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October 6, 2017

To: Executive & Audit Committee

From: Rani Borkar

Re: 2018 Executive & Audit Committee Work Plan and 2017 Board Assessment Results

At our October 19 Committee meeting, we will discuss the topics and focus areas for our work plan in 2018.

The following attachments are provided to support the discussion:

- A proposed 2018 work plan for the committee (Attachment 1),
- A summary of results and feedback from the most recent Board Self-Assessment Survey related to our committee (Attachment 2),
- An annotated 2017 work plan showing the work completed to date (Attachment 3), and
- The committee's charter (Attachment 4).

As you review the draft 2018 work plan, here are few questions to consider in advance of our discussion:

- Are there other strategic issues the committee should focus on in support of its charter responsibilities?
- Is the plan "do-able" over the course of the committee's meetings and at the level of engagement desired by trustees?
- Is it crafted in a way that maximizes the engagement of committee members? Is it responsive to trustee feedback?

I look forward to our discussion and thank you for your continued engagement and diligence as committee members.

**Executive & Audit Committee
2018 Work Plan**

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.

Work Plan Items

Meeting Dates, 2018	Item	Link to Charter/ Policy
Jan 18, 2018	FY2017 Annual Financial Statements (joint meeting with Finance & Administration Committee)	Charter: Oversee audit activities
	Office of Audit Services (OAS) 2017 Final Progress Report (Approve)	Charter: Oversee audit activities
	OAS 2018 Audit Plan (Approve)	Charter: Oversee audit activities
	Review of OAS Charter (Approve)	Charter: Oversee audit activities
	Election or Re-election of Board Officers (Recommend to Board)	Linked to Board Officers Policy
	University Risk Management	Charter: Monitor risk
April 5, 2018	OAS 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 31, 2018	OAS Audit Report (Approve)	Charter: Oversee audit activities
	All Hazards Planning, including risk management report)	Charter: Monitor compliance Matter referred to committee
	Succession Planning	Matter referred to committee
Oct 11, 2018	OAS 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

Meeting Dates, 2018	Item	Link to Charter/ Policy
Oct 11, 2018 (cont.)	Board Chair’s Report: FY2018 Presidential Performance Assessment (Recommend to Board)	Presidential Assessment Policy; Matter referred to committee
	FY2016-2020 Presidential Employment Agreement Amendment (Recommend to Board)	Matter referred to committee
	Annual Review of Delegation of Authority (Recommend to Board)	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

**Board Assessment Survey:
Executive & Audit Committee**

Average Response

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

Criteria	Question	2015 Average Response	2016 Average Response	2017 Average Response
Responsibilities/ Performance	As a committee member, I have a clear understanding of the committee's role and responsibilities.	4.2	4.8	4.8
Responsibilities/ Performance	Committee work is guided by a strategic and clearly articulated work plan.	4.0	4.8	4.8
Engagement	Committee members actively participate in discussions.	4.8	4.8	4.5
Culture/ Relationships	Committee members listen to and value each other's comments.	4.4	4.6	5.0
Leadership	The leadership of the committee is effective.	4.8	4.6	4.8
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
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
Support	Committee meetings...Are a good balance of information-sharing, discussion, decision-making, and committee education.	3.8	4.2	4.8
Support	Committee meetings...Allow enough time for the exchange of ideas and thoughtful deliberation.	4.5	4.7	4.3

Summary of 2017 Written Survey Comments

There was only one written response related to the committee; the commenter expressed support for the way that the committee is currently running.

Executive & Audit Committee
2017 Work Plan
Annotated to Reflect
Work Completed, Adjustments, and Additions
(shown in red)

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.

Work Plan Items

Meeting Dates, 2017	Item	Link to Charter/ Policy
Jan 19, 2017	FY2016 Annual Financial Statements External Auditor Annual Report (joint mtg with Finance & Administration Committee) ✓	Charter: Oversee audit activities
	Office of Audit Services (OAS) 2016 Final Progress Report (Approved) ✓	Charter: Oversee audit activities
	OAS 2017 Audit Plan (Approved) ✓	Charter: Oversee audit activities
	Review of OAS Charter (Approved) ✓	Charter: Oversee audit activities
	OAS Quality Assurance Review Report (Accept) ✓	Charter: Oversee audit activities
	Presidential Compensation Adjustment ✓ (Recommended to the Board)	Presidential Compensation Philosophy
	Statement of Mission, Principles & Core Values ✓	Matter referred to committee
Mar 16, 2017	OAS Progress Report (Accepted) ✓	Charter: Oversee audit activities
	Risk Management Report – IT Security ✓	Charter: Monitor compliance Matter referred to committee
	Statement of Mission, Principles & Core Values (Recommended to the Board) ✓	Matter referred to committee
	Handling Written Comments Submitted in Advance of Board Meetings (Recommended to the Board) ✓	Conduct of Board Meetings Policy
May 23, 2017	Election of Board Chair (Recommended to the Board) ✓	Charter: Nomination of Board officers

Meeting Dates, 2017	Item	Link to Charter/ Policy
May 23, 2017 (cont.)	Presidential Assessment Policy Amendment (Recommended to the Board) ✓	Presidential Assessment Policy
	Needs Assessment for At-Large Position Vacancy ✓	Recommending Candidates for At-Large Positions Policy
Jun 1, 2017	OAS Progress Audit Report (Approve) (moved to May 23, 2017) ✓	Charter: Oversee audit activities
	2018 and 2019 Board Calendar (moved to May 23, 2017) ✓	Board Calendar Policy
	Risk Management Report – All Hazards Planning (moved to May 23, 2017) ✓	Charter: Monitor compliance Matter referred to committee
Jul 20, 2017	Recommendation of Potential Candidates for Vacant Trustee Position ✓	Recommending Candidates for At-Large Positions Policy
Oct 19, 2017	OAS Quarterly Audit Report (Approved)	Charter: Oversee audit activities Charter: Oversight of institution's standards of conduct
	Annual Compliance & Ethics Program Report, including an annual analysis of complaints	Charter: Ensure key risk, compliance, and regulatory requirements are met Charter: Oversight of institution's standards of conduct
	Board Chair's Officers' Report: FY2017 Presidential Performance Assessment (Recommend to Board)	Presidential Assessment Policy
	Annual Review of Delegation of Authority (Recommend to Board)	Annual review requirement for Delegation of Authority to the University
	Annual Committee Work Plan (Accept)	Board Officers Policy
	General Counsel Annual Report	Charter: Ensure key risk, compliance, and regulatory requirements are met

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 & 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;
- Review and approve the annual external audit of the OSU financial statements and A-133 federal compliance procedures;
- Review the audit reports issued by the Oregon Secretary of State Audits Division;

Internal Audit

- Annually review and approve the internal audit charter and organizational structure to confirm the Office of Audit Services' organizational independence;
- Participate in the annual audit planning risk assessment process and approve the annual audit plan;
- Review and approve quarterly 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 Executive of the Office of Audit Services, as recommended by the President.

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 Offices of the Secretary to the Board and the Chief Audit 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