



Meeting of the Executive, Audit and Governance Committee

January 15, 2026

3:00 – 4:10 pm

Memorial Union Horizon Room, Corvallis, OR

MINUTES

Committee Members Present:

Maria Chávez-Haroldson (vice chair), Román Hernández (chair), Julie Manning, Elise McClure, Jayathi Murthy (*ex officio*)

Other trustees present:

Stephanie Bulger, Kate Carter-Cram, Karla Chambers, Eric J. Gleske, Nikki Gold, Lisa Hale, Grant Kitamura, Greg Macpherson, Camille Palmer, Julia Phillips

University Staff Present:

Maxine Agather, Jackie Bangs, Becca Gose, Roy Haggerty, Carla Ho‘ā, Jen Humphreys, Stacy Jeffries, Dan Larson, Rob Odom, Julee Otter, Melanie Rose, Dave Terry, Irem Tumer, Scott Vignos

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

Board Chair Román Hernández called the meeting to order at 3:00 p.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 10, 2025, Special Meeting of the Executive, Audit and Governance Committee**
- b. **Minutes of the October 22, 2025, Executive, Audit and Governance Committee**

The chair sought a motion to approve the consent agenda. A motion was made by Trustee Manning, seconded by Trustee McClure and approved by all committee members in attendance: Vice Chair Chávez-Haroldson, Chair Hernández, Trustee Manning and Trustee McClure. The motion carried.

3. Action items

- a. **Office of Audit, Risk and Compliance 2025 Final Progress Report and 2026 Annual Plan**

Chief Executive of Audit, Risk and Compliance Dave Terry (Terry) and Deputy Chief Audit Executive Julee Otter (Otter) presented this agenda item.

Terry stated that the mission of the Office of Audit, Risk and Compliance (OARC) is to enhance and protect organizational value by providing risk-based, objective assurance and advice to Oregon State University. He explained that OARC develops and executes an annual plan that

includes internal audit, compliance, investigative and enterprise risk management (ERM) services consistent with the Executive, Audit and Governance Committee charter.

Terry provided the following required disclosures to the committee in accordance with the Institute of Internal Auditors' standards:

- OARC staff have no independence impairments or conflicts of interest related to the projects proposed in the 2026 audit plan.
- OARC has experienced no scope limitations affecting assurance or advisory work.
- The office currently has sufficient resources to complete the projects proposed in the 2026 audit plan.
- OARC will present administrative updates to the internal audit charter at the March 2026 committee meeting to align with recently updated Institute of Internal Auditor standards.

Otter reviewed OARC's audit activities and performance during calendar year 2025. She reported completion of seven of 11 audits originally scheduled for 2025, with the remaining four audits intentionally carried forward into 2026 to ensure appropriate coverage and continuity during a year of leadership transition.

She noted key outcomes from 2025 audit and investigative work, including:

- A review of internal controls at the College of Veterinary Medicine's Veterinary Teaching Hospital, which confirmed a solid control environment and prepared the way for a follow up assessment of the hospital's new electronic medical record system.
- Investigations into compliance concerns that resulted in corrective actions and strengthened controls.
- An investigation related to misuse of a university purchasing card and royalty payment processes for university intellectual property, which identified opportunities for improved processes and oversight, noting that efforts to recover funds and enhance controls are underway.
- Completion of NCAA Agreed Upon Procedures related to Athletics, which identified no exceptions and reaffirmed sound fiscal practices.

Otter also noted significant work in progress, including a Workday payroll module control design review nearing completion and a construction audit of the Jen-Hsun Huang and Lori Mills Huang Collaborative Innovation Complex, with a report to be issued upon completion.

She reported on OARC's performance metrics and organizational capacity, noting that the office engaged with all nine major functional units of the university, encompassing 89 auditable units. She reported that 89% of open audit recommendations were within established timelines and not past due, reflecting strong follow-through by university leadership.

Otter also addressed staffing and leadership changes during 2025, noting that OARC temporarily paused new audit engagements to support leadership onboarding and preparation for an upcoming external quality review following the departure of the prior chief executive of audit, risk and compliance in June and Dave Terry's arrival in November. She reported that OARC is now fully staffed, including two staff auditors and an executive assistant, and that staff development remains a priority.

Otter presented the 2026 Annual Audit Plan, which includes 11 engagements, incorporating the four audits carried forward from 2025. She explained that engagements were selected using a risk-based assessment process that considers strategic priorities, operational changes, emerging risks and industry trends.

She noted that the plan prioritizes areas with significant financial, operational, compliance and reputational impact, while lower risk areas will continue to be addressed through data analytics and internal control reviews. She also noted that time has been built into the plan for the audit team to develop proficiency with Workday, recognizing the system's importance to both university operations and audit work.

Otter highlighted a major initiative planned for 2026: the external Quality Assurance Review (QAR) of the internal audit function, which is required every five years. She noted that the last review occurred in December 2021 and that preparation for the upcoming review has been incorporated into the 2026 work plan.

Chair Hernández asked for additional detail regarding the Workday payroll module control design review. Otter explained that the review was conducted in collaboration with the Workday implementation team to ensure controls are appropriately designed so employees are paid and financial statements are accurate and complete.

Trustee Manning asked about the proportion of audits conducted internally versus those that are co-sourced or outsourced. Otter responded that most audits in the 2026 plan will be conducted internally, with construction audits being co-sourced due to their specialized nature and Athletics compliance audits following a rotating approach, with periodic use of external auditors for independent validation.

Trustee Chambers commented on the importance of identifying broader financial risks beyond traditional audit findings. Terry responded that OARC has a strong team, including an in-house IT audit capability that reduces risk exposure. He noted that broader financial risks, including those related to Athletics, are actively monitored through the ERM process and audit planning.

There being no further discussion, the chair sought a motion to accept the 2025 final progress report and 2026 annual plan for the Office of Audit, Risk and Compliance. A motion was made by Trustee McClure, seconded by Trustee Manning and approved by all committee members in attendance: Vice Chair Chávez-Haroldson, Chair Hernández, Trustee Manning and Trustee McClure.

b. Board Officers Election or Re-Election

Board Secretary Jackie Bangs presented this agenda item and reviewed the policy and process regarding board officer election, noting that the current board chair and vice chair will conclude their current terms at the end of the fiscal year.

Bangs clarified that the role of the Executive, Audit and Governance Committee at this meeting was not to elect officers, but rather to recommend a slate of nominees to be considered by the full board. She reported that she solicited feedback from all trustees as part of the nomination process, and that all had provided input. She further noted that nominees were contacted

individually to confirm their willingness to serve, discuss the responsibilities and time commitment associated with officer roles and respond to any questions.

Based on the nomination process, Bangs presented the following recommended slate for consideration by the full board:

- Board Chair: Maria Chávez-Haroldson and Karla Chambers
- Board Vice Chair: Elise McClure

With no questions from trustees and no further discussion, Chair Hernández moved to recommend the proposed slate of board officer nominees to the full board for consideration: Maria Chávez-Haroldson and Karla Chambers for the chair position and Elise McClure for the vice chair position. The motion was seconded by Trustee Manning and approved by all committee members in attendance: Vice Chair Chávez-Haroldson, Chair Hernández, Trustee Manning and Trustee McClure. The motion carried.

4. Discussion items

a. Enterprise Risk Management Report

Chief Executive of Audit, Risk and Compliance Dave Terry was joined by Provost and Executive Vice President Roy Hagerty to present an update on the university's Enterprise Risk Management (ERM) process and the proposed ERM topics for board oversight in 2026.

Terry explained that ERM is intended to support Oregon State University's ability to achieve its strategic objectives under *Prosperity Widely Shared* by proactively identifying and managing both risks and opportunities that may affect the institution. He emphasized that risk management is a shared responsibility across the OSU community.

Terry noted that this year's information gathering process included particular attention to changes in the federal landscape affecting grants and contracts. He explained that information gathered is synthesized into common themes, which are then evaluated for potential impact. He gave an overview of the remediation and monitoring stage of the ERM process, in which leaders designated as risk owners develop mitigation strategies and provide periodic reports to the board to describe progress, challenges and emerging issues, enabling the board to exercise informed oversight and support institutional improvement.

Terry reported that the ERM analysis resulted in the identification of 10 key ERM topics recommended for inclusion in the board's 2026 work plans, adding that future briefings may include multiple executive leaders to provide comprehensive perspectives due to the breadth and complexity of some topics.

Trustee Manning asked how risk owners determine appropriate metrics and thresholds, including what constitutes a "yellow" or "red" risk indicator, and what occurs between the start of the year and formal board reporting. Terry explained that extensive interviews were held with leadership and stakeholders to identify themes, as well as analysis of financial data, legal and compliance requirements, audit coverage history and external risk indicators from peers

and regulators. He explained that once a topic is identified as a top risk, the responsible executive works with OARC to develop metrics and mitigation plans.

Trustee Chambers commended the overall ERM topic list and suggested that the topic related to future revenue and cost escalation pressures may warrant presidential level ownership. Terry agreed that the financial landscape represents an enterprise-wide risk and noted that research administration was identified as a separate ERM topic due to federal funding changes and the university's research growth objectives. Terry agreed that the financial landscape represents an enterprise-wide risk.

Vice Chair Chávez-Haroldson commented on the inclusion of student success, specifically highlighting the importance of student mental health resources. Terry responded that future briefings would include appropriate co-presenters to address student support services like mental health and housing along with academic factors. In addition, Terry commented that additional management may present risk reports on ERM topics that are not listed in the ERM report.

b. 2025 Committee Assessment Results

Board Secretary Jackie Bangs and Chair Román Hernández presented the results of the 2025 Executive, Audit and Governance Committee (EAGC) self assessment. Chair Hernández reported that the 2025 assessment results were generally consistent with prior years, indicating that trustees feel actively engaged in committee work; that they are able to contribute meaningfully to discussions; and that the committee typically receives the appropriate type and level of information.

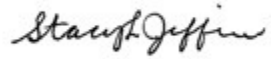
Bangs explained that the committee self assessment is conducted annually in alignment with governance best practices. She noted that the assessment tool developed by a former board secretary has been used consistently over time, resulting in approximately eight years of data that provide baselines and trends for comparison. She noted that the assessment tool developed by a former

Bangs provided context regarding the evolution of the committee, which was formerly structured as an executive and audit committee, with governance responsibilities added in recent years. She referenced prior work related to Senate Bill 273, including contributions by Trustee Manning and others, as part of the committee's expanded governance framework.

5. Adjournment

With no further discussion or business before the committee, Chair Hernández adjourned the meeting at 3:46 p.m.

Respectfully submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees