



**Oregon State
University**

The Board of Trustees of Oregon State University

Meeting of the Executive, Audit and Governance Committee

January 16, 2025

8:00 – 8:55 am

Memorial Union Horizon Rm.

MINUTES

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

Committee members absent: Maria Chávez-Haroldson (*vice chair*), Julie Manning

Other trustees present: Kasaundra (Kassy) Bonanno, Stephanie Bulger, Kate Carter-Cram, Karla Chambers, Susan Clark, Lisa Hale, Grant Kitamura, Greg Macpherson, Camille Palmer

University staff present: Grace Atebe, Jackie Bangs, Kevin Dougherty, Ed Feser, Alix Gitelman, Becca Gose, Carla Ho‘ā, Jen Humphreys, Stacy Jeffries, Stephen Jenkins, Deb Mott, Vincent Nguyen, Paul Odenthal, Julee Otter, Patti Snopkowski, Scott Vignos

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

Chair Román Hernández called the meeting to order at 8:00 a.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

Chair Hernández delivered the university's land acknowledgment statement.

2. Consent agenda

a. Minutes of the October 24, 2024, Executive, Audit and Governance Committee Meeting

The chair sought a motion to approve the consent agenda. A motion was made by Trustee Brim-Edwards, seconded by Trustee McClure and approved by all committee members in attendance. The motion carried.

3. Action items

a. Office of Audit, Risk and Compliance 2024 Final Progress Report & 2025 Annual Plan

Chief Executive of Audit, Risk and Compliance Patti Snopkowski and Deputy Chief Audit Executive Julee Otter gave an overview of the progress report and annual plan for the Office of Audit, Risk and Compliance (OARC).

Snopkowski spoke to trustees about the OARC's activities and accomplishments in relation to the main goals in the OARC's strategic roadmap: (1) supporting an ethical community and culture, with highlights on the efficient administration of the ethics consultations and the accountability and

integrity hotline; (2) fostering the use of risk identification and mitigation strategies, with emphasis on outreach efforts and national connections; (3) Providing assurances that operations are efficient, effective, compliant and fiscally sound, with a focus on internal control models and IT improvements; and (4) aligning operations with best practices.

Snopkowski provided comments on performance metrics, which she said indicated good productivity. She added that the OARC's only unmet goal was the completion of audit plan fieldwork due to staff turnover, adding that the OARC plans to use salary savings to co-source audit services for the engagements that were not completed.

Snopkowski noted two items she is required to confirm with the committee per auditing standard requirements, namely the independence of the OARC and the office charter. She indicated that the OARC has no independence impairments and has worked well with management in accordance with auditing standards. She said she believes the OARC and EAGC committee charters to be accurate and announced planned administrative updates to auditing standards, which will be brought to the board.

In response to a question from Trustee Chambers about the process for identifying the organization's greatest risks, Snopkowski highlighted the robust ERM process that will be covered later in the meeting, noting it is also supplemented by an additional layer of evaluation by the audit team.

Otter provided an overview of the 2025 audit plan, highlighting ongoing engagements on the AMP (Administrative Modernization Program) and two construction audits, which are all considered higher risk. She mentioned a phased approach for the AMP project to provide ongoing assurance.

Otter noted that the 2025 plan includes three audits carried forward from 2024 and additional audits in key areas such as research security and payroll. She mentioned three planned IT audits, including an additional phase in the AMP project. She further noted that audits in Athletics compliance and construction are typically co-sourced with external firms.

The following topics were covered in discussion with trustees.

- **High-risk areas:** Trustee Chambers asked about the process for considering something the board felt was a high-risk area that isn't on the list. Snopkowski said the OARC is open to consulting with stakeholders and can work with Board Secretary Bangs on additional non-EAGC member outreach when requested.
- **Audits carried over:** Trustee Brim-Edwards asked about the rationale for carrying over three audits from 2024. Snopkowski explained that the areas still met the risk threshold and were important to cover.
- **Team size and turnover:** Trustee McClure asked about the size of the audit team and the impact of staff turnover. Snopkowski said the OARC has four audit staff in addition to Deputy Chief Auditor Otter, and that it does impact their work when someone comes out of the mix. She said the office sometimes engages an external firm to get things done.

Chair Hernández sought a motion to approve the 2024 final progress report and 2025 annual plan from the Office of Audit, Risk and Compliance. A motion was made by Trustee Brim-Edwards,

seconded by Trustee McClure and approved by all committee members in attendance. The motion carried.

a. Enterprise Risk Management

Chief Executive of Audit, Risk and Compliance Patti Snopkowski and Provost and Executive Vice President Ed Feser provided a risk management update.

Feser provided an overview of the enterprise risk management (ERM) process, emphasizing its alignment with the university's strategic plan. He noted the importance of assessing the national and state higher education landscapes in addition to considering opportunities, risks and challenges internal to OSU. He noted that the process involves a systematic, deliberate, planful check on how the landscape is evolving and how the university should respond.

He emphasized key focus areas, including:

- Changes in student learner and consumer demand, including demographic changes like an increase in adult learners and decrease in high school graduate learners and a focus on recovering international enrollment
- Student success initiatives, such as smoothing transfer pathways, addressing high DFW (drop, fail, withdraw) courses and providing financial aid advising and mental health support
- Supporting the research enterprise, which involves managing complex and costly operations to achieve aspirational goals in research
- Addressing issues related to sports, including conference realignment, NIL (name, image, likeness) and legal challenges in that domain
- Navigating artificial intelligence, federal transitions and productive campus dialogue
- Managing rising budget pressures and cybersecurity concerns.

Snopkowski provided background on the three stages of the ERM process and the board's role in that process:

- Information gathering, which is a continuous process involving multiple sources, including inspectors general, the General Accountability Office, state auditors and higher education partners across the country
- Risk identification by category, which involves evaluation of the collected data in terms of five different risk categories: strategic; compliance and legal; reputational; financial; and operational and safety
- Remediation and monitoring, with university leaders and management responsible for addressing risks daily and the board providing oversight and ensuring that strategic goals are met, significant financial losses or reputational damage are avoided and major disruptions are prevented.

Trustee Hale asked about the prioritization of risks and whether there is a heat map or ranking of the top risks. Snopkowski reported that risks are mapped into high, medium and low categories, but not ranked numerically due to the subjectivity involved.

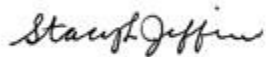
Trustee Chambers commented on the impact of OSU's land ownership on fire risk and the importance of addressing insurance capacity in the event of a catastrophic event.

In closing, Chair Hernández stressed the importance of the board's fiduciary duty of oversight and understanding the institution's operations and risks. He credited the OARC's presentations for helping the board execute this duty effectively.

5. Adjournment

With no further discussion or business before the committee, Chair Hernández adjourned the meeting.

Respectfully submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees