



The Board of Trustees of Oregon State University

**Joint Meeting:
Executive, Audit and Governance Committee
Finance and Administration Committee**

January 16, 2025
9:05 – 9:30 a.m.
Memorial Union Horizon Rm.

MINUTES

Executive, Audit and Governance

Committee Members Present: Julia Brim-Edwards, Román Hernández (*chair*), Elise McClure, Jayathi Murthy (*ex officio*)

Finance and Administration

Committee Members Present: Kasaundra (Kassy) Bonanno, Karla Chambers, Susan Clark, Lisa Hale, Carla Ho'ā (*ex officio*), Grant Kitamura (*vice chair*), Marlana (MJ) Mirho (*nonvoting member*)

Committee Members Absent: Maria Chávez-Haroldson, Toby Luther, Julie Manning

Other Trustees Present: Stephanie Bulger, Kate Carter-Cram, Greg Macpherson, Camille Palmer

University staff present: Jackie Bangs, Kevin Dougherty, Ed Feser, Alix Gitelman, Becca Gose, Jen Humphreys, Stacy Jeffries, Stephen Jenkins, Deb Mott, Vincent Nguyen, Paul Odenthal, Heidi Sann, Patti Snopkowski, Irem Tumer, Scott Vignos

Invited Guests: Jean Bushong, CliftonLarsonAllen LLP

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

Committee Chair Román Hernández called to the meeting to order. Board Secretary Jackie Bangs called the roll and verified a quorum.

2. Action Item

a. FY2024 Annual Financial Statements and Single Audit Report

Associate Vice President for Finance and Controllor Heidi Sann was joined by Jean Bushong, principal at CliftonLarsonAllen LLP (CLA), OSU's external auditor, to deliver the report.

Bushong provided an overview of the financial statement audit process, emphasizing the objective to obtain reasonable assurance that the financial information is free from material misstatement due to fraud, error or noncompliance.

She noted that CLA was engaged to conduct an audit of the university's financial statements and perform compliance procedures for federal dollars received by the university and its NCAA revenues and expenses.

OSU Board of Trustees

Bushong explained that the process for the financial statement audit involves assessing the risk of material misstatement in various areas such as cash and tuition. She reported that the CLA audit team issued an unmodified opinion indicating that the university's financial statements are free from material misstatement. She added that no adjustments or material weaknesses were identified, and the information provided by OSU's finance team was clean and accurate. She noted that the audit also included a review of internal controls, though the opinion did not cover the internal control structure.

Bushong provided a brief overview of the federal audit, noting that the university received almost \$580M in federal funds in fiscal year 2024. She explained that the CLA audit tested the student financial aid cluster and the Smith-Lever grant and reported that no material weaknesses or significant deficiencies were identified, indicating strong systems and controls in place.

She reported that the NCAA procedures conducted by CLA – which involve over 50 different checks on the revenues and expenses of Athletics – identified no exceptions.

In closing, Bushong commended the OSU finance team for their organization and preparedness.

The following topics were covered in discussion with trustees:

- **Audit timeline:** In response to a question from Trustee Bulger about the audit timeline, Bushong explained that the audit process begins in February and March, with actual testing starting in May, compliance testing continuing through the summer and issuance of the report by October.
- **Valuation of future benefit commitments:** Trustee Macpherson asked about the valuation of future benefit commitments under the Oregon Public Employee Retirement System. Bushong detailed the steps taken to verify the assumptions of net pension liability, including checking to see that another auditor has already verified that information, verifying that auditor's qualifications and reviewing the audit report.
- **Key risks going forward:** Trustee Chambers asked about key risks that the institution should pay attention to going forward. Bushong cited information technology security, the implementation of the Administrative Modernization Program and compliance with changing federal regulations.

Sann expressed appreciation for CLA and the finance and accounting teams and the Division of Research and Innovation for their support in the audit process, which she acknowledged was a heavy lift.

Chair Hernández sought a motion to approve the FY2024 annual financial statements and single audit report. A motion was made by Trustee Brim-Edwards, seconded by Trustee McClure and approved by all committee members in attendance.

3. Adjournment

There being no other discussion or business, Chair Hernández adjourned the meeting.

Respectfully Submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees