

Minutes of the
NIU Board of Trustees
Compliance, Audit, Risk Management and Legal Affairs
February 18, 2016

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:34 pm by Chair Murer in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Julie Edwards conducted a roll call. Members present were Trustees Boey, Butler, Coleman, Marshall, Struthers, Board Chair Strauss and Committee Chair Murer. Members absent 0 Also present: UAC representatives: Greg Long, Holly Nicholson and Steve Builta.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

General Counsel Blakemore indicated the appropriate notification of the meeting has been provided pursuant to the Illinois Open Meetings Act. Mr. Blakemore also advised that a quorum was present.

MEETING AGENDA APPROVAL

Chair Murer asked for a motion to approve the meeting agenda. Trustee Strauss so moved and Trustee Struthers seconded. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

Chair Murer asked for a motion to approve the minutes of November 12, 2015. Trustee Struthers so moved and Trustee Marshall seconded. The motion passed.

PUBLIC COMMENT

Chair: Murer: This is the point in our agenda where the chair may recognize members of the public who have complied with state law and Board of Trustees bylaws by registering their written requests to address the Board with our recording secretary Mr. Blakemore. Has the committee received any requests to address this meeting?

Madame Chair we have not received any requests to address this committee meeting.

Chair: Murer: Thank you.

CHAIR'S COMMENTS/ANNOUNCEMENTS

I would like to recognize the leaders of the university constituency group. Dr. Greg Long. Always nice to have you in each of these meetings.

Greg Long: Oh and it couldn't be a more fun day. I enjoy the opportunity actually. Thank you very much. Would say with regard to this committee when we had our last meeting November 12th, I talked a little bit about the risk management initiative and the importance with that as we move forward of looking at accessibility from a disability standpoint, both physical accessibility as well as technology accessibility. That's an area where we don't – from technology standpoint still need to do some work on that. The other area as we're looking at enterprise risk management has to do with getting a better handle and process on our grievance and mediation concerns. There's still a bit of confusion and lack of direction sometimes with those issues. Would encourage those as continued areas of interest. As another update, we did have Police Chief Phillips come to the Faculty Senate meeting and answered a lot of concerns

from faculty with regard to health and safety issues on campus and found that was a very, very valuable opportunity to talk with him. The last thing as it relates to this committee is certainly support the discussion concerning freedom of expression, particularly given this time in our history with the budget and concerns. As a tenured faculty member freedom of expression is essentially guaranteed to me. I appreciate that privilege but I think we also need to be sure that we provide that same opportunity for staff as well as untenured faculty and students as well. So discussion on this I think it is very valuable.

Chair: Murer: Thank you. I particularly appreciate your sensitivity to the needs of the disabled as we move forward. Your expertise is to be highlighted in that area. Trustee Boey is here. Would you please make note in the record. Thank you very much. Steve Builta would you like to make any comments regarding this committee?

Steve Builta: Yes, thank you. Kind of following along with what Greg was talking about, I was quite pleased to see the topic of freedom of expression being addressed in today's agenda. I've been a student and an employee here at Northern for many years and I have never seen a time where there is so much uncertainty and concern being expressed by students, faculty and staff. Nor have I seen so many opportunities for students, faculty and staff to really impact the direction of this institution or to participate in the critical decisions being made at the state level. The key truly to being able to address these uncertainties and to participate in this discussion is really encouraging that open and free discussion and debate of ideas. I support and I applaud the work that's being done here on campus. The real move towards transparency that President Baker has really promoted and I think it's going a long way towards trying to help the community.

Chair: Murer: I would encourage you as leaders though to also help enhance the sensitivity to the appropriateness of intellectual discourse but with responsibility and with orientation to the best interests of this university as a hallmark of the state of Illinois. Holly Nicholson.

Holly Nicholson: Yes, thank you.

Chair: Murer: Hello, how are you?

Holly Nicholson: Good afternoon.

Chair: Murer: You're president of the Operating Staff Council?

Holly Nicholson: Yes, that's correct.

Chair: Murer: Do you have any comments?

Holly Nicholson: I do, thank you. Related to the discussion of risk management today I'd like to encourage the dedication of resources to insure that HR policies and procedures, especially the operating staff and SPS handbook are updated and posted on line as soon as possible. Operating without access to the most updated policies and procedures puts the university at risk. Thank you.

Chair: Murer: Thank you. The agenda today continues our effort to keep the committee updated on issues within its jurisdiction while simultaneously providing an opportunity to have substantive discussion of issues which may require committee action. There are two items which fall within the category of necessary committee updates and I say that in a very positive manner. I'm very interested to continue to hear on an ongoing basis the status of the Enterprise Risk Management Initiative. And as you recall we structured it in the way as if an outside body were coming to present to this board and Dr. Phillips has done an excellent job thus far in keeping this board apprised of progress. The second area will be executive order 15-09 which is the Governor's Executive Order related to acceptance of gifts. So we have two major items to address today. We're going to begin with Dr. Phillips with an update on the progress related to the Enterprise Risk Management Initiative.

Information Item 7.a. – Regular Committee Update on ERM (Alan Phillips)

Alan Phillips: Good afternoon. Once again it's a pleasure for me to come up and bring the Board up to speed with all the good work that's been going on by our Enterprise Risk Management Committees to further this effort along. I know this is an update, but when I put together a presentation I like for it to stand on its own then if you go back and refer to it all the pieces are there. Even though this is an update I'll go through some of the charts fairly quickly because there are things that you've seen before. Enterprise risk management of course is a continuous process and a tool that combines compliance and control with strategic decision making. Basically you identify risks. You take steps to assure the risks are being controlled. You provide leadership in the board, the means to track significant risks, and develop over time a culture and in our case we're working on developing a program for risk management that will carry on well into the future. Issues prompting discussion of risks, I think most of these we're quite familiar with. Clearly these are issues we deal with daily here at NIU. As a part of this effort we established basically two teams. The first is the core team. That's led by Dave Stone who the Chair referenced earlier today in a different committee who's been doing a wonderful job leading this effort. We brought in expertise from our faculty and we have on the core team Scott Mooberry who is the director of our Environmental Health & Science department; Emily Hochstatter who is our director of Risk Management; and they are the core team that are pulling together the effort in doing the lion's share of the work. Beyond that we have a full committee that we are working with and we will take the work of the core committee too, and I'll talk about that here in a second. Terms of reference. When I talk about terms of reference, when I do a project like this the first thing I do is list all the questions that we have to answer. As you go through the effort, ideally once you've answered all the questions you would hope that you would be done with the project. These are some of the questions that we started out trying to address. What is it we do? How important are they? What is the nature of risk in those areas? How severe of a risk event could take place? How effectively have we control for those risks? What are our strategies? What initiatives do we need to put into place to insure that these risks have been properly identified, assessed, mitigated, controlled, and managed going forward. These are the risk consideration. You'll see we are looking at risk areas. Obviously these are pretty much functional types of areas; Academic Affairs, Ancillary Services, Enrollment. We have enrollment risk. Usually when you think or risk you think insurance. We're looking at a much broader context; governance, human capital, research, IT, student affairs and other things. You have types of risks; financial, health, safety, operational, reputational, strategic, and compliance. And then you have to look at it in terms of internal risks, external risks and emerging issues or challenges. As we said before, it is a continuous management process. Here we have identified basically seven phases. You set your strategy, you identify the risk, assess the risk, treat the risk, control for the risk and then communicate and monitor how well you're doing in either mitigating or eliminating the risks. So far in the process we have done phase 1 and we are into phase 2 and 3. The next step after we finish phase 3 will be to bring together the full Enterprise Risk Management team to take a look at the work done by the core committee, design action plans, communicate, and then design dashboards and set timelines to monitor the progress.

Chair: Murer: Al would you go back to that process activities and kind of give us timelines related to each of these phases?

Al Phillips: I'm actually getting to that.

Chair: Murer: Oh you will? Thank you.

Al Phillips: You're two charts ahead of me. The steps in the process 2 and 3, this is currently the activity that is going on. We are identifying strategic objectives, what the goals and objectives are, unit level

activities, risks associated with those activities, the severity and the frequency. So far we have met with Facilities Management, the Office of the General Counsel, International Affairs, and Public Safety. Our next meetings over the next couple of weeks are Athletics and Research and then in May we plan to meet with Human Resources, IT, Academic Affairs and Outreach. What you see here is actually the results from the first four meetings. This is a heat map that shows the severity of these risks and the likelihood that they will occur or the frequency. If you go down to the bottom left those are low occurrences, low severity. We don't have anything in those boxes because those are not the things that we're worried about. If you look up into the red area where you have increased severity and increased frequency, we have a number of items that we've identified that we will be looking at in more detail. However, as we go through the process, we're not waiting until we finish this effort for some of the things we're also taking a look at. Even though there may be a risk, has it been mitigated? In many cases there have been steps taken to address these risks. However, I will pull one of the list and that's the steam plant. As most of you know, our newest boiler I think was put in place in 1962. We have concerns about the continued operations of our heating plant. We like to have heat in the winter and cool air in the summer. Many of our boilers are struggling I will say and so actually at the FFOC we're bringing an item to the board that will enable us to bring in an outside engineering firm to take a look at a comprehensive plan for how best to address that going forward. So some of these things we're not waiting on, but these are the areas that we've identified so far in terms of risk and frequency that we will address in more detail.

Marc Strauss: According to the map is it designed to show all of the issues that surfaced from these four areas, or is this just illustrative at this point?

Al Phillips: This is illustrative. This will grow as we talk with more folks and meet with, but these are the main key issues that have been identified in the meetings that we've held so far.

Marc Strauss: The reason I ask is that as I've sort of given thought to what would be on my list which in many cases doesn't get to the level of specificity that you have in your heat map, there are some things that I would have expected to arise from these areas that don't appear on the chart. I'm wondering whether at some point it would be appropriate to circle back and to have some way to check with us to see whether we have any input on this. We're not devoting the same level of attention to it that you are. I don't want to substitute my judgment for yours in this regard, but there may be some things that I've thought about that for whatever reason don't surface.

Al Phillips: Okay, absolutely. The other point I wanted to make is this is not a one-time effort. The intent is to develop a program where on a regular basis we go back, we revisit, we review, we update so that this is a continual process going forward. It's not just something that we do once and move on to other things, but I appreciate that counsel and we will do that. The other side of the coin, you have risk opportunities. So also in the discussions as they identify the risks and we haven't really gotten into this to any great degree at this point as we'll still going through and identifying the risk, but I just want to show this as kind of an example along with the heat map. Now we have likelihood and impact of how to address some of these issues or opportunities or ideas that people have for good ways to deal with these issues or address these risk factors and we will put more detail on this as we go forward. Next steps, phase 4 is to treat the risks. The full ERM team, Enterprise Risk Management Team, will be meeting in April. They're going to review and discuss the information gathered so far, identify risks that cut across a number of areas, look more holistically at the risk map, take a look to determine which risks may be more critical than others, and review potential opportunities for how to address those risks. And as I just said before, in these meetings we've also not been talking just about risks but also opportunities or ways to mitigate some of these risks that we will come back to later. Phase 5 is to control and mitigate the risks and in May the core team is also to – the core team will go back then and take a look at the full team's recommendations. They will then modify heat maps to account for the relative presence or absence of controls. Where strong controls exist they will move down in our risk rankings so now they will start looking at not just the risks but the risks in the context of what actions have been taken to date or what

action can be taken short term to mitigate the risk. And those risks that are severe or lack mitigation will certainly rise to the top. For those areas of highest risk where the gap is large the expectation is that proposals for mitigation will be formulated by the affected units and placed in the annual and five year budget process. Part of this is also not to just come up with a plan or a program but I have learned that which gets funded gets done. Once we have identified the areas where we have some weaknesses to put funding in the budget to address these issues on a long term basis. Towards the end of May we're looking forward to getting back with the full Enterprise Risk Management Team. They will review and discuss the results of the mitigation reviews. They will work to develop dashboards or metrics that we can use to help us going forward identify how well we're doing and then also to discuss the ongoing Enterprise Risk Management infrastructure or how we should structure the organization to continue this effort going forward. Bottom line is the Enterprise Risk Management Initiative is on track and continues to move forward. We've had excellent participation and support through the campus. The meetings have been very good. These are people who are very interested and working very hard collectively to try to identify our risk challenges and figure out ways to address them. We have already identified risk that need to be addressed more quickly than others in some cases. We're not waiting to address those. We believe we're on schedule and our ultimate goal is to have a comprehensive Enterprise Risk Management program in place as we go into fiscal year '17. Questions?

Chair: Murer: We open it up for questions. I do have a comment and it's a comment in regards to the way in which you've presented the information. These heat charts which I know are de rigeur in today's methodology of provision of data. Still to me it doesn't give me the information I'm looking for. I find it's very weak. I don't like the incorporation on the one sheet of facilities, legal, international programs so that we're drilling down to a level of need more snow plows. I look at this and say are we missing the big picture. I would encourage you to not wait until the next board meeting to provide an update to the board. I'd like to see it broken down into what are the key areas in consideration in these, especially the difference between international programming and facilities are very different. Using a red, yellow, and green zone I think it's fine, what's the level of risk and the sense of immediacy would dictate whether it's red or green with a legend that would really describe what do we mean by this, how do we define it. I think as it relates to the presentation, I think we could do a lot better in the core matter of what we're trying to discuss and I would think that that would help the board especially as we're looking this and in keeping with Trustee Strauss's comments, the Board wants to be interactive with you in the process not at the end. A clearer understanding of what are the key factors that you've identified through your committees; breaking it down not using just one lump sum of areas I think would really be helpful. If you would do that I would appreciate it.

Al Phillips: Sure. I'd be happy to.

John Butler: I'm just trying to get a sense for the heat map, has there been an assessment of these risk yet or are they placed on here based on the assumption that there'll be an assessment and they'll be placed in these positions?

Al Phillips: We're in the process of identifying the risks and some without any consideration necessarily for what's been done already or how much they've been mitigated. As we go forward, there will be more detail on each one of these. They may move down once we take a look at each risk and how it's been addressed. In some cases we have risks that are pretty much fully addressed and other cases you have risks that have not yet been addressed such as the steam plant. And so we will have much more detail, but for right now we're in the collection process and the identification process. Once we get beyond that then we will look more specifically at all these risks and they may move on the chart depending on how they've been addressed to this point.

Chair: Murer: Again, I want to just make a comment about this. I don't want us to now see the forest through the trees on this. I would like to see you come back, for example, when you're talking about facilities. You certainly should be able to aggregate information about building maintenance and safety on

roads which deals with snow plows are such a minor thing, it's the means to an end. I think there can be better work done on this in terms of how it's being shown to the board. Even in its work stage I'm not seeing these core elements and even if you work on the basis of a hypothesis, you don't have to prove it first. We believe that we have, obviously since we've deferred maintenance for 117 years, we may be having some roof problems. That's a hypothesis, then prove it. Is that a red zone, a green zone, a yellow zone? I think we could do a better job in how we present the material.

Al Phillips: Okay. We can do that.

Chair: Murer: Thank you. Wheeler you had a comment? Or Tim first?

Tim Struthers: I'd simply ask the idea of like a data breach. I didn't see that on there. I see it's not in the heading and I would add to Cheryl's comments I think the concept of what we're doing is great. Obviously it's like so many things we should have done a decade ago right, but the fact that we're doing it is good. My concern was of the heat map as well that we are on really little things and then the heading seemed random, and then such things to me that would be probably one of the highest risks would be a data breach. I didn't see any such.

Al Phillips: We have not yet met with IT. Once we meet with them I will suspect there will be a number of items that are added to the list of which that would certainly be one. This just comes from the four folks that we've met with so far.

Wheeler Coleman: So IT is scheduled for the March timeframe. In the four that that have been completed, I'm on page 12, the facility, legal, international, public safety. So now you have a blend of the completed items and that's why it looks like an odd combination, but those were the four meetings that were conducted. Out of due respect, I want to say I like the heat map scenario. I use heat map scenarios because I think they provide a good visual of what we're up against and if you count the dots we've got 25 high risk items that have been called out out of these four meetings that have been performed. Now granted we need more information. What is that? The double click or the click down from that is what's missing from the deck and I'm assuming that information is available.

Al Phillips: We do have that and we can certainly add that and put a little more depth to the presentation which is, I believe, what you're looking for.

Wheeler Coleman: And probably to prevent this look of this possible hodge podge of stuff, we probably should have a heat map for every meeting. Have a separate heat map so people can see.

Al Phillips: I'm guessing we've already done that. We just didn't include them all in this.

Wheeler Coleman: You probably did but your blend here is kind of an odd setup, but I think I understand where you're headed here. I have yellow on my sheet. Is that green?

Al Phillips: Well any risk would not be green I would say. Those are just the ones where they are low risk, low frequency.

Wheeler Coleman: What's the financial exposure? What is that?

Al Phillips: The financial exposure is considerable.

Tim Struthers: There's a heading called financial exposure.

Al Phillips: That would be the safety and security of our investments.

Wheeler Coleman: Investments?

Al Phillips: Right.

Wheeler Coleman: Even the stock market even though it's tumbling a little?

Al Phillips: Yeah, we invest our money. It's all in very secure places.

Wheeler Coleman: All right. I got it. Thanks.

Chair: Murer: I would like to say though that our comments should be taken for what they are and I think that we're very candid because of the great respect we have for you Dr. Phillips and that we understand that you are appreciating our comments. It's trying to get the information in a way that will help us make decisions and we have to be careful that we don't go from the most micro to the most macro within the same sentence and that's what we're asking for.

Al Phillips: Right. At the current stage we're trying to collect all the risk factors to get an idea of what they all are. The next steps we will drill down into them and prioritize them and then you can take a look at for each area what the key risk factors are and how they need to be mitigated and what the cost for that would be and when we would go about addressing those. So you will see more detail.

Chair: Murer: And will you provide us with a prioritization then?

Al Phillips: Eventually. Once we get through this we absolutely will because if we're going to budget for this we have to have priorities so that we know what the biggest risks are the ones we want to address first. That's like backlog maintenance and repair exceeds our annual budget right now and so we have to establish priorities and part of this process is to go through on a regular basis and do that on an annual basis and then the results of that would feed into the budget and we would program for those things in the future.

Wheeler Coleman: I suspect you're going to have that same scenario when you start looking at IT. There's a lot of hidden risks to organizations that many times we don't even know exist that's sitting in our data centers or how we contract something. Whether it's outdated equipment, outdated software, the life of applications; all of that is risk to the organization. We've got to make sure that we understand that everything has a life cycle and if we don't upgrade and perform the maintenance according to the scheduled life cycle then we create risk to the institution. I suspect we're going to have a tremendous amount of that similar to maintenance on the roofs and some of our buildings we probably will have that in our data center.

Al Phillips: And actually roofs are two are the things you'll be seeing here very shortly at the FFOC committee meeting because those area priority.

Chair: Murer: Thank you very much.

Information Item 7.b. – Update on Governor's Executive Order 15-09 and Statements of Economic Interest (Jim Guagliardo)

Chair: Murer: The next point on our agenda is an update by Special Counsel and Ethics Officer Jim Guagliardo on the Governor's Executive Order regarding the Gift Ban as well as an update on Statements of Economic Interest and Ethics Training. Thank you Jim.

Jim Guagliardo: Thank you Madame Chairman. I know we're a little bit behind today so I'll try to speed

through this best I can. Governor Rauner's Executive Order 15-09 is now a year old. I figured I'd give an update on what it affects and what it doesn't affect. One of the things it affects is Statements of Economic Interests. Not every employee is affected by Statements of Economic Interest. The other thing the Executive Order affects is the Gift Ban which every employee is affected by. Let me start with Statements of Economic Interest. This year, as with last year, there's going to be two different forms. First you'll be getting all Board members and many employees who basically have responsibility for contracting will be getting this form in the mail, at their home address, from the Secretary of State. It will be mailed around March 14th and the deadline to get it done is May 2nd. So you'll have a month and a half to do that. I'll be sending an e-mail to all employees who are affected by this, setting forth these deadlines, and how you comply with this. As I'll say in the e-mail I appreciate it if you get me your completed statement so I can review it for completeness, because if it isn't complete the Secretary of State is going to bounce it back if it doesn't have a date, if it doesn't have a signature, if you leave one blank, it gets bounced back. I like to review them for completeness. So I appreciate it if you get those to me and I will mail them to the Secretary of State. The second form is a creature of Governor Rauner's Executive Order 15-09 and the employees were surprised to get this yellow form last year in the mail, not from the Secretary of State but from the Executive Ethics Commission. This just adds questions about economic circumstances. This year you will not be getting this form in the mail. The Executive Ethics Commission is going to try to do this all on line. We'll see how that works. Supposedly in late March you'll be getting an e-mail either from me or the Executive Ethics Commission showing you how to log in. You'll be getting the form, completing the form, and submitting it on line. I believe that is also due, yes that is also due on May 2nd as well. Obviously the Board members, any employees that these statements of economic interests apply to, feel free to give me a call. They're pretty straight forward, but depending on what assets you have or financial tools you have, there can be some difficulties whether or not you have to report this on there or not. Feel free to give me a call. Feel free to e-mail me, ask me questions, that's what I'm here for is to help fill these things out. Moving on to the Gift Ban of Executive Order 15-09, this has caused not a lot of confusion, but it causes a lot of questions and that's good. I get a ton of questions on this. The main thing that Governor Rauner's Executive Order 15-09 did was it eliminated what used to be a \$100 a year per vendor exception to the gift ban. In other words an employee, NIU employee, could take up to \$100 in gifts from a private vendor in a year. Whether it be gift certificate or equipment, whatever, Amazon Kindle, whatever as long as it was below \$100 you could accept that. That has been done away with by the executive order. Basically it's zero now. If you're an employee you cannot take a gift, let me slow down because there are still some exceptions I'm going to get to. There's no longer that \$100 exception to taking a gift from a private vendor. However, and this is where a lot of the confusion comes in, it doesn't mean you can't necessarily take a gift. There are still exceptions. Let me go through four that I routinely come across leads to some confusion, if not confusion at least questions. Number one, there's nothing in the gift ban that prevents a private vendor giving a gift to the university, the university as a body. The gift ban deals with giving gifts to individual employees. A vendor, I know car dealers have given gifts, cars to the Athletics Department. Art, sometimes private vendors give art to the university. That is not affected and that is not prohibited under the gift ban as long as the gift is truly for the institution and not for an individual. In other words let me give you the car example. If a car dealer gives a car to the university, maybe only one employee uses that car; that's fine. If that employee uses that car for personal use at the very least they have to record their mileage, they have to pay for the gas and certainly when the employee leaves that position or leaves the university, obviously the gift, in this case the car will not go with the employee, it must stay with the university. Another exception is a gift from a government entity. Whether it be the state of Illinois, the federal government or a foreign government quite frankly. And I actually see this quite a bit, we deal with other public universities overseas, in Europe, in Asia and it's very common sometimes as a cultural aspect of dealing with them where officials of these public universities overseas would like to give gifts to our employees. As long as it's a government university, whether it be in Europe, whether it be in Asia, whether it be in the United States, an employee can accept a gift from a government entity whether it be a university or any other government entity. That is not banned by the gift ban. The biggest exception I deal with is employees can accept a gift from a private vendor as long as there's an educational mission or purpose to the gift. I get a lot of calls on this with usual circumstances; an employee is offered travel and lodging

for attendance at a seminar or a conference. As long as that conference or that seminar actually helps the employee do their job you can accept that gift. Now there is a requirement that I have to, the ethics officer of an institution, does have to review the conference material, the seminar materials to make sure the seminar really does help the employee in his or her job. And I do that, a lot of people make these requests all the time. Can you look at these seminar materials, I do, and almost always approve as long as there's a nexus between the seminar and what people are doing. The last exception really is not an exception but I still get calls about it, still get inquiries about it. That's really a quid pro quo from a vendor to an employee. We often have employees speaking at a conference or giving a presentation at a conference and a vendor says well we're going to pay your travel or we're going to pay your lodging, we're going to pay your meals and I get calls from employees saying can I take that, and the answer is yes. It's not a gift. They want your expertise, they want you to do a presentation, they're covering your costs. I get calls and emails from faculty that review text books for publishers. Same thing, if you're reviewing a text book for a publisher, it a faculty member is or anybody this might apply to and the publisher is paying that would not be considered a gift and it's not prohibited by the gift ban. Obviously departmental policies still have to be followed but it's not prohibited by the gift ban. The last thing I want to say is I just want to say a word about ethics training and end with some good news here. This does not have to do with Governor Rauner's executive order, but we administered ethics training this year to 7,632 employees including student employees, temporary employees. All of them, all 7,632 completed the training before the deadline. We didn't have to send out any disciplinary warnings. We didn't have to have their supervisors take any disciplinary action against any of these employees. That's pretty amazing. You might be tempted to say big deal, isn't that what's supposed to happen? That's true but we sent our final report to the Executive Ethics Commission and I spoke with the Executive Director of the Commission and he says it is extremely unusual for an institution with thousands of employees not to have at least a few five, ten, even 15 employees that they haven't met the deadline and you have to start taking action against. So we made a lot of phone calls, sent out a lot of e-mails, talked to some supervisors that last couple of weeks before the deadline, but we got every last one trained prior to the deadline and we'll of course aim to do the same thing next year. Thank you for your time and I'm open to any questions.

Chair: Murer: Thank you. Questions? I do have one question, just a point of clarification. It may be semantics, but I want that clarification. You had talked about – in the same phrase you used a gift to the university is permissible and then you gave an example of the Athletic Department. I want clarification because to me the university means it would be in the discretion of the president or are you saying it can be departmental or to a college? Is there a difference in your mind in how you describe that?

Jim Guagliardo: No there isn't. Neither one would violate the gift ban as long as it's being given to an entity, the entity the university, or the entity and maybe Al Phillips knows better whether they're considered to be different or not; an entity like Athletics or Accounting and the actual university.

Chair: Murer: So then the question is how far down do you go in terms of it not being a violation and in discretion to accept? Is it a department, is it a division, is it a college, is it the university?

Jim Guagliardo: I think it is the entity. As a matter of fact we've had gifts given to, for instance, Materials Management. A vendor will come around the holidays and maybe provide candy whatever to the entire department.

Chair: Murer: Okay. So as long as it's an entity not an individual that's the decision?

Jim Guagliardo: Yeah, the more wide spread gift the gift is, the less likely it's going to be considered banned by the gift ban. But as long as it's spread throughout a department or a college or the entire university like art that would be displayed maybe out in the commons or something, the less likely it's going to run afoul. Obviously if somebody gives the dean of some college a tie and says well this tie is for the department the dean can't go around wearing that tie nobody else wears the tie. It's kind of hard to

share a tie.

Chair: Murer: Thank you Jim.

John Butler: Can I follow up on that? So let me give you an example. Let's say that a vendor throws a reception for an athletic purpose in support of or fundraising for the athletic department and we're board members and we go to that and we consume food and we drink a glass of wine, etc. Have we violated the gift ban?

Jim Guagliardo: No because that's one specific provision of the gift ban even in the executive order that I didn't talk about. You can as long as you are in your duties attend a business related function and consume de minimis food and drinks provided by a vendor.

Chair: Murer: In the interest of time I think we will move on. Thank you very much Jim.

Jim Guagliardo: Okay, thanks.

Action Item – 8.a. – Constitutional Rights, Responsibilities, Privileges and Obligations, Proposed Freedom of Expression Policy (Dr. Douglas Baker (introduction), Jerry Blakemore and Harlan Teller) (changed to an information item)

Chair: Murer: The President will provide this committee a national perspective on issues facing college campuses related to freedom of speech, an overview of where NIU is and where we may want to go related to our constitutional right, responsibilities, privileges and obligations. This is not an action item, this is just informational. President Baker will you address that please?

Douglas Baker: Yes, thank you and thank you for that clarification. We're not asking you to vote on this today, but we have in process a conversation that's been going on for a number of months regarding freedom of expression on campus. As we all know it is a hot and very important issue around the country as we've seen with student demonstrations and protests at various universities around the country; Missouri, Yale, and others have seen these. As we began looking at this issue many months ago, we went back and looked at our policies and we found that in the early 1970's a policy was developed. So 45 years ago we had a policy developed and the focus then was on solicitation, about people being annoyed by solicitors on campus. And there was some parameters put around that in specific small areas on campus where you could solicit people. The title of that policy made is sound more like it was around freedom of speech rather than solicitation. There were two areas on the Martin Luther King square and the convocation green square where you could do the solicitation. But in fact we have in our Northern pact we do with our students an expectation for open dialog and we expect open dialog. In fact our view is we need broad latitude to speak and write, listen, challenge, learn. That's what universities are all about. And as Greg suggested earlier it's not just the faculty that have that right, that's everybody that has that right. We're a university. We looked around at policies in the country, we found one at our neighboring school, University of Chicago that has a very good free speech statement and well thought out. We've adapted it and have an in-process draft that you have in front of you today and that we're continuing to work though. The university really wants to respect and support freedom of expression as granted by the first amendment and as is common in universities, but we also want to be cognizant on limitations that can be there for the safety of the community. The summary draft proposal as I noted is here for you. It has a clear commitment of freedom of expression and open discussion on campus. It also has a simultaneous commitment to assure campus safety and a safe environment so we can continue our operations. We want to make sure that all of our walkways and open spaces are open for free speech and expression not just the commons or some square. We want to encourage lively and rigorous debate on these issues rather than have a university trying to determine what speech is okay and what speech isn't. But as Chair Murer said earlier we want to have civility and collegiality in all of this. We're taking

proactive steps to do that. We're taking actions to promote inclusion and mutual respect across the entire university. Vernese our Chief Diversity Officer in back is helping guide us through a series of diversity dialogs including sessions on free speech, first amendment and lawful assembly and another forum for open discussion for various topics with NIU and the DeKalb community and presidential commissions. These actions seem to be preferable than trying to restrict free speeches to try to promote civil discourse. Protection for free speech when there are not attempts to restrict it even when that speech is not popular, we need to question all that. So the process for review and development for the Freedom of Expression Policy has been ongoing and it will go forward with input from the presidential commissions, various student body organizations, and the shared governance process. So we're working hard on this. We wanted you to know that this important topic is being addressed at the university right now and that we're having good dialog. We'll have more and I appreciate Dr. Edghill-Walden's work to put these dialogs together and she's been including a planning group that has a broad array of representatives on it. Harlan Teller and Jerry Blakemore have both been working on this with us. I'm sure they can go into any of the details as well. I just wanted to get that in front of you so you know we're working this issue.

Chair: Murer: Let me ask the Trustees if you have any questions or comments? Marc?

Marc Strauss: Given that this hasn't received any attention for quite some time I believe it's very appropriate that we look at it currently. I applaud the broad spectrum of input that is being solicited. I'd encourage you to continue to make the input received as broad as possible before there's something on which we are asked to action. Is there a time table for when there may be a finished product?

Doug Baker: We want to have these dialogs this spring so I think we'll get through those and then get the input from the various governance groups and probably try to come to some conclusion this summer.

Marc Strauss: Thank you.

Doug Baker: And then have that ready for the process in the fall as we kick off the fall semester.

John Butler: I wonder if we couldn't delineate more clearly in this policy the manner in which we, because the rules are subheadings, but I wonder if we could be more clear as to the policies that govern free expression in the classroom versus in the public space or the space of the campus because I'm mindful of the Wheaton situation. In looking at the slides in this book I noticed that there was some discussion of if a professor were to share their own personal views on religion, etc. in the context of a class lecture that that could be problematic at some level. I'm curious if we can sort of flush out some of that so that there's guidance and it's clear and we understand it. I guess that's all really I want to say if there's some follow up I'm happy to hear it.

Jerry Blakemore: Very good question. The policy itself is not going to get into what I would refer to the more specifics regarding guidance for particular places on campus. However, the policy broadly defined would basically allow for freedom of expression anyplace, everyplace except in circumstances where you are protecting public safety. That's one of the limitations specifically with the classroom, there will be a designation that does provide limitation with respect to I would say not just classrooms but laboratories for an example. Here the public safety issue becomes critical, but we would not have that in the broader policy but there would be and the policy does call for further defining sort of specific areas so the president would designate area where and what we have here is the broadest designation of where that freedom of expression would take place. But you're absolutely right, part of the issue is balancing ones rights first amendment by both the US Constitution and the Illinois State Constitution that has a provision as well that we would obviously comply with with the issues of the public having a right to be safe and in the academic sort of community, collegial and civil is part of it as well.

Chair: Murer: Any other comments? I'd like to just add a comment to this and I think it's in the nature of all the comments that are being made. I think that this, since we're a university, this also lends itself to a

teaching experience and I think that perhaps it could be incorporated appropriately within classroom settings on how to articulate and persuade especially related to controversial issues and how to present persuasive argument with an appropriate demeanor. I think if we could teach our students that that would be a wonderful objective and I think as you teach then you also recognize that for yourself. I think the learning experiences are both for the faculty and for the students and perhaps we can become a model at NIU on how to deal with freedom of expression, but with and I think we've all used the word with appropriate civility and in a way that is more persuasive than simply yelling and screaming a position. So how to be persuasive and the appropriate utilization of this freedom. I pose that as a challenge. Thank you Dr. Baker. I appreciate that.

OTHER MATTERS

Chair: Murer: Are there any follow-up items that the committee wishes to address?

Tim Struthers: In general, is that the question?

Chair: Murer: Yeah, sure.

Tim Struthers: An observation on the Committee, Compliance, Audit, Risk Management, Legal Affairs; I'm reminded of we all received what would appear to be somewhat random audits electronically and within the audits themselves there will be comments and findings that may be a dozen or so. So two observations, one is the comments themselves don't appear to be in a format or fashion of severity or direction of risk, but probably more concerning the idea of the audits themselves just seem to come in from time to time and I would have no idea of the overall status of the audit plan of the outstanding items themselves. Are they delinquent, the severity of the issues and so on. It just seems with an organization of this size and complexity there would be a master template that would start with that this is the audit schedule and how we're doing with respect to that schedule and what the outstanding issues are in the magnitude of the risk.

Chair: Murer: I'll make a comment then turn it over to Dr. Baker. I do remind you that at the last CARL meeting we did spend some very specific time in regards to the audit, the process for the audit, the overview as you said, the methodology, so I just bring that to your attention. This committee has a very broad scope and we really do try to keep within our timeframe. We do have to pick and choose and not each time address these, but I do want to make that comment that at our last meeting in particular we had an overview of audit methodology and outcome and Dr. Baker if you want to make a comment about that too.

Douglas Baker: That was going to be my comment. We do have an audit planned. Danielle Schultz our internal auditor is here. She can address those in specific and the audit plan includes criteria for high risk areas that we look at every year and then the more random sampling to make sure we're hitting all areas over time. As she completes those that's when they roll in to you and she does have a master sheet that keeps track of that. We can put that on the scorecard so to speak to see where – if you want to see where we are in the progress across the year getting to each of those. That might help you keep score on where we are. That might help organize it.

Tim Struthers: I surely recall the conversation, I was just surprised that there wasn't a reference to it as to the status of that plan now or maybe going forward just each meeting could we just get the summary sheet to know if we're gaining ground or is it red, yellow, green sort of thing on the status of the audits.

Chair: Murer: First of all I very much appreciate your comments and I particularly appreciate your sensitively to audits and given your extremely relevant background that this is an area of great sensitivity to you and your input is of great value so we take your comments with great seriousness. I'll work with Danielle and we will try and include that on a more regular basis but my comments were just

for the record to re-emphasize that we did do that at the last meeting. Alright, but thank you very much for your comments.

NEXT MEETING DATE

Chair: Murer: Our next committee is scheduled for August 25, 2016 at 11:00 a.m.

ADJOURNMENT

Chair Murer asked for a motion to adjourn. Trustee Strauss so moved and Trustee Butler seconded. The motion was approved. Meeting adjourned at 1:32 p.m.

Thank you.

Respectfully submitted,

Julie Edwards
Recording Secretary

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