



Oregon State
University

The Board of Trustees of Oregon State University

Regular Meeting of the Executive & Audit Committee

March 16, 2017
Horizon Room, Memorial Union
Corvallis, Oregon

MINUTES

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

Other Trustees Present: Mike Bailey, Mark Baldwin, Michele Longo Eder, Brett Morgan, Laura Naumes, and Preston Pulliams

University Staff Present: Ron Adams, Jennifer Almquist, Susan Capalbo, Steve Clark, Debbie Colbert, Ed Feser, Becca Gose, Mike Green, Susana Rivera-Mills, Cindy Sagers, Clay Simmons, Patti Snopkowski, and Marcia Stuart

Guests: Lois Brooks (*vice provost for information services*) and Jon Dolan (*assistant vice provost for information services*)

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

Committee Chair Pat Reser called the meeting to order at 8:04 a.m., asked the assistant board secretary to call the role, and noted a quorum.

2. Consent Agenda

- a. **Minutes of the January 19, 2017 Executive & Audit Committee Meeting**
- b. **Minutes of the January 19, 2017 Joint Meeting of the Executive & Audit and Finance & Administration Committees**

On a motion made and seconded, the committee approved the items on the consent agenda.

3. Education/Discussion Item

a. **Risk Management Report – IT Security**

Reser reminded the committee that IT security is one of the risks identified by the university and assigned to the Executive & Audit Committee for oversight. She then welcomed Vice Provost for Information Services Lois Brooks and Assistant Vice Provost Jon Dolan to present the risk management report.

Brooks began with an overview of the state of security. She stated that security can be compromised either when data is let out or when someone breaks in, noting that the university is subject to approximately 16.5 million break-in attempts per day. Whenever security is compromised, the mitigation and repair costs are significant as is the reputational damage. Additionally, security breaches may lead to business disruption, legal action, and personal harm. Brooks provided several examples of recent data breaches at other institutions of higher education, noting the associated recovery and repair requires reallocation of funds that are then no longer available for other

institutional initiatives. She added that higher education is uniquely “hackable” as a result of the emphasis on academic freedom and collaboration with other institutions and industry partners; encouragement of students to create a technology environment that meets their needs, but which is often difficult to protect; reliance on custom systems across autonomous units; variation in security literacy; and the need to work from any location.

Next, Brooks provided a summary of OSU’s “security profile,” noting that different types of technology carry varying degrees of risk. The factors used to assess security as part of a 2015 audit of the university’s entire IT system. Brooks shared that, when the rubric was applied again in 2016, many of the most high-risk areas had been moved to medium- to low-risk. The priorities that emerged as part of the 2016 audit included improving scanning and notification, enhancing data encryption, detecting rogue wireless networks more effectively, and moving web infrastructure into a public cloud. Brooks stated this movement to web infrastructure was intended to help the university be better prepared to continue essential communications in the event of a natural disaster. She added that her staff are also ramping up efforts to increase awareness and provide training to members of the OSU community.

Following the required security report, Dolan spoke to disaster recovery efforts. He stated that recent efforts include upgrading Banner, increasing redundancy, enhancing the ability to be resilient in the event of a natural disaster, and building a foundation for good network connectivity in Bend. This “Bend Strategy” is an important component of overall system resilience, and Dolan added that the movement of data to the cloud, as mentioned by Brooks, also contributes to greater resilience. Construction is also underway on the Corvallis campus to provide a second point of entry to the system to provide full network redundancy.

Next, Reser invited questions from the committee. Trustee Kirk Schueler remarked on the statistic about daily attacks and asked about the character and source of the attempted break-ins. Dolan stated that it is difficult to say who is attacking and from where, but he noted that a typical attack involves a network of machines that scan the network, look for vulnerabilities, and then try to exploit them. He added that many attempts appear to originate in China and Russia, and that often the phishing attempts look like legitimate communications. Brooks also noted that a system is compromised for 240 days, on average, before the breach is detected. In response to a question from Trustee Paul Kelly about indicators of security breaches, Dolan noted that it is common for a hacker to close the point at which they entered the system, which makes detection difficult. He added that IT professionals continue to improve their ability to identify when and where breaches have occurred. Brooks added that, once a compromise is identified, IT staff do a forensic follow up to address points of vulnerability.

In a response to a question by Trustee Mike Bailey, Dolan provided additional information about the cloud migration, noting that the daily backup includes components of OSU’s business enterprise system. Trustee Mark Baldwin remarked on the limited ability to backup all of OSU’s systems and asked whether there were plans to increase bandwidth. He also asked about the vulnerability of cloud services. Dolan noted that efforts to establish greater redundancy included efforts to increase bandwidth. He added that all systems have some vulnerability, but he stressed that cloud systems are more durable than physical backups, such as to tapes, and that OSU pays attention to the reputation of its cloud service providers.

Trustee Rani Borkar posed a question about how awareness and training continues to evolve alongside evolving technologies. Dolan described a two-pronged approach, which includes broad efforts to reach all users as well as direct engagements with priority departments that have unique data needs and systems. Brooks added that Information Services has worked with several departments to redefine business processes for how data is handled. President Ray also added that a focus is needed on improved system interoperability. When software systems across departments are unable to interface, it can be difficult to provide seamless support to students. Brooks stated that ensuring smoothness of movement between systems, both within OSU and externally, for example, with the community colleges, is an important component of retooling business processes. Both Ray and Brooks stressed the importance of state support for building high capacity networks to support higher education's research capabilities and for increasing resources available across K-20 entities.

Ray also noted that another component of information technology is the increased connectivity created through social media platforms. While this can have the benefit of greater connection and collaboration, he noted that conversations among higher education leaders at a recent American Council on Education meeting also turned to the worldwide exposure of what were previously more localized, campus-based conversations. For example, students at OSU are aware of activities at other campuses and in other parts of the world, and they may look to the university to be aware of and respond to these national conversations. Ray said that some institutions are hiring staff dedicated to monitoring social media, and Brooks added that a number of OSU offices are actively engaged in such efforts. Vice President for University Relations and Marketing Steve Clark added that monitoring can be time-consuming, but it is essential to the ability for OSU to be prepared. For example, examining changes in social media can be an important tool for threat assessment, and, while it is impossible to manage everything, it is important to be aware of what is happening in this realm.

4. Action Items

a. Office of Audit Services Progress Report

Reser asked Chief Audit Executive Patti Snopkowski to report on the activities of the Office of Audit Services since the last committee meeting. Snopkowski commented on the timeliness of the IT security report, noting that the OAS will continue to review IT security processes as we re-evaluate the top university risk management topics in the upcoming year. Snopkowski then directed trustees to TAB D for a summary of activity over the last quarter. She provided a brief overview of the reports that were issued, which included two that will improve IT processes and procurement. Additionally, the OAS issued a report related to Title IX compliance, which Snopkowski said resulted in the conclusion that no policy violations occurred but did identify opportunities for improved processes. Finally, the OAS issued a report on 2016 OSU Athletics Football Attendance Certification, noting OSU attendance complies with NCAA rules.

Next, Snopkowski provided an overview of follow-up on recommendations due per action plans. She noted 16 recommendations required follow up in the past six months, and that ten have been fully implemented and six are past due. Those past due have action plans to achieve full implementation by June 30, 2017, and an update on those completed actions will be included in the OAS October 2017 progress report.

Snopkowski then reviewed the last section of the report, which highlights current activity, noting that the OAS is currently on target to complete the 2017 audit plan approved by the committee in January. Trustees posed questions about the two contracted audits, and Snopkowski stated that the OAS works with contractors when either they do not have sufficient expertise on a topic or when they do not have the bandwidth. In these instances, it is more cost effective to contract with subject matter experts, but Snopkowski stated that the OAS does quality assurance on all contracts. Conversations also noted the potential for unplanned requests for audit services, which Snopkowski said were common when new leaders joined the university.

Following the reports and discussion, a motion was made and seconded to approve the Office of Audit Services March 2017 progress report. The motion carried.

b. Statement of Mission, Principles & Core Values

Reser reminded the committee that they had discussed the statement at their January meeting and had worked with staff to propose edits. She then asked Provost and Executive Vice President Ed Feser and Senior Advisor to the President for Strategic Initiatives Ron Adams to provide an overview of the changes made since the last meeting.

Adams said that staff had worked on revisions to reflect the discussion held in January, directing the committee to a revised version in TAB E, Attachment 1. He noted that changes included making statements more declarative and direct and making the statement longer-term and forward looking. Adams also pointed to revisions to the statement about integrity, which move beyond a compliance focus to one in which OSU is an exemplar.

Following the summary by Adams and Feser, Reser invited discussion, reminding the committee that many elements of the statement were derived from “last thoughts” shared by trustees at the conclusion of Board meetings. In this regard, the statement emerged organically and reflected a desire to formally document the Board’s principles and values. Following a brief discussion, a motion was made and seconded to recommend to the Board adoption of the statement of mission, principles, and core values provided in Attachment 1.

c. Handling Written Comments Submitted in Advance of Board Meetings

Reser directed the committee’s attention to TAB F for proposed amendments to the Board’s policy for conducting its meetings. She noted that the policy was adopted two years ago, and, since that time, the Board had been in a process of continual learning. As the Board has gained experience, practices have evolved.

Reser then asked Board Secretary Debbie Colbert to present this item. Colbert stated that the Board’s policy for conducting Board meetings presently offered no guidance for how staff should handle written comments. This became particularly relevant leading up to the January 2017 meeting as the Board Office received a high volume of written comments. Lacking formal guidance, staff researched practices employed by counterparts and decided to batch comments and share them electronically with trustees. Colbert stated that the action before the committee would both provide clear guidance to staff and would also make transparent to the public the process for

submitting written materials. She noted that the proposed guidance sets practical constraints, serves as notice to the public that their comments will become part of the public record, and documents the process for consultation between staff and the Board Chair on how to handle submissions on a case-by-case basis.

Colbert added that revising the policy for conducting Board meetings also presented an opportunity to formally revise the guidance to reflect how the Board's practices have evolved over time. This includes documenting the process for asking commenters to provide an email address to facilitate follow-up by staff and changing the order of meetings to move public comments to a time likely to be more accessible. Bailey acknowledged the importance of altering the time for public comments and also expressed concern about holding Board meetings during the last week of classes. Colbert stated that staff will present a proposed 2018 calendar for discussion in June, adding that the development of the meeting schedule includes an extensive process of considering the academic calendar, holidays, and other potential conflicts as well as times at which a quorum will be present.

In response to a question by Schueler about the recommended page limit for comments, Colbert stated that the intent was to encourage commenters to be concise but that staff did not intend to edit submissions. Bailey asked about the process for handling comments submitted between meetings, and Colbert clarified those would be considered general correspondence. In such instances, Colbert consults with the Chair to develop a response.

Trustees thanked staff for their work on this item, and Borkar pointed to the revisions as a good example of continuous learning on part of the Board. A motion was made and seconded to recommend to the Board that it adopt the resolution amending the Conduct of Board Meeting policy as provided in Attachment 1. The motion passed.

5. Adjournment

With no further business proposed, Chair Reser adjourned the meeting at 9:15 a.m.

Respectfully submitted,

Jennifer M. Almquist
Assistant Board Secretary