

Minutes of the
NIU Board of Trustees
**COMPLIANCE, AUDIT, RISK MANAGEMENT
AND LEGAL AFFAIRS COMMITTEE**
August 29, 2013

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Robert Boey at 12:30 p.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Wheeler Coleman, Anthony Iosco, Robert Marshall, Cherilyn Murer, Marc Strauss, Student Trustee Elliot Echols, BOT Chair John Butler and Committee Chair Boey. Also present were Board General Counsel Jerry Blakemore and President Douglas Baker. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board General Counsel Jerry Blakemore.

MEETING AGENDA APPROVAL

Chair Boey asked for a motion to approve the agenda. Trustee Strauss made a motion to approve the agenda, seconded by Trustee Iosco. The motion was approved.

PUBLIC COMMENT

The Chair asked Board General Counsel Jerry Blakemore if any members of the public had registered a written request to address the Board in accordance with state law and the Board of Trustees Bylaws. Mr. Blakemore noted that no timely requests had been received to address this Board Committee meeting.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Boey recognized University Advisory Committee representatives Dr. Alan Rosenbaum and Ms. Deborah Haliczner.

I would like to welcome everyone to this new committee, the Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee. I am especially pleased to have the distinction of chairing this committee and look forward to working with each member of the committee and the leadership of the university. Also, I would like to add my congratulations to Dr. Baker, as these committee meetings represent your first Board committee meetings as President of NIU. I am pleased and supportive of your efforts to reorganize the university to provide greater focus on the critical issues facing it and for the agenda and vision that you have laid out over the past few months.

I am also especially pleased that one of your pillars, Dr. Baker, is Inspiring Ethical Leadership. It is more than appropriate that this committee, as its first act, will start with a presentation by our Ethics Officer on the role and responsibilities of the university Ethics Officer. Before I introduce our Ethics Officer, I would like to introduce the other key staff members of the committee and their respective responsibilities. There are four functional areas of this Committee:

- Compliance and Ethics
- Audit
- Risk Management
- Legal Affairs

In the Compliance area:

- Steve Cunningham, Acting Executive Vice President and Chief of Operations
- Jerry Blakemore, Vice President and General Counsel
- Sara Cliffe, Director of Compliance Administration
- Karen Baker, Assistant Vice President for Human Resource Administration
- Celeste Latham, Assistant Vice President for Human Resource Operations

The Audit function: Danielle Schultz, Director, Internal Auditor

In Risk Management:

- Steve Cunningham, Acting Executive Vice President and Chief of Operations
- Sara Cliffe, Director of Compliance Administration and Risk Management

In Legal Affairs:

- Jerry Blakemore, Vice President and General Counsel
- Greg Brady, Deputy General Counsel for Governance and Administration
- Jim Guagliardo, Special Counsel and Ethics Officer,
- Laura Sala, Senior Associate General Counsel,
- Tiffany Miller, Senior Associate General Counsel

In order to provide sufficient opportunity to cover each of the functional areas, it is my intention to highlight one functional area for thorough discussion, and to rotate the discussions for each meeting. I am hopeful at the same time that we will also be able to provide opportunity to discuss the other functional areas as needed or requested by any of the committee members. The focus of our first meeting today will be Ethics.

Let me begin by thanking and complimenting the President and Board Chair for their efforts in convening the Board of Trustees Working Retreat, the Chair remarked. A special thanks to the members of the various task forces who discussed, developed and provided their time and talent to the development of the various task force reports. This committee has received the report on Inspired Ethical Leadership and, over time, we will focus attention in this area. I was especially impressed with the outline of values that was developed by the task forces. Those value recommendations include:

- Integrity
- Fairness
- Respect/Trust
- Excellence
- Innovation
- Community
- Stewardship

I am hopeful that as a committee and a Board, we will explore the adoption of these and other values as a basis for how we interact and conduct business as a Board and university.

UNIVERSITY REPORT

Agenda Item 6.a. – Review of Role and Responsibility of the Ethics Officer

Chair Boey introduced Jim Guagliardo, Special Council and University Ethics Officer, for a presentation on the Ethics roles and obligations of Northern Illinois University.

I am here today to talk about the Ethics component of CARL, Mr. Guagliardo began, and Ethics falls under the "C," Compliance, because the ethics function at the university is very closely tied to the university's compliance function. The goal of this talk today is to show how the Ethics Officer helps to ensure compliance at the university. First, the Ethics Officer can identify and help the university correct noncompliance. Second, even more ideally, the Ethics Officer can help prevent noncompliance. I want to touch on both of those roles and functions of the Ethics Officer. Before I do that, I would like to lay a little groundwork at look at the foundations for ethical conduct here at the university. As Trustee Boey mentioned, President Baker has made ethics a priority here, and one of his pillars is to ensure a culture of ethically inspired leadership. Other foundations for ethical conduct at NIU include two state laws, the State Officials and Employees Ethics Act (SOEEA) and the Illinois Governmental Ethics Act (IGEA). Various NIU policies also provide a basis for ethical conduct here at the university. An example would be the Business Procedure Manual, which sets forth conflict of interest rules and proper procurement procedures. Finally, Mr. Guagliardo set forth some proposals for the CARL Committee to consider in the future, such as the establishment of an NIU Whistleblower Hotline and a consolidated University Code of Conduct.

This has obviously been one of my priorities coming in, President Baker stated, and one I think all universities should have. The vast majority of our faculty and staff and students behave in an ethical manner, and we actually have a positive culture across the institution. However, talking about values and ethics is a complex topic, so we need to have extensive training around it and appropriate compliance activities and procedures. We need to have those policies and procedures in place in order to create a fair and just work environment for everyone.

NEXT MEETING DATE

Chair Boey announced that the next meeting of the Compliance, Audit, Risk Management and Legal Affairs Committee would be Thursday, November 7, in DeKalb

ADJOURNMENT

There being no other matters, the Chair asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Coleman. The meeting was adjourned at approximately 1:26 p.m.

Respectfully submitted,

Sharon Banks-Wilkins
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.