amount of information and are clearly written.	4.4	4.6	4.8	4.6	4.8	4.6

October 17-18, 2019 Board of Trustees Meetings

Criteria	Question	2015	2016	2017	2018	2019	Prior 4 Yr Average
Support	Committee meetings...Are a good balance of information-sharing, discussion, decision-making, and committee education.	3.8	4.2	4.8	4.6	4.6	4.3
Support	Committee meetings...Allow enough time for the exchange of ideas and thoughtful deliberation.	4.5	4.7	4.3	4.4	4.2	4.5

Summary of 2019 Written Survey Comments

- Continue to balance between addressing current topics as well as strategic topics.



Executive & Audit Committee
2020 Work Plan
DRAFT

The Executive & Audit Committee work plan provides a general road map to ensure the Committee meets its charter obligations and responsibilities assigned in board policies.

Meeting Dates, 2020	Item	Link to Charter/ Policy
Jan 23, 2020	FY2019 Annual Financial Statements (joint meeting with Finance & Administration Committee)	Charter: Oversee audit activities
	Office of Audit, Risk and Compliance (OARC) 2019 Final Progress Report (Approve)	Charter: Oversee audit activities
	OARC 2020 Audit Plan (Approve)	Charter: Oversee audit activities
	Review of OARC Charter (Approve)	Charter: Oversee audit activities
	Enterprise Risk Management	Charter: Monitor risk
	Election or Re-election of Board Officers (Recommend to Board)	Linked to Board Officers Policy
Apr 2, 2020	OARC Audit Report, including comprehensive review of open audit recommendations and status (Approve)	Charter: Oversee audit activities
	IT Security, including risk management report	Charter: Monitor compliance Matter referred to committee
May 28, 2020	OARC Audit Report (Approve)	Charter: Oversee audit activities
	All Hazards Planning, including risk management report	Charter: Monitor compliance Matter referred to committee
Oct 15, 2020	OARC Audit Report (Approve)	Charter: Oversee audit activities Charter: Oversight of institution's standards of conduct
	Annual Compliance & Ethics Program Report, including trends and emerging issues	Charter: Ensure key risk, compliance, and regulatory requirements are met Charter: Oversight of institution's standards of conduct
	Board Chair's Report: Consideration of President's FY2021 Goals (Recommend to Board)	Presidential Assessment Policy; Matter referred to committee

October 17-18, 2019 Board of Trustees Meetings

Meeting Dates, 2020	Item	Link to Charter/ Policy
	Annual Committee Work Plan (Approve)	Board Officers Policy
	General Counsel Annual Report	Charter: Ensure key risk, compliance, and regulatory requirements are met