

South Carolina State University

Board Self Assessment

Fiscal Year 2014



BOARD SELF ASSESSMENT

The purpose of the enclosed Board Self Assessment document is to assist those charged with governance (the Board of Trustees in the case of SC State University) in performing an annual self assessment. Though there are a wide variety of benefits, it is primarily intended to give each trustee the opportunity to evaluate how the board as a whole is operating and what areas, if any, could be enhanced. Key areas of focus of the survey includes assessing the following: 1) the composition and character of the board, 2) the board's independence from the University, 3) ethics and code of conduct of the University, 4) continuing education of the board, 5) setting the tone at the top for the University, 6) the board's oversight of management and internal control over financial reporting, 7) the board's evaluation of and communication with management of the University, 8) financial statements and other information of the University, and 9) the board's authority and funding of initiatives that are critical to the governance of the University.

The completed surveys will be collected from each of the members of the Board of Trustees to compile the results. The results of this survey will be provided to the Board of Trustees solely for their use and information. Please note 1) that the individual completed surveys will be kept confidential and disposed of upon compilation of the results and 2) that the results will only be shared with the Board of Trustees.

| Topic/Issues | N/A | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree | Average Rating |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------|----------|----------------------------|-------|----------------|----------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | |
| COMPOSITION AND CHARACTER | | | | | | | |
| The board of trustees has the appropriate qualifications and integrity to serve on the board and satisfy its charter. | | | | | | | |
| The board of trustees has the appropriate number of members to address risk adequately and efficiently. | | | | | | | |
| All members of the board of trustees understand their roles and responsibilities. | | | | | | | |
| The board of trustees has at least one financial expert member. This is sufficient given the complexities of University's current and/or proposed business operations. | | | | | | | |
| The board of trustees has the appropriate operational and industry expertise to allow a solid understanding of the risks faced by the University. | | | | | | | |

BOARD SELF ASSESSMENT continued

| Topic/Issues | N/A | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree | Average Rating |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------|----------|----------------------------|-------|----------------|----------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | |
| COMPOSITION AND CHARACTER | | | | | | | |
| All of the members of the board of trustee are independent in both form and appearance so that impartiality may be applied in its decision-making. | | | | | | | |
| The board of trustees has completed and continues to periodically perform background checks on all board members. | | | | | | | |
| The board of trustees considers whether a change in composition of the board of trustees was needed in order to provide a "fresh" perspective of the University. | | | | | | | |
| INDEPENDENCE | | | | | | | |
| The board of trustees has a process that allows it to remain current on independence requirements. | | | | | | | |
| The board of trustees annually confirms its independence. | | | | | | | |
| ETHICS AND CODE OF CONDUCT | | | | | | | |
| The University has adequate whistle-blower policies and procedures established and the board of trustees adequately oversees this process. | | | | | | | |
| The board of trustees ensures that management adheres to the University's Code of Conduct. | | | | | | | |

BOARD SELF ASSESSMENT continued

| Topic/Issues | N/A | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree | Average Rating |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------|----------|----------------------------|-------|----------------|----------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | |
| CONTINUING EDUCATION | | | | | | | |
| The board of trustees has an effective process for keeping current on governance matters. | | | | | | | |
| SETTING TONE AT THE TOP | | | | | | | |
| The board of trustees has ensured that management clearly communicates to all employees that financial misreporting is absolutely unacceptable and this policy is being appropriately enforced. | | | | | | | |
| The board of trustees requires management to communicate "bad" news promptly and fully and management is in compliance with this requirement. | | | | | | | |
| The board of trustees is able to ask difficult questions of management. | | | | | | | |
| The board of trustees is skeptical in its analysis of issues. | | | | | | | |
| The board of trustees is able to react quickly to effect change and take preventative measures for the future. | | | | | | | |
| The board of trustees uses its charter to guide its responsibilities and assist in setting agendas. | | | | | | | |
| The board of trustees periodically updates its charter as necessary based on regulatory requirements and/or circumstances particular to the University. | | | | | | | |
| The board of trustees clearly documents its annual assessment of accomplishments. | | | | | | | |

BOARD SELF ASSESSMENT continued

| Topic/Issues | N/A | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree | Average Rating |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------|----------|----------------------------|-------|----------------|----------------|
| | 0 | 1 | 2 | 3 | 4 | 5 | |
| OVERSIGHT AND INTERNAL CONTROL OVER FINANCIAL REPORTING | | | | | | | |
| The board of trustees' role over the University's governance is clear and concise. | | | | | | | |
| The board of trustees understands the strategic direction of the University. | | | | | | | |
| The subcommittees of the board of trustees report timely and adequately to the board of trustees and solicits appropriate feedback from the board. | | | | | | | |
| The board of trustees has allocated adequate meeting time throughout the year. | | | | | | | |
| The board of trustees conducts its meetings efficiently and is able to focus on significant issues. | | | | | | | |
| All board of trustees members receive and read materials in advance of board meetings and come prepared. | | | | | | | |
| The board of trustees maintains adequate meeting minutes. | | | | | | | |
| All members of the board of trustees are able to speak freely during board meetings. | | | | | | | |
| The board of trustees reviews materials outside of the financial statements (e.g., industry reports, trend analysis, budget to actual, financial ratios, etc.) and encourages management to provide this information on a timely basis. | | | | | | | |