



The Board of Trustees of Oregon State University

**Joint Meeting of the Executive & Audit
and Finance & Administration Committees**
January 19, 2017
Horizon Room, Memorial Union
Corvallis, Oregon

MINUTES

Executive & Audit Committee Members Present: Rani Borkar, Darry Callahan (*vice chair*), Paul Kelly, Kirk Schueler, Ed Ray (*ex officio*), and Pat Reser (*chair*)

Finance & Administration Committee Members Present: Mark Baldwin, Patty Bedient, Julia Brim-Edwards, Darry Callahan, Mike Green (*ex officio*), Brett Morgan, and Kirk Schueler (*chair*)

Other Trustees Present: Mike Bailey, Michele Longo Eder, and Preston Pulliams

University Staff Present: Ron Adams, Jennifer Almquist, Anita Azarenko, Sherm Bloomer, Susan Capalbo, Steve Clark, Debbie Colbert, Becca Gose, Mark Huey, Cindy Sagers, Clay Simmons, Patti Snopkowski, and Marcia Stuart

Guests: Jean Bushong (*principal, CliftonLarsonAllen LLP*) and Tim Rawal (*senior associate, CLA*)

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

Executive & Audit Committee Chair Pat Reser called the meeting to order at 9:56 a.m., asked Assistant Board Secretary Mark Huey to call the roll, noted a quorum, and welcomed the members of the Finance & Administration Committee to the joint meeting.

2. Action Item

a. FY2016 Annual Financial Statements

Reser asked Chief Audit Executive Patti Snopkowski to introduce representatives from CliftonLarsonAllen LLP (CLA), the firm that conducted the external audit of the university's FY2016 Annual Financial Statements. Jean Bushong, principal, CLA, introduced her colleague, Tim Rawal, who assisted with the presentation. Bushong clarified that CLA's responsibilities under U.S. generally accepted auditing standards included expressing an opinion on whether financial statements are in conformity with U.S. generally accepted accounting principles in all material respects; expressing an opinion only over information identified in the CLA report; performing the external audit in accordance with required auditing standards; and communicating any significant matters related to audit, information required by law/regulation, or other information agreed upon with the university.

CLA noted that the scope of engagements included the university's FY2016 Financial Statements, a single audit of student financial aid, and NCAA agreed-upon procedures. CLA said it issued an unmodified opinion of the university's FY2016 financial statements, indicating that the auditors' opinion as to the fair presentation of the financial statements was issued without modifications. CLA reviewed its required communications with the

Board, noting they encountered no difficulties in performing their audit, had no disagreements with university management, and found no material weaknesses or significant deficiencies. CLA reported that, as part of the audit of financial statements, they prepared a Governance Communication Letter noting deficiencies and emerging issues, which had not been deemed significant, related to bank reconciliations and information system access security. OSU has issued a response and action plan.

CLA reported that they had conducted a single audit of Student Financial Aid. CLA reviewed its required communications with the Board, noting they encountered no difficulties in performing their audit, had no disagreements with university management, and found no material weaknesses. CLA did identify significant deficiencies related to the university's policies and procedures around reporting Pell disbursements to the Common Origination and Disbursement system. CLA reported that they had also performed NCAA agreed-upon procedures.

Following the presentation and discussion, a motion was made and seconded by the Executive & Audit Committee to approve the external audit conducted by CliftonLarsonAllen LLP of the Oregon State University FY2016 Annual Financial Statements. The motion carried.

3. Adjournment

With no further business proposed, Reser adjourned the meeting at 10:33 a.m.

Respectfully submitted,

Jennifer M. Almquist
Assistant Board Secretary