



The Board of Trustees of Oregon State University

Joint Meeting of the Executive & Audit and Finance & Administration Committees

January 28, 2022

10:00 – 10:30 am

Horizon Room, Memorial Union Room 049
Corvallis, Oregon

MINUTES

Committee Members Present: Patty Bedient (vice chair), Rani Bokar, Julia Brim Edwards, Darry Callahan, Susan Clark, Ed Feser, Mike Green, Roman Hernández (vice chair), Becky Johnson, Preston Pulliams, Jax Richards, Kirk Schueler (chair),

Other Trustees Present: Michele Longo-Eder, Julie Manning, Inara Scott

University Staff Present: Jackie Bangs, Jen Humphreys, Heidi Sann, Lauren Skousen, Patti Snopkowski

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

Chair Kirk Schueler called meeting to order at 10 a.m. and asked Board Secretary Jackie Bangs, to call the roll. Schueler noted that although this is a joint meeting, any items requiring a vote will be done by the Finance & Administration Committee.

2. Action Item (Executive & Audit Committee approval required)

a. FY2021 External Auditor Annual Report

Schueler invited Chief Audit, Risk and Compliance Executive Patti Snopkowski to begin the presentation. Snopkowski shared that OSU is required to receive an annual financial audit in order to receive bond proceeds and funds from agencies. Snopkowski noted that in addition to the financial statement audit, the federal government requires an annual compliance audit and noted the compliance audit will be provided at a future Executive & Audit Committee meeting. Snopkowski said this year's financial statement audit report demonstrates that OSU is committed to sound financial practices and invited Jean Bushong, Assurance Principal from CliftonLarsonAllen LLP (CLA) and Associate Vice President for Finance and Controller Heid Sann to present the results.

Bushong described a typical external audit and highlighted elements of an external audit. Bushong said that management (OSU leadership) is responsible for preventing and detecting fraud, noncompliance and material errors; external auditors then communicate their opinion of the financial statement. Bushong then went on to discuss the unmodified independent auditor's. Bushong said no material weaknesses or significant deficiencies were found. Bushong explained that CLA's opinion is over the financial statements, not OSU's internal control structure, which is overseen by leadership and the governance framework.

Bushong spoke to the Letter to Governance included in the board materials about the qualitative aspects of financial statements including policies and estimates made by management and others. Bushong said that auditors ensure that estimates are

reasonable and that no difficulties were found with the audit. Bushong noted one passed adjustment, which is something that is identified but not financially material. Bushong said that it was identified by management and was related to capital costs that should have been capitalized rather than expensed.

Bushong ended by thanking management and noting that they are always on time with providing them (CLA) with the information they need, often before they ask.

Sann expressed appreciation for the CLA team and some additional audit procedures they accommodated. Sann recognized OSU's Director for Financial Accounting & Analysis Mark Fryman and his team for their work and the University Shared Services Enterprise for that team's support.

Trustee Darry Callahan congratulated Sann and her team on a successful audit.

A motion was made to accept the FY2021 External Auditor Annual Report and seconded. The motion was carried.

3. Adjournment

Chair Schueler adjourned the meeting at 10:22.

Respectfully Submitted,



Jen Humphreys
Assistant Board Secretary