

**Finance and Facilities Committee
also Sitting as the Audit Committee
MINUTES**

Trustees Present:

Vince Jones, Chair

Jessica Gomez (in person)

Nagi Naganathan, President

(in person)

Grace Rusth (in person)

Mike Starr (in person)

Paul Stewart

Other Trustees present:

Trustee McClure (in person)

University Faculty and Staff Present in Person:

Brian Fox, VP Finance and Administration

Erin Foley, VP Student Affairs and Dean of Students

David Groff, General Counsel

Scotty Hayes, Information Technology Consultant

Joanna Mott, Provost/VP of Academic Affairs and Strategic Enrollment Management (via Teams)

Adria Paschal, Senior Executive Assistant to the President (via Teams)

Others Present:

Haley Lyons, Kernutt Stokes, LLP

Jana Cain, Kernutt Stokes, LLP

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

Chair Jones called the meeting to order at 8:02am. The Board Secretary called roll and a quorum was declared.

2. Consent Agenda

2.1 Approval of the Minutes of the June 30, 2020 Meeting

With no amendments proposed, the minutes for the June 30, 2020 meeting stand as published.

3. Reports – none

4. Action Items

4.1 Acceptance of the Internal Audit: Educational Partnerships and Outreach

Ms. Lyons reviewed a PowerPoint presentation outlining the progress on the internal audit scheduled projects: the audit for Sponsored Projects and Grant Administration is awaiting management responses to the findings, the Housing and Residence Life audit report will be issued next week, and the Title IX audit is postponed. **Ms. Cain** outlined the findings and recommendations for the Educational Partnership and Outreach (EPO) audit including the slow collection of dual credit tuition. She stated the percent of collection is on average with other universities. **VP Fox** explained that the university anticipates a low rate of collection given the nature of the program but we will focus on improving the processes associated with billing and collection. He noted the uncollected amounts are included in the bad-debt expenses at the end of the year. **Trustee Rusth** explained there are two funding sources for the dual credit program: the student fee and state revenue. **President Naganathan** explained that matriculation and increasing our conversion rate are more beneficial than collecting the fee. **Provost Mott** reiterated we are receiving some funds from the state despite not receiving some student fees and we are getting Oregon Tech's name and reputation out to the pipeline of students; we are the largest dual credit provider in the state at this time. **Chair Gomez** recommended we work on obtaining payment and collection of funds but cautioned the amount of staff time spent to do so. **Ms. Cain** reviewed the process improvement requirement related to the inability of parents to pay for dual credit courses if the name on their credit card did not match the student name. She noted the finding related to employees manually re-entering application information was resolved with a Banner update in May. Another finding related to processes is that the EPO does not have a way to measure the utilization of articulation agreements; the agreements did not seem to be used by students transferring into the university. EPO also was not renewing agreements in a timely manner; many were expired and this leaves the university open to reputational risk. She gave credit to the EPO for reducing the number of agreements through consolidation and for making process improvements. A final finding is the need to identify a process to measure the impacts of summer programs; to determine if the students attending the camps ultimately attend Oregon Tech. A process was put into place but it will be a few years before results are known. She noted there was no metrics in place to measure the strategic alignment with the overall strategy of the university. **Ms. Lyons** reviewed the sponsored projects and grants audit themes noting the audit report is awaiting management responses. She also previewed the Housing and Residence Life audit report. She gave an update on the fraud, waste, and abuse ethics hotline.

Chair Gomez moved to accept the Internal Audit: Educational Partnerships and Outreach. **Trustee Rusth** seconded the motion. With all trustees present the motion passed unanimously.

4.2 Internal Auditing Services RFP Update and Re-issuance Authorization

VP Fox stated a request for proposals for internal auditing services was sent out pre-COVID and responses were received prior to and during the pandemic. Many responses were high-priced and others did not identify any travel or in-person meetings on campus. As a result, he proposed cancelling the RFP with a revision of the scope to include the auditors presence on campus and during board meetings and reducing the scope from 4 audits to 2-3 audits per year to reduce the cost of services. Kernutt Stokes is willing to

provide a contract extension to keep them engaged until we award a new RFP. There are enough hours left in the contact to cover the costs. He explained the rationale asking the committee to authorize the president to award the contract: this keeps the VPFA separate from the final decision as he sits on the selection committee.

Chair Gomez moved to authorize the President or designee to:

- 1) cancel the existing Request for Proposal for internal auditing services,**
- 2) issue a revised RFP for internal audit services utilizing the draft revised internal audit scope outlined in the agenda report as a basis, making any technical corrections as necessary, and**
- 3) award the contract to the winning proposer upon the recommendation of the RFP selection committee.**

Trustee Starr seconded the motion. With all trustees present voting aye, the motion passed unanimously.

5. Discussion Items - none

6. Other Business/New Business - none

7. Adjournment

Meeting was adjourned at 8:50am.

Respectfully submitted,



Sandra Fox
Board Secretary