



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

January 18, 2024
10:15 – 10:40 a.m.
Virtual Meeting Held via Zoom

MINUTES

Executive, Audit and Governance
Committee Members Present:

Kirk Schueler (*chair*), Román Hernández (*vice chair*), Julie Manning,
Elise McClure, Jayathi Murthy (*ex officio*)

Finance and Administration
Committee Members Present:

Grant Kitamura (*vice chair*), Patty Bedient, Kasaundra (Kassy) Bonanno,
Karla Chambers, Susan Clark

Executive, Audit and Governance
Committee Members Absent:

Julia Brim-Edwards

Other Trustees Present:

Greg Macpherson, Inara Scott

University Staff Present:

Jackie Bangs, Katie Fast, Alix Gitelman, Becca Gose, Mike Green,
Jen Humphreys, Stacy Jeffries, Rob Odom, Melanie Rose, Heidi Sann,
Irem Tumer, Scott Vignos

Invited Guests:

Jean Bushong, CliftonLarsonAllen LLP

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

Committee Chair Kirk Schueler called to the meeting to order at 10:16 a.m. Board Secretary Jackie Bangs called the roll and verified a quorum.

2. Action Item

a. FY2023 Annual Financial Statements and Single Audit Report

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

Bushong gave an overview of the results of the financial statement and single audit, providing clarification on CLA's role in auditing standards and background on new GASB (Government Accounting Standards Board) standards.

She said CLA's role was to issue an opinion on OSU's financial statements that provided the reader of those statements with reasonable assurance that the published information was reliable. Bushong stressed that university management was responsible for preventing and detecting error, fraud and non-compliance in the financial statements it provided CLA to audit.

She noted two new GASB standards. For GASB 94 – the accounting for public-private partnerships or public-public partnerships – she said OSU had done an analysis and determined there was not a major impact to its financial statements.

OSU Board of Trustees

Bushong explained that the other new standard, GASB 96, addressed subscription-based information technology arrangements, adding that OSU's finance team worked with University Information and Technology to identify the university-wide inventory of subscriptions and analyze hundreds of contracts to determine if they fell within the standard.

Bushong reported that CLA had issued an unmodified opinion in November 2023 indicating the material correctness of the information in OSU's financial statements, adding that CLA found no material weaknesses or significant deficiencies.

She said CLA had issued a letter to OSU management with suggested enhancements management could make to their submittal process for implementation of GASB 96.

Bushong noted two uncorrected adjustments identified during the audit that management passed upon. She said the first issue concerned contracts that needed to be removed from the subscription-based IT arrangements during the GASB 96 implementation, and that management had agreed to the change. Bushong said the other adjustment concerned OSU's policy on cut-off procedures and that CLA had identified a small amount of grant activity that probably should have been assigned to 2022 but flowed into 2023.

Bushong provided a brief overview of the federal audit, which required CLA to test the university's research and development monies based on the federal government's risk-based approach. She said CLA had issued an unmodified opinion that they believe the university is in material compliance with the R&D clusters.

Chair Schueler, Trustee Bedient and Trustee Chambers gave positive feedback to Bushong and the OSU team for a well-prepared financial audit. Trustee Chambers said she was under the impression that OSU was in a good financial position and was not heavily leveraged, and asked if Bushong could comment. Bushong said OSU had a strong balance sheet and added that she had zero concerns. Bushong said CLA works with institutions across the country, and that larger public institutions like OSU continue to thrive. Sann added that the university also measured its financial health with metrics that specifically address how much it is leveraged from a debt capacity, with further discussion to be included later in the day in the Finance & Administration Committee meeting.

Chair Schueler sought a motion to approve the financial statements and single audit report. A motion was made, seconded and approved by all committee members in attendance.

3. Adjournment

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

Respectfully Submitted,



Stacy Jeffries
Executive Assistant, Office of the Board of Trustees