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## Finance and Facilities Committee Agenda

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1. **Call to Order/Roll/Declaration of a Quorum** (9:30 am) (5 min) *Chair Vince Jones*
2. **Consent Agenda** (9:35 am) (5 min) *Chair Vince Jones*
  - 2.1 Approve Minutes of the October 11, 2023, meeting.
3. **Reports**
  - 3.1 Fiscal Operations Advisory Committee (FOAC) Report (9:40 am) (5 min) *Professor Don DaSaro (Verbal only)*
  - 3.1.2 FY 2023-24 YTD November Management Report (9:45 am) (10 min) *Vice President John Harman*
  - 3.1.3 Q-2 FY 2023-24 Capital Projects Report (9:55 am) (10 min) *Director Thom Darrah*
  - 3.1.4 Clifton Larson Allen- External Auditor Briefing on Annual Report and Audit (verbal) (10:05 am) (5 min) *Jean Bushong/ Bryan Simkanich*
  - 3.1.5 Clifton Larson Allen- Single Audit – External Auditor Briefing (verbal) (10:10 am) (5 min) *Jean Bushong/ Bryan Simkanich*
  - 3.1.6 GLBA Information Security Statement- (10:15 am) (5 min) *Vice President John Harman*
  - 3.1.7 Eide Bailly- Risk Assessment and Multi-Year Audit Plan Report (10:20) (20 min) *Kristin Diggs/Audrey Donovan*
  - 3.1.8 Facilities Master Plan - Briefing (10:40 am) (15 min) *Vice President John Harman*
4. **Action Items**
  - 4.1 Soderstrom- Facilities Master Plan Report (10:55 am) (15 min) *Vice President Harman*
  - 4.2 Eide Bailly- Risk Assessment and Multi-Year Audit Plan (11:10 am) (15 min) *Vice President Harman*
5. **Discussion Items** (11:25 am) (5 min) *Chair Jones*
6. **Other Business/New Business** (11:30 am) (5 min) *Chair Jones*
7. **Adjournment** (11:35 am)

***All times approximate***

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**Finance and Facilities Committee**  
**DRAFT Minutes**

**Trustees Present:**

Vince Jones, Chair  
Mason Wichmann

Michele Vitali  
Mike Starr

Kanth Gopalpur  
Dr. Nagi Naganathan (*ex officio*)

**Trustees Not in Attendance:**

Stefan Bird

**Other Trustees in Attendance:**

Johnnie Early                      John Davis

**University Staff and Faculty Present in person:**

Abdy Afjeh, Vice Provost for Research and Academic Affairs, Interim Dean of ETM & Acting Provost

Mandi Clark, Associate Vice President & Dean of Students & Interim VP for Student Affairs

Thom Darrah, Director-Facilities Management Services

Don DaSaro, Chair, -Fiscal Operations Advisory Council

Ken Fincher, Vice President University Advancement & Interim Board Secretary

Lori Garrard, Executive Assistant to the VP of University Advancement

David Groff, General Counsel

John Harman, Vice President Finance & Administration

Adria Paschal, Senior Executive Assistant to the President

Bryan Wada, Information Technology Consultant 2

**1. Call to Order/Roll/Declaration of a Quorum** *Chair Vince Jones*

**Chair Jones** called the meeting to order at 9:32 a.m. The Board Secretary called roll and a quorum was declared.

**2. Consent Agenda** *Chair Vince Jones*

**2.1 Approve Minutes of the June 2023 meeting.**

No changes to minutes were voiced. Minutes approved as submitted.

### 3. Reports

#### 3.1 Quarterly Finance, Facilities, and Audit Report

##### 3.1.1 FYE 2022-23 Management Report and Financial Dashboard (A & A2) *VP John Harman*

- **VP Harman** shared a budget performance summary for FY 2022-23 Year End and discussed the general fund monthly report. **Chair Jones** highlighted how the entire team and entire university works on the budget process, including administration, staff and students. **Trustee Gopalpur** asked for some clarification on the general fund month report which **VP Harman** provided.

##### 3.1.2 FY 2023-24 YTD August Management Report (B) *VP John Harman*

- **VP Harman** shared the quarterly financial dashboard as of June 30, 2023.
- **Trustee Davis** asked about the undergraduate student pipeline regarding the spike in senior enrollment. **President Naganathan** explained the data.

##### 3.1.3 Q-4 FY 2022-23 Investments Report (C) *VP John Harman*

- **VP Harman** provided information regarding the Public University Fund and the investment performance to benchmark Q-4 FY 2022-23.

##### 3.1.4 Q-1 FY 2023-24 Capital Projects Update (D) *Director Thom Darrah*

- **Director Darrah** focused on the new student housing project, the geothermal systems emergency renovation, and the Boivin Hall traffic improvements.
- **Chair Jones** explained that the new student housing project was estimated to be over budget, but it was brought back to be within the funding allocation for the project, through appropriate architectural and design revisions.
- **Chair Jones** asked about the geothermal systems project. **Director Darrah** advised it is a major renovation of the system and gave details on the phases of the project.
- **Trustee Davis** asked for clarification on the traffic improvements near Boivin Hall. **Director Darrah** explained it will focus on improvements to Industrial Park Drive and does not include a roundabout near Boivin Hall. This project will add sidewalks and curbs, improve the median, and repave. It will overall improve the aesthetic of the entrance of campus near CEET. **President Naganathan** stated that this will also improve the safety of students and pedestrians.
- **Trustee Davis** acknowledged all the hard work that occurred to obtain the funding for the geothermal project. **President Naganathan** also stated that it was possible because the Oregon Tech community came together to be successful.

##### 3.1.5 Oregon Institute of Technology 2023 Economic, Fiscal and Social Impact Analysis (E) *VP John Harman*

- **VP Harman** shared the findings of the 2023 economic, fiscal, and social impact analysis.
- **VP Harman** explained how this information will be used at Oregon Tech to include a link to the report on our website, provide copies to our partners in industry, prospective students, and how it can be used as a marketing tool. **President Naganathan** stated that the university advancement team has already met to come up with a plan to leverage the results. **VP Fincher** stated there is a marketing campaign being created around the results as well as the data being used in grant applications.

##### 3.1.6 Update on External Auditor's Activities – Administration *VP John Harman*

- **VP Harman** provided an update on external auditor activities. The internal planning and year-end work are ongoing, and the audits are expected to be issued mid-December and will be presented to the board at the meeting in January 2024.

#### 4. Action Items

##### 4.1 Recommendation to Full Board for Approval of Technical Update to Board Policy on Resident Undergraduate Tuition and Mandatory Fee Process *VP John Harman*

- **VP Harman** provided background and explained why the update to the policy was necessary to align with the statute.
- In response to **Trustee Davis' question** about the process in developing the technical update, **VP Harman** explained who was involved as well as the related processes.

##### MOTION

**Recommend to the full Board to accept the proposed technical update to the Board Policy on Resident Tuition and Mandatory Fees Process.**

**Motion: Trustee Gopalpur**

**Second: Trustee Vitali**

**Roll call Vote: Chair Jones aye, Trustee Gopalpur aye, Trustee Starr aye, Trustee Vitali aye, Trustee Wichmann aye.**

**Motion passed unanimously.**

##### 4.2 Recommendation to Full Board for Acceptance of \$18 Million in Series XI-Q Bond Funding and Authorization for the President to Proceed with Geothermal System Renovation *VP Harman*

- **VP Harman** explained the geothermal project and the process to get approval from the legislature for the funding. Progress of the project will be presented to the board as the project funds are utilized.

##### MOTION

**Recommend to the full Board to accept \$17,956,151 in Series XI-Q bond proceeds and authorization for the president to proceed with the geothermal system renovation on the Klamath Falls campus.**

**Motion: Trustee Gopalpur**

**Second: Trustee Vitali**

**Roll Call Vote: Chair Jones aye, Trustee Gopalpur aye, Trustee Starr aye, Trustee Vitali aye, Trustee Wichmann aye.**

**Motion passed unanimously.**

**5. Discussion Items** *Chair Vince Jones*

- **Trustee Davis** asked about the budget and clarification on state dollars and tuition dollars and the budget cycles. **VP Harman** explained the HECC “true up” and advised that university is waiting on final numbers and its impact on the budget. **President Naganathan** also stated that the state releases in increments and they reserve the right to adjust as we move forward.
- **Trustee Davis** stated that Oregon Tech cannot continue to rely on tuition increases as at some point there will be a breaking point. We need to be prepared for a recession or a cut in state funding. The board needs to be thinking creatively as we cannot rely on just state funds and tuition increases.

**6. Other Business/New Business** *Chair Vince Jones*  
None

**7. Adjournment: 10:56 a.m.**

# REPORT

## Agenda Item No. 3.1

### Finance, Facilities and Audit: Quarterly Update

#### Background

The Quarterly Finance, Facilities and Audit Status Report provides information on major responsibility areas under the Finance and Administration Division of Oregon Tech. The Report generally highlights budget performance, financial and enrollment indicators, facilities, equipment, capital projects and invested funds, as well as internal and external audit coordination. Depending on the timing of the quarterly Board meeting, some data may not yet be available for reporting. The information contained in the Report is used by the Office of the Vice President of Finance and Administration to track progress toward achieving the institution's financial and operational goals.

The report is shared with the Finance, Facilities and Audit Committee on a quarterly basis to provide information essential in supporting the Board's governance and fiduciary responsibilities.

#### Staff Recommendation

No action required. For information and discussion purposes only.

#### Reports/Attachments

Due to the timing of the January 2024 Board meeting and the related document submission deadline, some financial data through the end of the second quarter (December 2023) is not yet available. Finance, Facilities and Audit Status Reports include the following Attachments:

- 3.1.1- Fiscal Operations Advisory Committee (FOAC) Report- *verbal*
- 3.1.2- FY 2023-24 YTD November Management Report
- 3.1.3- Q-2 FY 2023-24 Capital Projects Report
- 3.1.4- Clifton Larson Allen- Annual Report and Audit External Auditor Briefing
- 3.1.5- Clifton Larson Allen- Single Audit- External Auditor Briefing
- 3.1.6- GLBA Information Security Statement Report
- 3.1.7- Eide Bailly- Risk Assessment and Multi-Year Audit Plan Report
- 3.1.8- Facilities Master Plan Briefing- *verbal*

**General Fund Monthly Report**  
FY 2023-24 November (in thousands)

	YTD Comparison		FY 2023-24 Budget & Forecast					Notes
	FY 2022-23 November Actuals	FY 2023-24 November Actuals	FY 2022-23 Year End Actuals	FY 2023-24 Board Adopted Budget (BAB)	FY 2023-24 Adjusted Budget	FY 2023-24 Forecast	Forecast to Budget Variance	
<b>Revenue</b>								
State Appropriations	\$20,233	\$22,446	\$33,744	\$33,942	\$33,942	\$36,806	\$2,864	(1)
Tuition & Fees	25,435	25,756	37,487	39,514	39,514	37,600	(1,914)	(2)
Remissions	(2,359)	(2,634)	(6,600)	(5,805)	(5,805)	(7,520)	(1,715)	(3)
Other	1,273	1,211	3,498	2,374	2,374	2,941	567	(4)
<b>Total Revenue</b>	<b>\$44,583</b>	<b>\$46,779</b>	<b>\$68,130</b>	<b>\$70,024</b>	<b>\$70,024</b>	<b>\$69,826</b>	<b>(\$198)</b>	
<b>Expenses</b>								
Administrative Staff Salary	\$3,487	\$3,504	\$8,468	\$10,234	\$10,309	\$9,070	(\$1,164)	
Faculty Salary	3,718	3,863	13,008	14,405	14,444	13,422	(983)	
Adjunct and Admin/Faculty Other Pay	1,323	1,309	3,622	3,649	3,613	3,649	-	
Classified	2,501	2,610	6,092	6,396	6,409	6,890	494	
Student	294	411	909	1,041	1,041	1,000	(41)	
GTA	37	27	94	121	121	94	(27)	
OPE	6,770	7,005	17,570	19,841	19,944	18,384	(1,457)	
<b>Total Labor Expense</b>	<b>\$18,130</b>	<b>\$18,729</b>	<b>\$49,763</b>	<b>\$55,687</b>	<b>\$55,881</b>	<b>\$52,509</b>	<b>(\$3,178)</b>	(5)
Service & Supplies	\$6,623	\$8,441	\$14,560	\$15,517	\$15,384	\$16,622	\$1,105	(6)
Internal Sales	(545)	(535)	(1,287)	(1,388)	(1,388)	(1,345)	43	
Debt Service	981	1,083	1,718	1,208	1,208	1,593	385	
Capital	102	345	620	175	288	847	672	(7)
Utilities	457	568	1,686	1,205	1,205	1,809	603	(8)
Transfers In	-	-	-	-	-	-	-	
Transfers Out	723	709	1,433	1,406	1,406	1,406	-	(9)
<b>Total Direct Expense</b>	<b>\$8,341</b>	<b>\$10,611</b>	<b>\$18,731</b>	<b>\$18,123</b>	<b>\$18,103</b>	<b>\$20,932</b>	<b>\$2,808</b>	
<b>Total All Expense</b>	<b>\$26,471</b>	<b>\$29,339</b>	<b>\$68,494</b>	<b>\$73,811</b>	<b>\$73,985</b>	<b>\$73,441</b>	<b>(\$370)</b>	
<b>Net from Operations before Other Resources (Uses)</b>	<b>\$18,112</b>	<b>\$17,440</b>	<b>(\$364)</b>	<b>(\$3,787)</b>	<b>(\$3,960)</b>	<b>(\$3,615)</b>	<b>\$172</b>	(10)
<b>Other Resources (Uses)</b>								
Transfers In	\$1	\$ -	\$180	\$887	\$887	\$770	(\$117)	(11)
Transfer Out	(200)	(136)	(441)	(100)	(100)	(236)	(136)	(12)
Use of Reserve	-	-	626	3,000	3,000	3,081	81	
<b>Total Other Resources (Uses)</b>	<b>(\$199)</b>	<b>(\$136)</b>	<b>\$364</b>	<b>\$3,787</b>	<b>\$3,787</b>	<b>\$3,615</b>	<b>(\$172)</b>	
<b>Total from Operations and Other Resources (Uses)</b>	<b>\$17,913</b>	<b>\$17,304</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$174)</b>	<b>\$ -</b>	<b>\$ -</b>	
Beginning Fund Balance	\$17,218	\$16,613	\$17,218	\$16,613	\$16,613	\$16,613	\$ -	
Fund Balance Adjustment	-	-	(605)	(3,000)	(3,000)	(3,081)	(81)	
<b>Ending Fund Balance</b>	<b>\$35,131</b>	<b>\$33,918</b>	<b>\$16,613</b>	<b>\$13,613</b>	<b>\$13,439</b>	<b>\$13,533</b>	<b>(\$81)</b>	
Fund Balance as % Operating Revenues	78.8%	72.5%	24.4%	19.4%	19.2%	19.4%	0.2%	
Ending Cash Balance	\$25,763	\$24,838	\$19,398					

**Notes:**

- (1) **FY 2023-24 State Appropriations Forecast** - State appropriations increased from the Governor's budgeted four percent PUSF increase to the legislatively approved 11%.
- (2) **FY 2023-24 Tuition & Fees Forecast** - Reflects impact of unexpected 5.6% enrollment decline (excludes ACP). Flat enrollment was budgeted for FY 2023-24.
- (3) **FY 2023-24 Remissions Forecast** - Reflects impact of increased President's Award amounts.
- (4) **FY 2023-24 Other Revenue Forecast** - Reflects unbudgeted increases in PUF earned interest and indirect grant revenue.
- (5) **FY 2023-24 Total Labor Expense Forecast** - Reflects budgeted positions remaining unfilled for all or part of the year (mostly in administrative staff and faculty), and associated savings in other payroll expenses.
- (6) **FY 2023-24 Service & Supplies Forecast** - Increase in spending of unbudgeted TRU + PSU Financial Sustainability state appropriation and new marketing initiative.
- (7) **FY 2023-24 Capital Forecast** - Increased capital spend resulting from FY23 equipment received in FY24 and planned spend of FY24 Academic Affairs equipment funds in capital rather than service and supplies.
- (8) **FY 2023-24 Utilities Forecast** - Increased utilities spend resulting from higher than budgeted waste water expenses.
- (9) **FY 2023-24 Transfers Out YTD Actuals** - Transfers out are regular, budgeted support of Athletics and the Shaw Library.
- (10) **FY 2023-24 Net from Operations YTD Actuals** - Because of reduced spending, the net loss at year-end is less than budgeted.
- (11) **FY 2023-24 Transfer In (Other Resources (Uses)) YTD Actuals & Budget** - Budgeted transfers in include use of prior year Applied Computing and Rural Health Initiatives funding and miscellaneous transfers.
- (12) **FY 2023-24 Transfer Out (Other Resources (Uses)) YTD Actuals & Budget** - Transfers out include budgeted institutional support for the AIRE grant and miscellaneous transfers.



# Oregon Tech's - Capital Projects Update

Thom Darrah | Director of Facilities & Capital Planning



# Presentation Outline

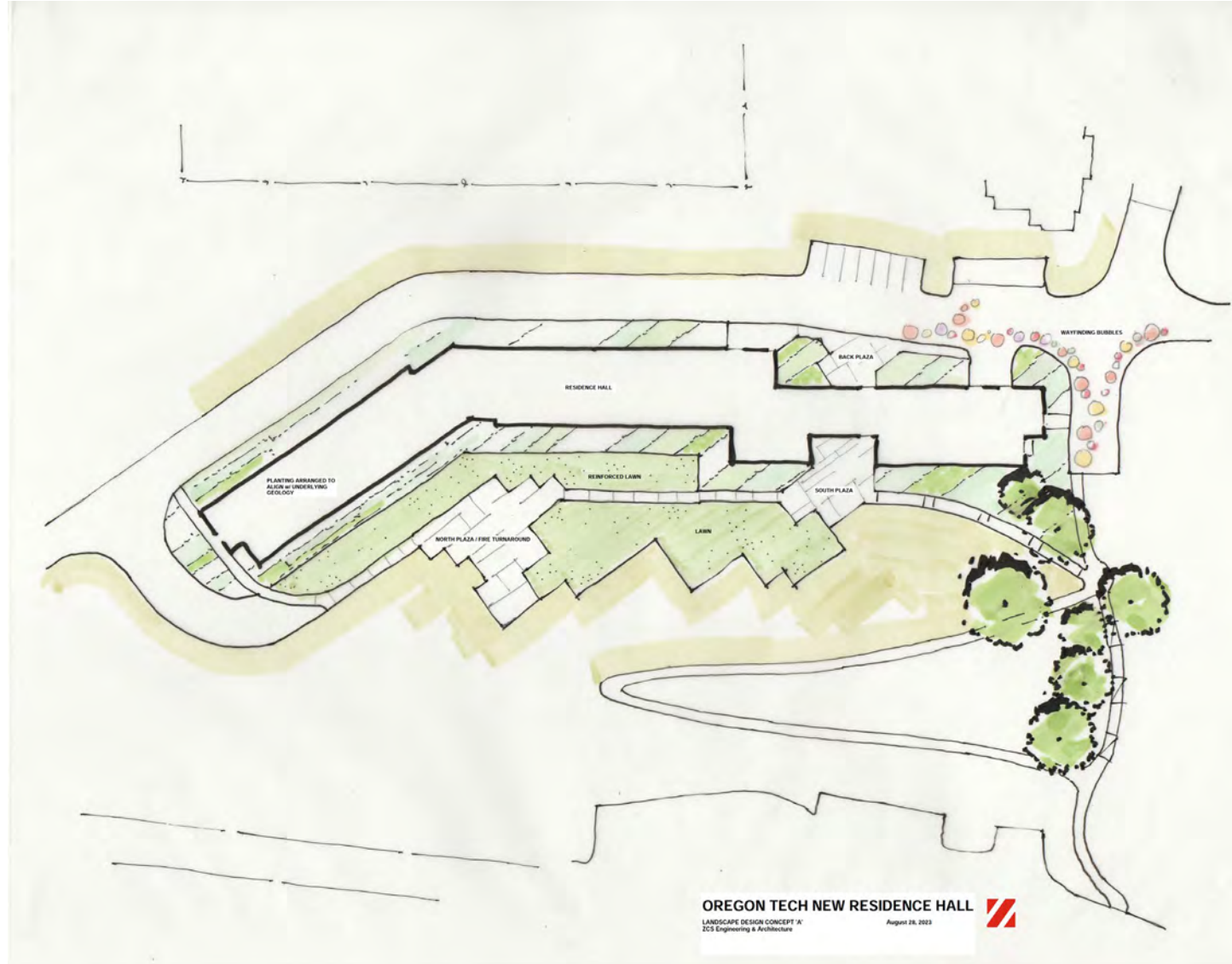


## **Capital Projects – Upcoming and Underway**

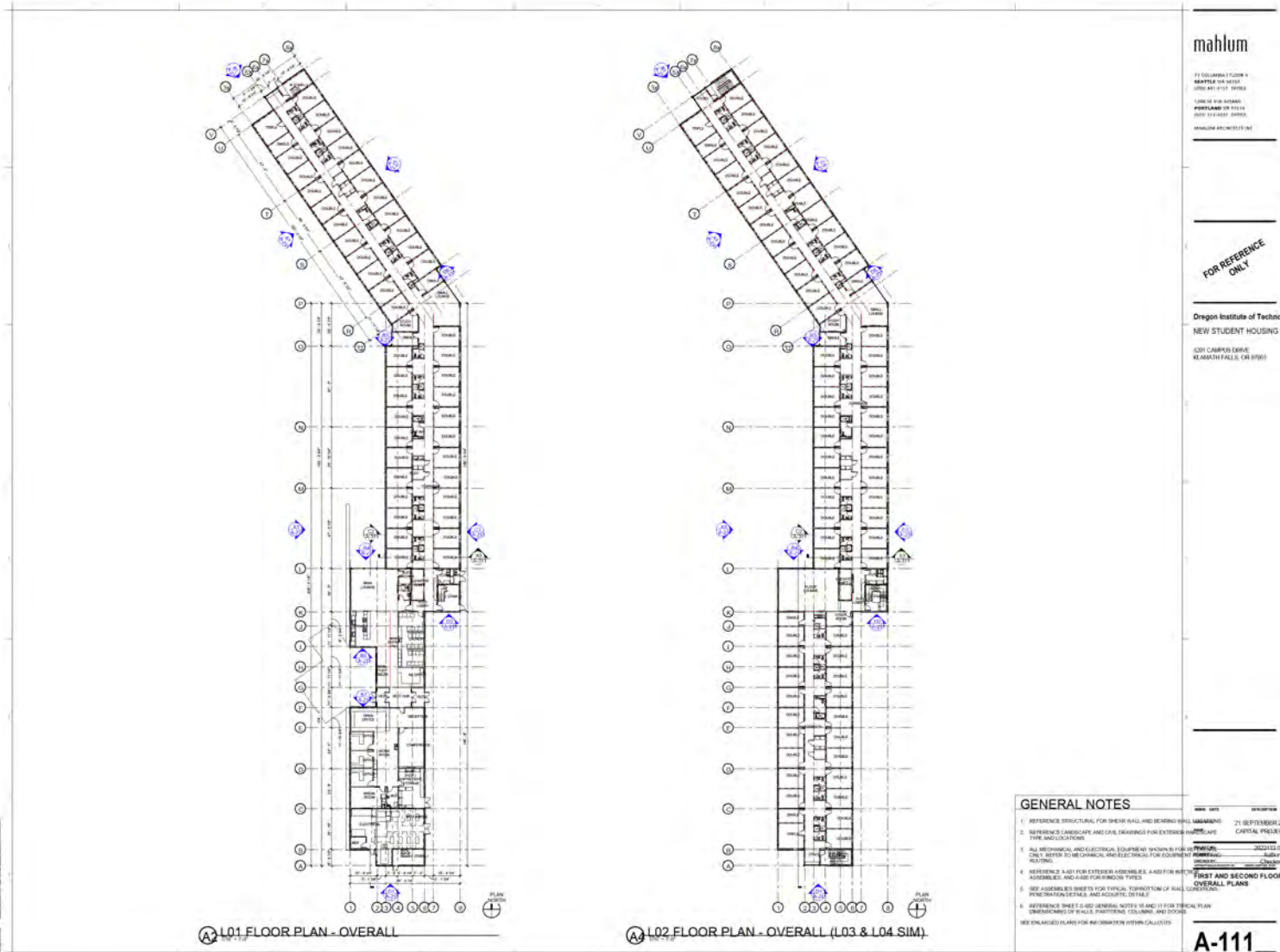
- New Student Housing
- Geothermal Systems Emergency Renovation
- Boivin Hall Traffic Improvements
- DPT Research Lab Renovation
- ABA Clinic Renovation



# New Student Housing



# New Student Housing



# New Student Housing

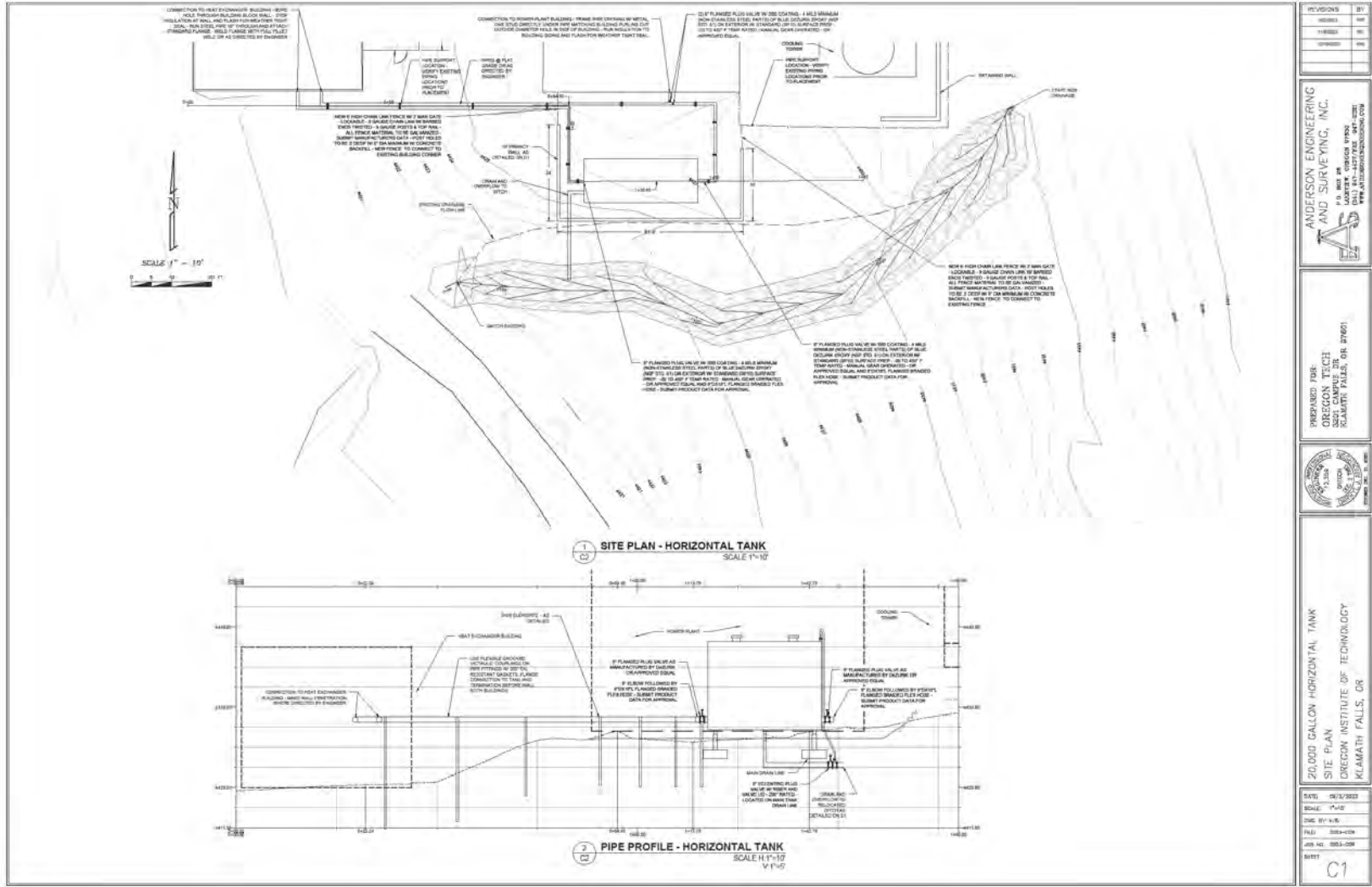


# New Student Housing





# Geothermal Systems Emergency Renovation





# Boivin Hall Traffic Improvements



Boivin Hall Traffic Improvements										
Project Start: 5.01.24				Project Completion: 8.31.24						
Project	Progress Highlights			Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance	
UPE	Design: Underway									
UPE	Construction: May 2024 - Aug. 2024									
	<b>Project underway.</b>			Design (5%):	\$ 60,000	\$ 113,555	\$ 51,253	45%	\$ 62,302	
				Construction (85%):	\$ 1,714,600	\$ 1,714,600	\$ -	0%	\$ 1,714,600	
				Other (10%):	\$ 225,400	\$ 171,845	\$ -	0%	\$ 171,845	
Design: ZCS				<b>Project Totals:</b>						
Build: TBD	Plan	Design	Bid	Build	Closeout	\$ 2,000,000	\$ 2,000,000	\$ 51,253	3%	\$ 1,948,747
<b>Budget Breakdown</b> 				<b>CO's / Amendments</b>		<b>Percent Complete (%)</b> 				
				ZCS: Amd. 1	\$ 25,400					
				ZCS: Amd. 2	\$ 28,155					
					\$ -					
				Total:	\$ 53,555					

# Bovin Hall Traffic Improvements



## OREGON TECH INDUSTRIAL PARK DRIVE IMPROVEMENTS

### GENERAL INFORMATION

**APPLICANT/OWNER:** OREGON INSTITUTE OF TECHNOLOGY  
CONTACT: THOM DAVEN  
2011 CAMPUS DRIVE  
KLAMATH FALLS, OR 97601  
(503) 866-7661

**ENGINEER:** SYLVESTER ALLEN, PE  
CONTACT: MALIA WATERS  
202 ENGINEERING & ARCHITECTURE  
300 KAMAHAM DRIVE  
KLAMATH FALLS, OREGON 97601  
(503) 866-7661

**SITE LOCATION:** INDUSTRIAL PARK DRIVE & DAN O'BRIEN WAY  
KLAMATH FALLS, OREGON 97601  
TOLLGATE E07

**TAX LOT:** 006

**LOT SIZE:** 0.26 ACRES

**AREA OF IMPACT:** ± 1.73 MINIMUM

**ZONING:** DC - GENERAL COMMERCIAL

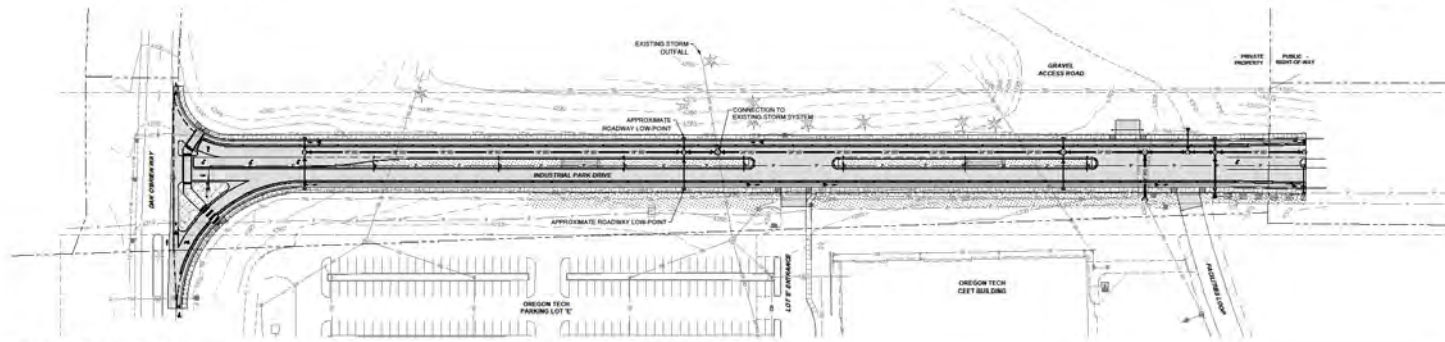
**SHEET INDEX:**  
C10 - OVERALL ROADWAY PLAN AND TYPICAL SECTION  
C11 - ROADWAY LAYOUT SOUTH AND NORTH

### CIVIL LEGEND

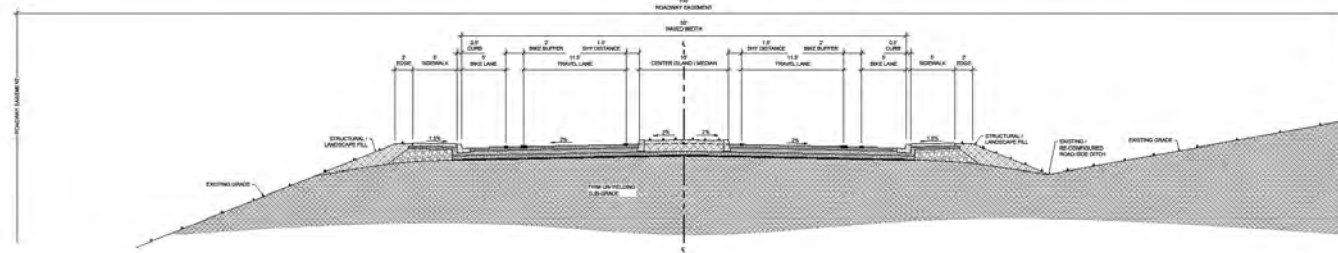
**ROADS & LANE LETTERS:**  
NEW CONCRETE PAVING  
NEW DEPRESSED SNOW REMOVAL AREA  
NEW ASPHALT PAVING  
NEW LANDSCAPING  
EXISTING DRAINAGE SWALE  
EXISTING EASEMENT  
EXISTING DATA  
EXISTING DEOTHERMAL  
EXISTING POWER - BURIED  
EXISTING STORM SHOWER  
EXISTING NATURAL DRAIN  
EXISTING WATERS - POTABLE  
EXISTING SANITARY SEWER - GRAVITY  
NEW POWER - BURIED  
NEW STORM SEWER

**SYMBOLS EXISTING:**  
SANITARY SEWER MANHOLE  
STORM DRAIN MANHOLE  
CATCH BASIN  
WATER VALVE  
PUMP VULVT  
TELEPHONE/COMMUNICATIONS RISER  
SIGN

**SYMBOLS DESIG:**  
STORM DRAIN MANHOLE  
CURB INLET  
TYPE 'D' INLET  
LIGHTING JUNCTION BOX  
DOUBLE CORNER HEAD LIGHT  
BOLLARDS AND CHAIN



2 OVERALL ROADWAY PLAN



3 TYPICAL ROADWAY SECTION

**ZCS**  
ENGINEERING & ARCHITECTURE

2000 Newport Avenue, Klamath Falls, Oregon 97601 • 503.866.7661

OREGON INSTITUTE OF TECHNOLOGY FACILITY SERVICES  
2011 CAMPUS DRIVE  
KLAMATH FALLS, OR 97601

OREGON TECH INDUSTRIAL PARK DRIVE IMPROVEMENTS

PROJ. NO. 4-2018-01  
DRAWN: SMC  
CHECKED: S.J. HAN  
DATE: 09-08-2018

OVERALL ROADWAY PLAN AND TYPICAL SECTION

FOR AGENCY REVIEW | NOT FOR CONSTRUCTION

**C1.0**

# Bovin Hall Traffic Improvements



# Bovin Hall Traffic Improvements



# Bovin Hall Traffic Improvements

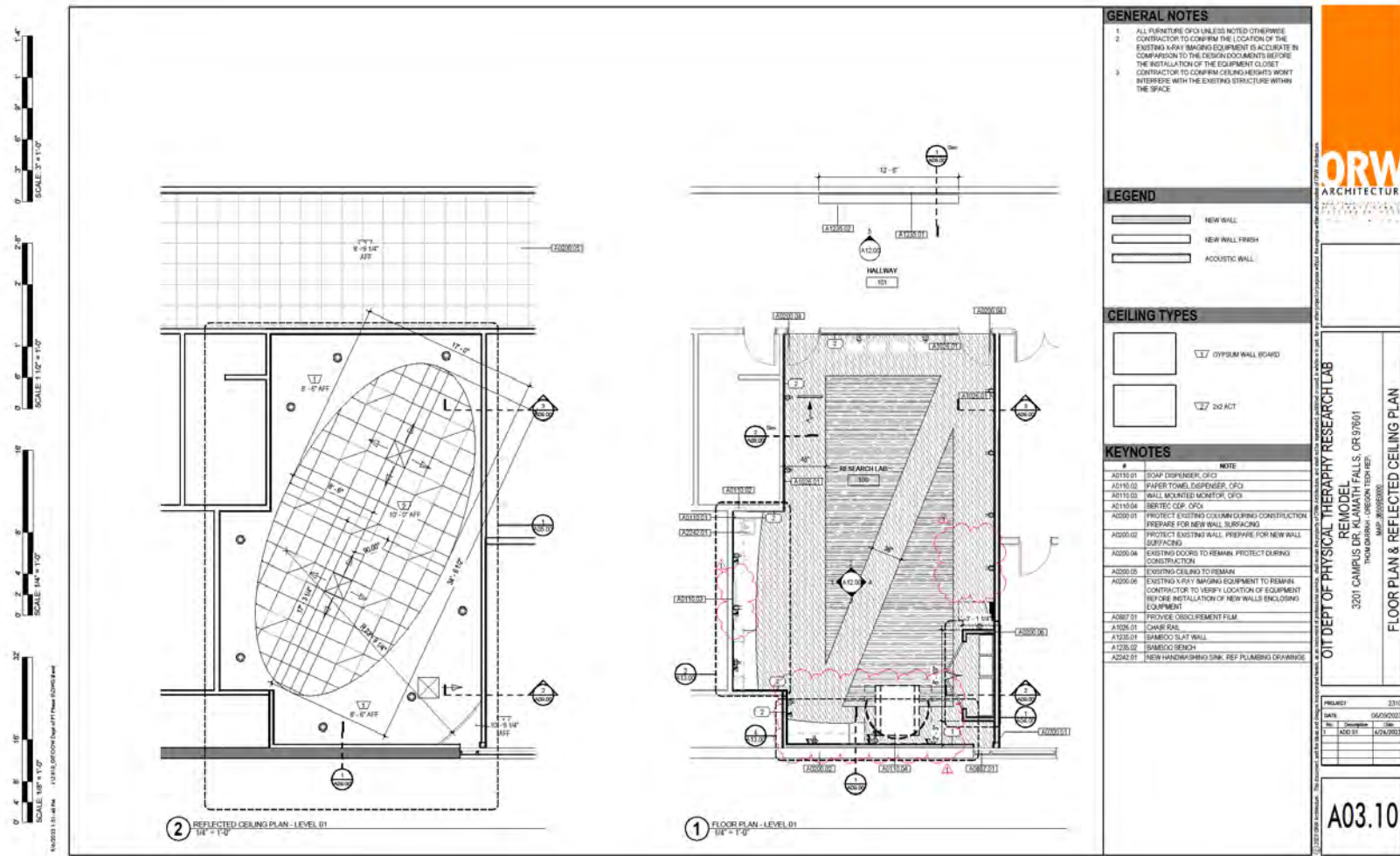


# DPT Research Lab Renovation



DPT Research Lab Renovation (1,000 sq ft)												
Project Start: 9.01.23				Project Completion: 2.29.24								
Project	Progress Highlights			Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance			
DPT430-DPT-FDN Gifts	Design: 100% Complete Construction: Sept. 2023 - Feb. 2024											
	<b>Project underway.</b>			Design (13%):	\$ 35,205	\$ 35,205	\$ 35,205	100%	\$ -			
				Construction (78%):	\$ 212,894	\$ 223,978	\$ 31,144	14%	\$ 192,834			
Design: ORW				Other (9%):	\$ 24,811	\$ 13,727	\$ 2,993	22%	\$ 10,734			
Build: DCI	Plan	Design	Bid	<b>Build</b>	Closeout	Project Totals:		\$ 272,910	\$ 272,910	\$ 69,342	25%	\$ 203,568
<h3>Budget Breakdown</h3> <p>■ Design ■ Construction ■ Other/Cont</p>				<u>CO's / Amendments</u>		<h3>Percent Complete (%)</h3> <p>■ Complete ■ Remaining</p>						
				DCI: CO 1	\$							11,084

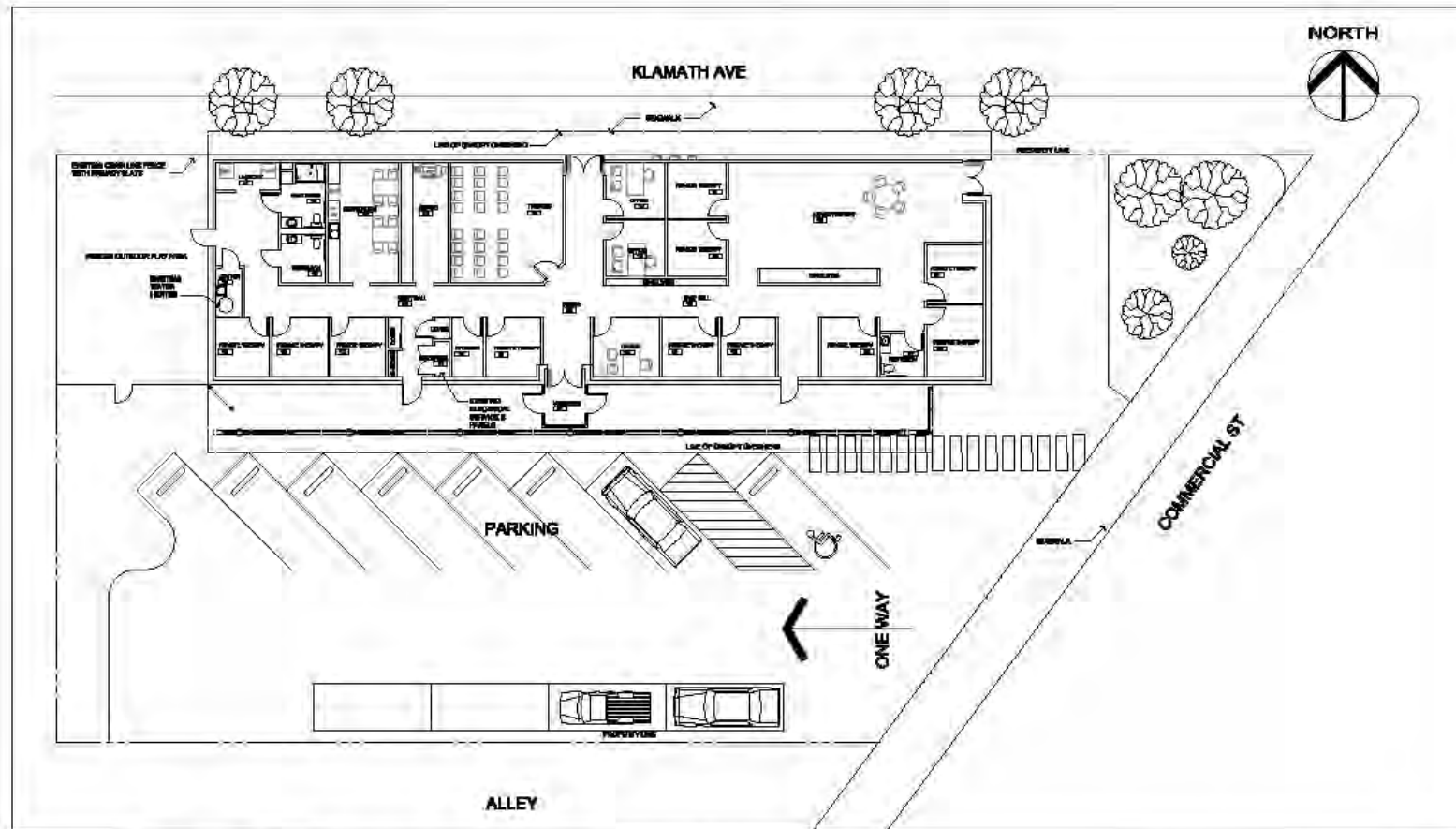
# DPT Research Lab Renovation







# ABA Clinic Renovation



OREGON TECH  
APPLIED BEHAVIOR ANALYSIS  
CLINIC

1

FLOOR PLAN  
1/16" = 1'-0"

Soderstrom Architects | A1  
10/25/23



## Contact Information

Thom Darrah, Director of Facilities

Phone: 541.885.1661

Email: [Thom.Darrah@oit.edu](mailto:Thom.Darrah@oit.edu)

FF&A 3.1.4 & 3.1.5



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Oregon Tech

June 30, 2023 External Audit Update

# Agenda



Scope of the Engagements



Audit Roles and Responsibilities



Unique Audit Items



Financial Statement Audit Update



Single Audit Update



Questions



# Scope of the Engagements

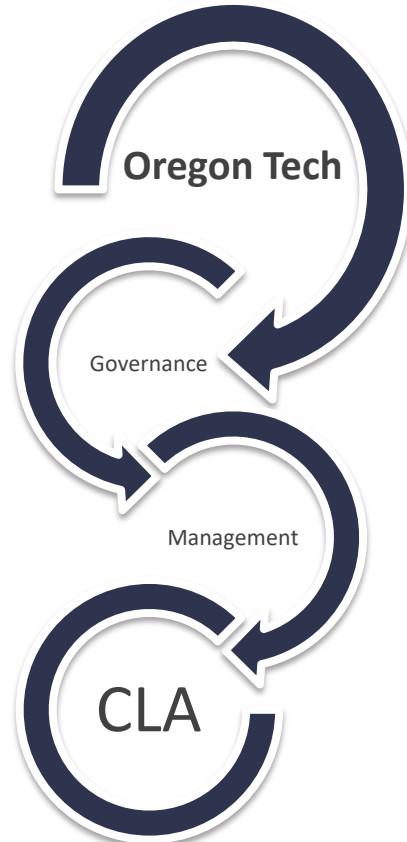


**Financial Statement Audit**



**(Compliance) Single Audit**

# Audit Roles and Responsibilities under GAAS



Governance

Strategic Direction

Accountability, including financial reporting

Management

Internal Controls

Accounting Policies

Management Decisions

Fair Presentation of Financial Statements

Programs to Prevent and Detect Fraud

CLA -  
Independent  
Auditor

Opinion on Fair Presentation of Financial Statements

Audit in Accordance with GAAS

**Reasonable, not Absolute Assurance**

Understanding of Internal Controls

Risk Based Audit Approach



# 2023 Unique Audit Items – Financial Statement Audit



GASB 94, PUBLIC-PRIVATE AND PUBLIC-PUBLIC  
PARTNERSHIPS AND AVAILABILITY PAYMENT  
ARRANGEMENTS

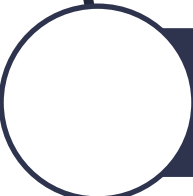


GASB 96, SUBSCRIPTION-BASED  
INFORMATION TECHNOLOGY  
ARRANGEMENTS (SBITAS)

# 2023 Financial Statement Audit Progress



Management Finalizing June 30, 2023 Financial Statements



CLA's testing has begun and is currently in progress; No comments/items to report yet

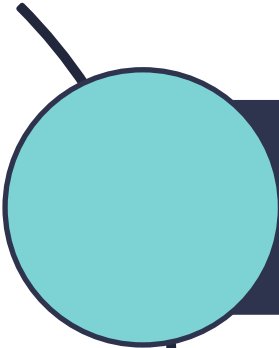


Planned issuance by March 31, 2024





# 2023 Single Audit Update



Testing and Schedule of Federal Awards in Process – Planned Issuance by March 31, 2024




## Current Major Programs

- Student Financial Aid
- Economic Development Funding



# Thank You!



Management was (and continues to be) very helpful throughout the audit process. Thank you!



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# REPORT

## Agenda Item No. 3.1.6

### GLBA Information Security Statement

#### Background:

The Gramm-Leach-Bliley Act (GLBA, the Act) requires financial institutions, including institutions of higher education like Oregon Tech, that provide financial services or products to protect the security, confidentiality, and integrity of customer financial records.

The Federal Trade Commission (FTC) is charged with administration and enforcement of the GLBA, including GLBA's newly implemented "Safeguards Rule." The Standards for Safeguarding Customer Information (Safeguards Rule) establishes appropriate administrative, technical, and physical safeguards that must be implemented by financial institutions. In addition to FTC enforcement, the Department of Education requires institutions of higher education to comply with the Safeguards Rule by contract, under the Federal Student Aid (FSA) Program Participation Agreement.

As part of its new Safeguards Rule, GLBA requires Oregon Tech to submit this written report to its Board of Trustees on an annual basis. This is the first report submitted under the new rule. Management believes this new requirement strengthens the university's information security program.

#### History:

GLBA legislation was originally enacted in 1999, also known as the Financial Services Modernization Act of 1999, with a focus on traditional financial institutions and consumer financial privacy. Subsequent GLBA rule changes over recent years have placed a greater emphasis on federal financial aid-based financial services, bringing higher education institutions under the Act's scope.

The FTC has determined that most institutions of higher education are "financial institutions" for purposes of the GLBA because "[m]any, if not all, such institutions appear to be significantly engaged in lending funds to consumers."<sup>1</sup>

#### Annual Written Report:

The annual written report is intended to support the flow of communication on matters of information security. Following FTC guidance, the written report is by design an overview of the university's information security program. Per the FTC, "The Commission does not believe these requirements call for overly detailed reports."<sup>2</sup> The FTC also states that the "the primary purpose of the required report is to encourage communication between information security personnel and senior management, not to show compliance with the Rule."<sup>2</sup>

**Attachments:**

- GLBA Written Report, January 2024

<sup>1</sup> Federal Trade Commission. "Privacy of Consumer Financial Information." *Federal Register* Vol. 65 no. 101 (May 24, 2000): 33646-33689, <https://www.federalregister.gov/d/00-12755>

<sup>2</sup> Federal Trade Commission. "Standards for Safeguarding Customer Information." *Federal Register* Vol. 86 no. 234 (Thursday, December 9, 2021): 70299, <https://www.federalregister.gov/d/2021-25736>

## **Attachment**

### **GLBA Written Report**

#### **Executive Summary**

The purpose of this report is to provide an overview of the Gramm-Leach-Bliley Act (GLBA, the Act), and to fulfill the Act's new annual written report requirement. The report's intent is to balance communication of information security items at a level of detail appropriate for a public setting.

The Gramm-Leach-Bliley Act (GLBA) requires financial institutions, including educational organizations like Oregon Tech, that provide financial services or products to protect the security, confidentiality, and integrity of customer financial records ("Covered Data"). and is enforced by the Federal Trade Commission (FTC)

GLBA's newly implemented Safeguards Rule requires Oregon Tech to submit this written report to its Board of Trustees on an annual basis. This is the first report submitted to the Oregon Tech Board of Trustees under the new rule.

#### **GLBA History**

GLBA legislation was originally enacted in 1999, also known as the Financial Services Modernization Act of 1999, with a focus on traditional financial institutions and consumer financial privacy. Subsequent GLBA rule changes over recent years have placed a greater emphasis on federal financial aid-based financial services, bringing higher education institutions under the Act's scope.

#### **Developments Over the Last Year and Future Activities**

Oregon Tech has completed two external penetration tests (pen tests) over the last 12 months. The respective pen tests were performed by an outside consulting firm (December 2022) and the Department of Homeland Security (April 2023), the results of which are discussed in a later section of this report.

Additionally, Oregon Tech continues to perform the already GLBA-required annual cybersecurity risk assessment, a collaboration between Information Technology Services (ITS) and various departments throughout the university.

In the spirit of continuous improvement, the university will supplement its upcoming fiscal year 2023 - 2024 cybersecurity risk assessment by engaging Eide Bailly LLP (Internal Audit firm) to assist with the annual assessment.

Lastly, it is a goal over the next calendar year to formalize an internal GLBA workgroup to support collaboration and information sharing regarding new GLBA compliance requirements affecting federal financial aid and to act as additional support for ongoing efforts related to the protection of the security, confidentiality and integrity of customer financial records.

#### **Overview of the Information Security Program**

The university's current ITS security team includes one full time director, Director of IT Security-Compliance, and one part-time student worker. The Director of IT Security- Compliance is the designated individual who oversees the university's information security program.

Key responsibilities of Oregon Tech's information security program can be viewed under four major functions: Management, Risk & Compliance, Architecture, and Operations.

#### Management

Includes document creation and maintenance (e.g. procedures), research of risks and trends impacting Oregon Tech, security news, and collaboration with ITS to implement and manage controls to reduce risk.

The university's research of trending security topics and opportunities include: a) compliance with NIST 800-171 for federal grant-funded research; and (b) specialized topics such as artificial intelligence, supply chain security, and quantum computing.

#### Risk & Compliance

Multi-faceted components including awareness training, audit compliance, GLBA compliance, vendor security reviews and vulnerability management.

The university plans to implement additional web-based training for GLBA and other information security/cyber security topics, including awareness training. It is planned that this training will be rolled out to faculty and staff over the next six-months. This will be an enhancement to existing awareness training efforts.

New risk and compliance topics and concerns include threats affecting general information technology and higher education across the nation. The university's upcoming cybersecurity risk assessment to be performed with the assistance of Eide Bailly LLP will inform resource allocation for risk mitigation strategies. Opportunities to prevent, detect and/or remediate identified cyber security risks will be a key outcome of the annual assessment.

#### Architecture

Security reviews of proposed solutions, both on-prem and cloud based.

#### Operations

Monitoring of security events, incident response, and ad-hoc requests related to security.

### **Updates from Risk Assessments, Audits, or Penetration Tests**

Results of the two pen tests reflected no critical findings, where critical is the highest rating, that would have a direct impact on the upcoming annual cybersecurity risk assessment or any operational changes that would have been needed to be put into immediate effect.

### **Overview of Recent Cybersecurity Tabletop Exercises**

The university's business continuity plan and related tabletop exercises are under development and will be incorporated into future reports. This information will help inform the university on how

quickly the organization may be able to respond to an attack and/or resume normal operations, and what that projected timeline may mean in estimated financial terms.

### **Areas of Concern and Recommended Changes**

There are information security challenges facing the university and ITS, including: (a) software sprawl and shadow ITS (e.g. use of software programs and solutions not supported by ITS); (b) incomplete enterprise-wide data security program; (c) incomplete visibility into security events; and (d) lack of proactive threat-hunting.

Solutions to these challenges include assessing resource needs (financial and human), wider communication and involvement of faculty and staff, and additional web-based training scheduled to take place over the coming months. Solutions will be a measured approach as resources allow and in conjunction with inputs from the new CIO.

### **Acknowledgements**

This report is respectfully submitted by the Director of IT-Security and Compliance (GLBA “Qualified Individual”), in partnership with the Director of Audit and Compliance.





**2023 Risk Assessment**

January 2024

**OREGON INSTITUTE OF TECHNOLOGY**

**DRAFT**

**Submitted By:**

Eide Bailly LLP

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DRAFT



## RISK ASSESSMENT

Eide Bailly uses guidance provided by the International Professional Practices Framework (IPPF) published by the Institute of Internal Auditors (IIA). The IIA emphasizes that organizations should fully understand that management remains responsible for risk management. Internal Auditors should provide advice, challenge, or support management's decisions on risk, as opposed to making risk management decisions. Additionally, standards of the IPPF address planning and indicate that Internal Audit plans should be risk-based plans which determine the priorities of the internal audit activity, consistent with the organization's goals. The internal audit activity's plan of engagements must be based on a documented risk assessment. These risk assessments should be performed annually in conjunction with preparing audit plans. The input of senior management must be considered in this process.

This report describes how Internal Audit analyzed the Oregon Institute of Technology (OT, university) risk environment and prioritized audit areas. The contents of this report are based on the following:

- Risk, control, and governance determine the ability for OT to achieve its objectives.
- Management is responsible for assessing risk by analyzing conditions that can impair OT's ability to achieve its objectives.
- OT's management is responsible for managing risk by implementing internal controls and providing reasonable assurance that they are operating as intended.

### Risk Defined

For this assessment, risk is defined as the uncertainty that could impair the university's ability to achieve defined goals and plans. Risk is measured by the probability of negative events occurring, the significance of those events, and the impact such negative events could have on the university should they occur.

### Risk Assessment Defined

The risk assessment is a process, effected by an entity's board, management and other personnel engaged in strategy setting across the enterprise, designed to identify potential events that may affect the entity and manage risk to within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

Risk assessment is based on a set of complementary operational, financial reporting and compliance objectives linked across all levels of the organization. The process is designed to identify and analyze internal and external risks affecting achievement of objectives at both the activity and the entity level. The overall goal of the enterprise risk assessment process is to provide management with the knowledge necessary to effectively manage risk.

### Risk Assessment Methodology

Eide Bailly developed a risk assessment approach specifically tailored for the departments, people, and processes of the university. We began by understanding the university's operations and assessing risks to departments in a silo approach, this is designed to identify audits of a single department or process. Additionally, we assessed risks across the entire organization to identify the risks to achieving overall objectives. By combining both a department and organizational view, we identify risks associated with business objectives linked through all levels of the university whether it is division or process level.

We gained an understanding of the university's operational processes and performed the following detailed risk assessment methods:

- Obtained university organizational charts to identify the structure of the university, including the different divisions, their functions, the relationships between them, the supporting departments and the operational activities performed.
- Performed interviews and discussions with the various division and department management.
- Obtained and reviewed information provided by the university, such as policies and procedures, surveys, and prior assessments.
- Obtained and reviewed financial statements reports that summarize the university's financial performance. Additionally, we assessed current and historical financial performance.
- Obtained and reviewed the most recent Five-Year Strategic Plan and pillars which support the university's goals and assessed risk of the university not reaching its goals.
- Obtained and reviewed Board Meeting Minutes.
- Obtained and reviewed prior risk assessments, internal audit projects along with the remediation status of risk(s) identified.
- Assessed current regulatory requirements and regulations pertaining to the university.

Additionally, the risk assessment consists of activities discussed in more detail in the report. They consist of the following:

- Identify department activities.
- Select Risk Categories and Impact Factors; develop definitions for use in scoring department and operational risk.
- Develop scoring for Risk Categories and Impact Factors.
- Evaluate risks and apply scoring based on entity, department and process risk.
- Rank the activities.
- Consider management and other outside input.
- Apply adjustments and re-rank activities.
- Create the Audit Plan.

### Scope

Our review assessed risk exposure for all divisions, supporting departments and operational processes in the university. To the extent possible, risk was assessed at the operational process level. A university process or method is defined as a collection of related, structured activities or tasks that produce a specific service or serve a particular goal for the university stakeholders and students.

Below is the complete audit universe which consists of the divisions and departments (audit units) which align with interviews performed.

## Oregon Institute of Technology — Audit Universe

<b>Archives &amp; Records Management</b>	<b>Information Technology</b>
<b>Athletics</b>	<b>Institutional Advancement</b>
<b>Board of Trustees</b>	<b>Office of the President</b>
<b>College of Engineering Technology &amp; Management</b>	<b>Office of the Provost and Academic Affairs</b>
<b>College of Health, Arts, and Sciences (HAS)</b>	<b>Office of the Vice President Finance &amp; Administration</b>
<b>General Counsel</b>	<b>Oregon Manufacturing Innovation Center (OMIC)</b>
<b>Government Relations</b>	<b>Procurement, Contracts, &amp; Risk Management</b>
<b>Housing and Residential Life</b>	<b>Registrar's Office</b>
<b>Human Resources and Affirmative Action</b>	<b>Title IX</b>



**Risk Categories**

Eight (8) Risk Categories applicable to Oregon Institute of Technology were chosen based on evaluation criteria to facilitate the prioritization of future audit activities. Risk definitions were developed for each of these categories, including a comprehensive scoring framework. This framework serves to systematically assess and rank all identified business processes consistently.

The university's identification of risk categories involved interviews, discussions, and an assessment of inherent risks. For a standardized evaluation, numerical scores with definitions were used, creating clear benchmarks for different levels of risk or maturity in each category. This strategic approach enhances the precision and objectivity of the risk assessment process, enabling informed decision-making and effective risk management within the organization.

Risk	Risk Description
<p><b>1. Strategic Risk</b></p>	<p>Strategic risk refers to potential threats arising from errors in planning and executing strategic initiatives. It involves the risk that decisions at a strategic level, spanning academic programs, research, technology integration, and administration, may lead to adverse outcomes affecting the university's long-term goals. Specific risks include competition challenges, shifts in market demand, regulatory changes, difficulties in keeping up with technological advancements, and errors in strategic planning and execution, encompassing resource allocation and infrastructure investments.</p>
<p><b>2. Financial / Economic Risk</b></p>	<p>Financial/economic risk pertains to potential adverse impacts on the university's financial health due to economic factors and uncertainties. This risk encompasses challenges affecting revenue sources, enrollment trends, endowment performance, operational costs, debt management, government funding, and external economic conditions. Factors like economic downturns, changes in government policies, and global economic trends can influence the university's fiscal sustainability. Managing these risks involves strategic financial planning, diversifying revenue sources, and monitoring economic indicators for informed decision-making.</p>
<p><b>3. Resource-Related Risk</b></p>	<p>Resource-related risk in a higher education institute of technology involves challenges and uncertainties tied to the availability, allocation, and utilization of critical resources essential for effective functioning. This includes human resources, technological infrastructure, facilities, funding, and other key assets. Key elements of this risk include faculty and staff shortages, technological vulnerabilities, facility limitations, financial constraints, challenges in research and development resourcing, insufficient student support services, limitations in training and development resources, and gaps in strategic resource planning. Effectively managing these risks requires proactive planning, strategic allocation, and continuous monitoring to ensure the institution can deliver quality education, conduct research, and align resources with its goals.</p>

Risk	Risk Description
4. Operational Risk	Operational risk refers to challenges in the everyday activities and systems that are key for the institution's functioning. This risk encompasses potential problems like technology issues, data security concerns, human errors, disruptions in the supply chain, compliance issues, staff availability, facility problems, emergency preparedness, and inefficiencies in processes. Effectively managing these risks involves putting in place safeguards to ensure seamless operations and prevent disruptions in education, research, and administration.
5. Compliance Risk	Compliance risk involves challenges related to adhering to laws, regulations, and standards governing operations, with the potential for failure to meet requirements leading to financial penalties or reputational harm. Key elements include not following legal and regulatory standards, ensuring data privacy, upholding ethical guidelines, and complying with requirements for research, financial aid, accessibility, intellectual property, contractual obligations, and internal policies. Effectively managing this risk requires robust compliance processes, regular audits, staff training, and staying informed about legal changes to avoid potential consequences.
6. Information Technology (IT) Risk	Information Technology (IT) risk involves challenges in using, managing, and safeguarding IT systems and assets. This risk encompasses issues related to the reliability, security, and effectiveness of the technology infrastructure supporting academic, administrative, and research functions. Key considerations include the potential for cyberattacks and data breaches, the importance of data privacy and compliance with regulations, ensuring the reliability of IT systems, addressing network vulnerabilities, managing risks associated with cloud computing and technology integration, promoting user awareness and training, mitigating vendor and third-party risks, adapting to regulatory changes, and preparing for disaster recovery and business continuity. Effectively managing IT risk requires implementing cybersecurity measures, conducting regular risk assessments, providing ongoing training, and ensuring compliance with data protection regulations.
7. Safety Risk	Safety risk involves ensuring the well-being of individuals on campus. It includes threats to physical health, security, and overall safety for students, faculty, staff, and visitors. Key elements include risks related to accidents and injuries, security breaches, emergency preparedness for natural disasters, health and environmental concerns, cybersecurity threats, safety during student activities, infrastructure vulnerabilities, travel safety, public health emergencies, and compliance with safety regulations. Effectively managing safety risk requires comprehensive safety programs, regular risk assessments, safety training, emergency response plans, and compliance with regulations to create a secure learning and working environment.

Risk	Risk Description
<p><b>8. Reputational Risk</b></p>	<p>Reputational risk involves challenges to the institution's public image and standing within the community, including factors that could harm its credibility and trust. This risk includes negative perceptions, unfavorable media coverage, ethical and legal issues, concerns about academic quality, controversies involving faculty and staff, student dissatisfaction, technology failures, issues with partnerships, diversity and inclusion concerns, and the institution's response to crises. Adverse impacts on reputation can result in a loss of trust from stakeholders such as students, faculty, staff, alumni, funders, and the public. Effective management of reputational risk requires transparent communication, crisis planning, ethical conduct, and continuous efforts to uphold the institution's values and commitment to excellence in education and research.</p>

**Impact Factors**

Impact factors encompass pertinent information that has a significant, moderate, or negligible influence on how a risk is handled, prioritized compared to other risks, monitored, and reported. These factors include the size and significance of department operations, major operational changes, substantial compliance requirements, dollar exposure, transaction volume, susceptibility to fraud, and the effectiveness of internal control systems. Below are the impact factors assessed:

- i.1 **Size of Entity:** Size and complexity of department operations, including number of personnel, critical and complex processes. Understanding the size of the entity is essential for evaluating the various impacts, whether they be financial, operational, reputational, or related to compliance with regulations.
- i.2 **Compliance (with regulations):** Assess the potential impact that adherence or non-adherence to regulatory requirements has on the university. It evaluates how well the university conforms to relevant laws, rules, and standards and the consequences, positive or negative, that may result from its compliance status.
- i.3 **Reputation:** Used to evaluate how specific events, actions, or decisions might influence the perceived trustworthiness, credibility, and image of the university in the eyes of its stakeholders, the public, or the broader community. Reputation impact factors include both positive and negative elements, such as successful initiatives, ethical behavior, or, conversely, controversies, scandals, or public relations challenges.
- i.4 **Business Operations:** Business operations impact factors includes changes in processes, technology, personnel, regulations, or external market conditions. This factor helps the risk related to the potential effects on operational activities, and whether they allow for proactive decision-making and strategic planning to mitigate risks and enhance operational resilience.
- i.5 **Financial:** Financial impact factors include the monetary cost of a specific risk, the potential revenue generated by a particular initiative, or the financial implications of a decision or external event.



**Risk Scores**

To determine the relative significance of each risk, we measure it as a combination of the *likelihood* or probability of it occurring and the impact if it does occur. Risk scores are summarized by assigning numbers to both likelihood and impact and multiplying these numbers based on weighted factors. The highest number is assigned to the highest likelihoods / impacts, and the lowest number to the lowest likelihoods / impacts. However, judgment is involved in evaluating whether a risk’s likelihood and impact are low, medium, or high. Judgment along with the numerical ranking system balance the finality and certainty that exists in the scoring model.

- **Likelihood:** represents the possibility that a given event will occur. Likelihood can be expressed using qualitative terms (frequent, likely, possible, unlikely, rare), as a percent probability, or as a frequency.
- **Impact:** refers to the potential negative consequence of the event happening. Impact is defined using a combination of impact considerations, given that certain risks may impact the organization financially while other risks may have a greater impact on reputation or health and safety.

For likelihood, each of the eight (8) Risk Categories were assigned a risk ranking score between 0 – 25 based on operational risk(s) to arrive at an “overall likelihood score”. Likelihood scoring is defined in the table below.

Risk Ranking Score	Level of Risk	Level of Severity	Risk Defined
1 – 9	Low	Acceptable	Minimal financial reporting or operational risk requires low level of resources, routine control, and accounting issues.
10 - 19	Medium	Serious	Poses a moderate financial reporting or operational risk, will involve less resources, involves fewer complex controls and accounting issues.
20 - 25	High	Critical	Posing a significant financial reporting or operational risk will require ongoing sustained resources, includes accounting issues or balances that include significant estimates or judgements.

Additionally, the “*impact factors*” were assigned a score of: 1 – low, 2 – medium, 3 – high.

After all processes were assigned scores for each of the Risk Categories, audit staff calculated the total combined Risk Score for each process by multiplying the “likelihood” and “impact scores” together for a total overall risk score. The total combined Risk Scores were sorted in order of highest value from highest – most risky, to lowest – least risky and divided into three (3) categories:

1. **High Risk:** scores greater than 1700 – 3000
2. **Moderate:** scores of 1001 to 1699
3. **Low Risk:** scores less than 1000

The scoring system used in the evaluation process allowed the areas of highest risk to materialize, while also revealing areas where risk is lowest.

- See **Risks Identified**.
- See **Bubble Heat Map (Department / Audit Unit)** that depicts the overall likelihood and impact scores by department (audit unit).

Processes with high-risk are prioritized within the audit plan, followed by medium and low-risk ones. Inclusion in the plan indicates a higher vulnerability to risk exposure, not necessarily a current concern. A high-risk score does not suggest ineffective management or lacking controls but underscores the potential severity of negative events without proper safeguards.

Refer to:

- **Appendix A for Proposed Multi-Year Audit Plan Summary** that lists Internal Audit topics.
- **Appendix B for Proposed Audit Plan (Audit Objectives)** that includes the objectives for each audit.
- **Appendix C for Risk Assessment – Heat Map** for a visual graph of each of the departments along with the associated risk ranking based on score.

The university's senior management and leadership are the responsible authority to prioritize which risks get the most attention and resources. Those charged with governance know their entity best and how best to manage the risks identified.

## RISKS IDENTIFIED

The risks identified from the risk assessment performed are listed below in order of highest to lowest risk along with the detailed risks supporting the university’s operations including inherent risks. For example, from the **Heat Map** the “Risk Categories” with risks noted as high and medium risk are shown in the table below, along with the departments impacted by these risks.

Risks for High-Risk Factors & Likelihood Scores
<b>R.05: Compliance Risk (340)</b>
<ul style="list-style-type: none"> <li>• The university’s compliance is decentralized and performed throughout the university by several individuals without a centralized oversight function. This leads to potential increase in risk with adhering to various federal, state, and local regulations, including those related to Title IX, campus safety, and research funding compliance. Failure to comply can result in penalties, fines, or legal actions. Inadequate enforcement of regulations can lead to non-compliance issues, compromising safety and the well-being of students.</li> <li>• Regulatory requirements can impose financial burdens on the university. For example, the university may need to invest in infrastructure upgrades or implement costly measures to meet environmental regulations or health standards. Budget constraints may make it challenging to allocate sufficient funds to address these requirements adequately.</li> <li>• As sustainability becomes more critical, evaluating the university’s environmental practices to ensure compliance with sustainability initiatives and regulations ensures adherence and reduces the potential of violations.</li> <li>• Given the nature of technical activities performed at Oregon Tech, adherence to safety protocols and health regulations is critical. Failure to comply can result in lawsuits, damage claims, or other legal actions.</li> </ul>
Risks for Medium-Risk Factors
<b>R.01: Strategic Risk (290)</b>
<ul style="list-style-type: none"> <li>• The university relies on government funding, and changes in state or federal funding levels can significantly impact financial stability. Budget cuts or shifts in government priorities can pose a substantial risk to university operations and programs.</li> <li>• Shifts in political landscapes and changes in regulations can affect the university. Alterations in education policies, research funding priorities, or government interventions can impact strategic plans and initiatives.</li> <li>• Changes in demographic trends or shifts in student enrollment patterns can affect demand for certain programs. Universities need to anticipate and respond to these shifts to maintain enrollment levels and program relevance.</li> <li>• Failure to keep up with technological advancements and integrate them into teaching, research, and administrative processes can impact the competitiveness and relevance to the university.</li> <li>• Increasing concerns about environmental sustainability may pose risks, particularly if the university fails to adopt and promote sustainable practices in their operations and campus development.</li> </ul>

**Risks for Medium-Risk Factors**

**R.06: Information Technology (IT) Risk (285)**

- Universities are vulnerable to cybersecurity breaches, including hacking, data breaches, ransomware attacks, and other malicious activities. A successful cyberattack can compromise critical infrastructure, disrupt services, compromise sensitive data, and undermine trust in the university’s ability to protect information and ensure privacy.
- As universities rely more on technology for teaching, research, and administration, they become vulnerable to cybersecurity threats, including data breaches and ransomware attacks.
- Protecting sensitive student data, including personally identifiable information, is a significant concern. Data breaches could lead to reputational damage and legal issues.
- Universities rely on various vendors and suppliers for IT infrastructure, software, and services. Risks associated with vendor reliability, cybersecurity vulnerabilities in third-party systems, or dependence on a single supplier can pose challenges and potential disruptions to IT operations.

**R.02: Financial Risk (285)**

- Oregon Tech relies on government funding, and budget cuts or funding fluctuations can jeopardize academic programs, research initiatives, and infrastructure maintenance.
- Oregon Tech is not monetizing technology transfer or intellectual property which impedes the university’s ability to increase revenue through new sources.
- Oregon Tech does not have a fully staffed grant management function within a centralized department which administers grants, this may result in noncompliance with grant requirements and not identifying or maximizing potential funding sources.
- Oregon Tech has a centralized procurement contracting function. However, turnover at the various departments that are part of the procurement contracting process increases the risk of lack of compliance with contracting policies and procedures, legal and compliance risks, missed opportunities for cost savings, difficulty in vendor management, and the potential for ineffective contract monitoring and reporting.
- Factors such as variations in student enrollment, including decreases in admissions or fluctuations in the number of international students, impact the university's revenue streams and resource allocation. This vulnerability highlights the need for the university to consider diversifying its income sources and implementing strategies to mitigate the impact of economic uncertainties on its financial health.
- The university faces the potential risk of improper fiscal management, which includes the risks of exceeding budgets, lacking sufficient financial controls, and potential exposure to fraudulent activities.
- Potential risk with ineffective management and insufficient resources related to fundraising activities and donor relations, which can negatively affect the financial health of the university.
- Oregon Tech has an increased risk due to competition with attracting and retaining qualified faculty and staff. This can lead to increased personnel costs in compensation, benefits, and talent retention.

**Risks for Medium-Risk Factors**

**R.04 Operational Risk (275)**

- Oregon Tech is susceptible to disruption in the supply chain, logistical issues, or breakdowns in critical infrastructure which can impede academic activities, research projects, and overall university operations.
- There is inherent risk with loss of critical data, disruptions in online learning platforms, or the compromise of sensitive information can have significant operational and reputational consequences.
- Risks may arise from inadequate maintenance, safety issues, or unexpected events such as natural disasters. Poorly managed facilities can disrupt academic activities and compromise the safety of students and faculty.
- Potential variations in student enrollment, including declining or fluctuating numbers of students, can impact tuition revenue, faculty hiring, and the overall financial stability of the institution.
- The risk of non-compliance with regulations, accreditation standards, or ethical guidelines poses operational risks for the university. Failure to adhere to these requirements can result in legal consequences, reputational damage, and the loss of accreditation, affecting the institution's ability to operate effectively.
- Unexpected events, such as resignations, retirements, or health issues, can create challenges in maintaining essential skills and knowledge within the institution.

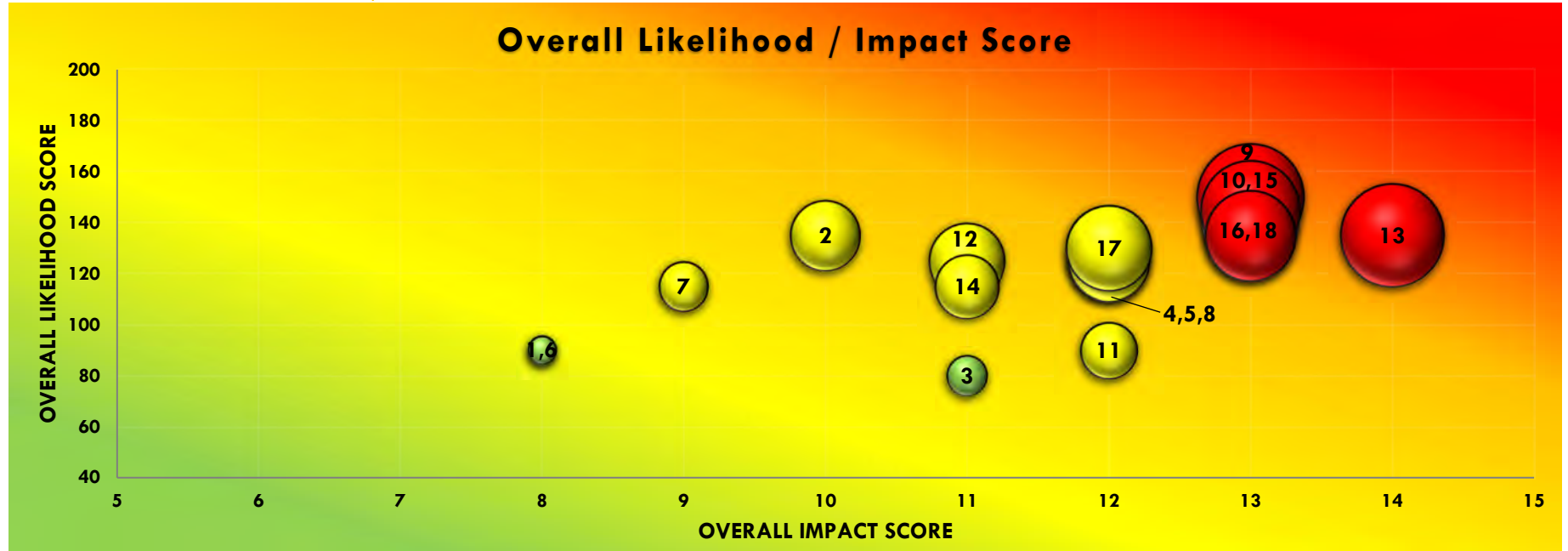
**R.03: Resource Related Risk (265)**

- Oregon Tech has had trouble attracting qualified faculty and administrative personnel because of the geographic location and sector in which the university operates. This can affect the quality of education and research.
- Oregon Tech has experienced turnover in multiple divisions and departments, by establishing processes to increase the efficiency and effectiveness of the recruiting function, including on-boarding and training reduces the risk of position vacancies.
- Oregon Tech relies upon state funding, inadequate funding or budgetary constraints can limit the university's ability to invest in infrastructure, faculty development, research and student services.
- Insufficient funds for maintaining and upgrading campus facilities and technology infrastructure can result in operational challenges and impact the quality of education.

Risks for Medium-Risk Factors
<b>R:08: Reputational Risk (250)</b>
<ul style="list-style-type: none"> <li>• Risks may arise from failing to address negative online reviews, social media controversies, or public relations challenges promptly and effectively can harm the university’s image.</li> <li>• Oregon Tech may encounter incidents including academic misconduct, such as plagiarism or cheating which can undermine the university’s commitment to academic integrity. Mitigating these risks requires swift and transparent communication and appropriate disciplinary actions.</li> <li>• Incidents related to campus safety, crime or student well-being can impact how students and the community perceive the university.</li> <li>• Oregon Tech may have a loss of trust resulting from compromised sensitive data, legal implications, and negative public perception. Safeguarding student data helps mitigate reputational damage and maintain trust.</li> <li>• Universities face inherent risks associated with admissions practices including bribery or fraudulent practices which can damage the public perception of the integrity and fairness of the admissions process.</li> <li>• Universities experience inherent risks associated with diversity and inclusion initiatives. These include unintended bias, inequitable practices, inadequate support systems, and resistance to change. A lack of effective and equitable diversity and inclusion efforts can negatively impact the university’s reputation.</li> </ul>
<b>R.07: Safety Risk (195)*</b>
<ul style="list-style-type: none"> <li>• There is a potential for Oregon Tech to experience property and personal crimes including theft, vandalism, burglary, assault, harassment, or robbery all of which can impact the safety of students, faculty, and staff.</li> <li>• The university may encounter events such as accidents in laboratories, or inadequate safety measures in certain facilities.</li> <li>• Universities emergency response programs include inherent risks including the effectiveness and timeliness of emergency response systems, including communication and coordination during crises.</li> <li>• Oregon Tech may face risks associated with earthquakes, floods, or other natural disasters, requiring emergency preparedness and effective communication strategies during these events.</li> <li>• Universities face inherent risks related to health and wellness, including mental health challenges, physical health risks, diet and nutrition, substance abuse, and sleep and well-being.</li> <li>• Athletics and recreational activities have inherent safety risks including sports injuries, inadequate equipment, unsafe gear, lack of emergency preparedness, performance pressure, hazing, and substance abuse.</li> <li>• Safety risks inherently exist for on campus housing and activities both on and off-campus for students and faculty.</li> </ul>

\*^1547 Average Overall Likelihood / Impact Score of five (5) departments, which had high risk scores for Safety risk factor. See APPENDIX C – RISK ASSESSMENT HEAT MAP.

BUBBLE HEAT MAP – DEPARTMENT / AUDIT UNIT



Bubble placement representative of the overall likelihood/impact score. See APPENDIX C – RISK ASSESSMENT HEAT MAP. We employ a combination of qualitative and quantitative methods to assess risks, considering factors such as likelihood and impact. The colors are used to represent the degree of risk or importance, from green to red, where green signifies lower risk or significance, and red indicates higher risk or significance. Each bubble on the heat map represents a specific audit or risk area. The size of the bubble corresponds to the magnitude or scale of the element being measured. Larger bubbles generally indicate higher importance, risk, or impact.

**Audit Unit Legend:**

- |   |   |   |
|---|---|---|
| 1. Archives & Records Management                        | 8. Housing and Residence Life                                 | 15. Oregon Manufacturing Innovation Center (OMIC) |
| 2. Athletics  | 9. Human Resources and Affirmative Action                     | 16. Procurement, Contracts, and Risk Management   |
| 3. Board of Trustees                                    | 10. Information Technology                                    | 17. Registrar's Office                            |
| 4. College of Engineering Technology & Management (ETM) | 11. Institutional Advancement                                 | 18. Title IX                                      |
| 5. College of Health, Arts & Sciences (HAS)             | 12. Office of the President                                   |   |
| 6. General Counsel                                      | 13. Office of the Provost & Academic Affairs                  |   |
| 7. Government Relations                                 | 14. Office of the Vice President for Finance & Administration |   |

**APPENDIX A – PROPOSED MULTI-YEAR AUDIT PLAN SUMMARY**

The multi-year audit plan below lists the suggested Internal Audit by Audit # followed by the Audit Title that corresponds to the department / audit unit based on likelihood / impact score. These are not in order of Audit title risk these are grouped by High Risk and Medium Risk Audits with the suggested audits by department.

<b>Audit #</b>	<b>Audit Title</b>	<b>Department (Audit Unit)</b>	<b>Department Likelihood / Impact Score</b>
<b>High Risk Audits</b>			
1	Human Resource (HR) Workforce Management Assessment	Human Resources and Affirmative Action	1950
2	Grant Management	Office of Provost and Academic Affairs	1890
3	Assessment of Oregon Manufacturing Innovation Center (OMIC) Operations	Oregon Manufacturing Innovation Center (OMIC)	1885
4	Cybersecurity Assessment & Compliance Review	Information Technology	1820
5	Information Technology (IT) Controls Assessment	Information Technology	1820
6	Student Enrollment & Program Completion Process	Office of Provost and Academic Affairs	1890
7	Contract Management	Procurement, Contracts, & Risk Management	1890
<b>Medium Risk Audits</b>			
8	Finance / Accounting Operations	Office of the Vice President for Finance & Administration	1265
9	Financial Performance	Office of the Vice President for Finance and Administration	1265
10	Comprehensive Financial Health Assessment	Office of the Vice President for Finance and Administration	1265
11	Safety and Security Compliance & Effectiveness	Athletics Engineering Technology & Management Health, Arts, and Sciences Housing & Resident Life Oregon Manufacturing Innovation Center	1547*
12	Infrastructure and Capital Projects Management	Office of the Vice President for Finance and Administration	1265

\*1547 Average Overall Likelihood / Impact Score of five (5) departments, which had high risk scores for Safety risk factor. See APPENDIX C – RISK ASSESSMENT HEAT MAP.



OREGON INSTITUTE OF TECHNOLOGY – 2023 RISK ASSESSMENT

Audit #	Audit Title	Department (Audit Unit)	Department Likelihood / Impact Score
<b>Medium Risk Audits</b>			
13	Intellectual Property (IP) Monetization Effectiveness & Compliance	Office of the Vice President for Finance and Administration	1265
14	Accreditation Conformance & Quality Assurance	Registrar’s Office	1560
15	Organizational Governance Maturity Assessment	University-Wide	
<b>Consulting Projects</b>			
16	Regulatory Compliance & Monitoring	University-Wide	
17	University-wide Policy & Procedure (P&P) Review	University-Wide	
18	Internal Audit Quality Assessment Improvement Program (QAIP)	Internal Audit Function	
19	Cybersecurity Risk Assessment	University-Wide	

**APPENDIX B — PROPOSED MULTI-YEAR AUDIT PLAN (AUDIT OBJECTIVES)**

High Risk Audits	
<b>1</b>	<b>Human Resource (HR) Workforce Management Assessment</b>
	To review and ensure that the human resources (HR) functions at the university, including roles, procedures, and communication, are well-coordinated to support recruitment, onboarding, employee performance evaluations and training across the entire institution to ensure integration with organizational objectives, alignment policies and procedures and best practice. Additionally, to assess the university's workforce planning, compliance efforts, and internal control structure.
<b>2</b>	<b>Grant Management</b>
	To conduct a comprehensive assessment of the university's grants management to ensure the effectiveness and efficiency of processes. The audit will evaluate compliance with grant provisions and applicable federal, state, local and university regulations and best practice. Additionally, the audit will identify opportunities for the University to enhance and optimize its grant management activities.
<b>3</b>	<b>Assessment of Oregon Manufacturing Innovation Center (OMIC) Operations</b>
	To evaluate OMIC internal controls over fees, contracting, fiscal management processes, and grant management to ensure effective and efficient operations. Additionally, to assess the OMIC business plan, including capital and equipment replacements and revenue initiatives. Lastly, to evaluate OMIC operations for compliance with university provisions and regulations at the local, state, and federal levels.
<b>4</b>	<b>Cybersecurity Assessment &amp; Compliance Review</b>
	To evaluate the university's cybersecurity measures, specifically assessing the effectiveness in safeguarding critical systems, data, and information assets. To identify vulnerabilities, assess risks, and provide recommendations to enhance the organization's overall cybersecurity posture. Additionally, to conduct a comprehensive review of activities to ensure compliance with key regulations including but not limited to the Gramm-Leach-Bliley Act (GLBA), General Data Protection (GDPR), and California Consumer Privacy Act (CCPA).
<b>5</b>	<b>Information Technology (IT) Controls Assessment</b>
	To evaluate the university's IT general controls to ensure the integrity, confidentiality, and availability of data. Additionally, to assess the effectiveness and efficiency of a range of IT controls, including access controls, change management, segregation of duties, backup and recovery, system monitoring, physical security, and training and awareness.

High Risk Audits	
<b>6</b>	<b>Student Enrollment &amp; Program Completion Process</b>
	To assess the university’s processes to optimize student enrollment and program completion by evaluating the completeness and accuracy of measuring and reporting metrics related to student enrollment, completion, and program profitability. Additionally, to assess the contribution margin by program, considering budgetary and financial performance factors associated with enrollment fluctuations, program spending, and funding source. Lastly, to ensure that reporting processes comply with regulations and accreditation standards.
<b>7</b>	<b>Contract Management</b>
	To evaluate internal controls to ensure that departments adhere to university policies and applicable state statutes related to contracting with vendors. Additionally, to evaluate the effectiveness of contract management by assessing the appropriateness of awarding, approving, executing, and managing contracts in accordance with university policies and applicable state statutes.
Medium Risk Audits	
<b>8</b>	<b>Finance / Accounting Operations</b>
	To assess the effectiveness of internal controls within the Finance & Administration department, focusing on compliance with laws, regulations, and internal policies, while safeguarding the university’s financial assets. This audit will evaluate the university’s accounting operations compliance with relevant laws, regulations, and internal policies, including controls in place to safeguard cash, investments, and physical assets.
<b>9</b>	<b>Financial Performance</b>
	To evaluate and enhance the financial well-being of the university by assessing the effectiveness of financial management practices, ensuring sound fiscal policies, and identifying opportunities for financial sustainability. Areas to consider include, evaluating the effectiveness of budgetary controls to monitor and manage university expenditures; review the processes for financial planning and forecasting to ensure alignment with the university’s strategic goals; evaluating the diversity and sustainability of revenue streams, including tuition, grants, donations, and auxiliary services; reviewing the university’s debt management practices, including issuance, repayment, and compliance with debt covenants.
<b>10</b>	<b>Comprehensive Financial Health Assessment</b>
	To conduct a thorough assessment of the university’s financial health by calculating established financial ratios, analyzing trends in financial data over the prior five fiscal years, and comparing the university’s performance with peers in Oregon and within higher education sector. The audit will focus on four key areas: financial position, revenues and expenditures, liquidity, debt, and capital assets. The goal is to assess the university’s overall financial well-being, including the examination of assets, liabilities, revenues, and expenses.

<b>Medium Risk Audits</b>	
<b>11</b>	<b>Safety &amp; Security Compliance &amp; Effectiveness</b>
	To assess and enhance the effectiveness of safety measures, protocols, and compliance within inherently high-risk departments (i.e., athletics, housing, campus) to ensure a safe and secure environment for students, faculty, staff, and visitors. The audit will focus on evaluating the university’s adherence to local, state, and federal safety regulations and standards, including security training, emergency response plans, incident reporting processes, and investigating safety-related incidents.
<b>12</b>	<b>Infrastructure and Capital Projects Management</b>
	To ensure the effective management of resources, adherence to policies and regulations, and the successful execution of infrastructure and capital projects at the university, with a focus on inherent high-risk areas. This audit will assess project planning processes, including feasibility studies, risk assessments, and project charters, while evaluating the processes in place to ensure the quality of infrastructure and capital projects. Additionally, the objective is to examine the design and effectiveness of internal controls related to infrastructure and capital projects.
<b>13</b>	<b>Intellectual Property (IP) Monetization Effectiveness &amp; Compliance</b>
	To evaluate the effectiveness of the university’s strategies and processes pertaining to the commercialization and monetization of intellectual property assets. This audit will evaluate the university’s efforts in intellectual property monetization and its financial performance. The objective is to ensure compliance with relevant laws and regulations governing intellectual property monetization, thereby enhancing the university’s ability to derive value from its intellectual assets while maintaining legal and regulatory adherence.
<b>14</b>	<b>Accreditation Conformance &amp; Quality Assurance</b>
	To assess the effectiveness of the university’s processes for monitoring conformance with accreditation standards. This audit will evaluate the accuracy, completeness, and timeliness of data reporting to accreditation bodies. Additionally, the objective will evaluate the university’s processes for conformance monitoring by program and ensuring faculty and staff members possess the required qualifications and credentials as stipulated by the accreditation standards. The audit will also assess the quality control and continuous improvement activities, ensuring programs adapt to public and market factors (i.e., engagement with stakeholders, changes in labor market, industry trends, strategic planning, etc.) while maintaining accreditation compliance.
<b>15</b>	<b>Organizational Governance Maturity Assessment</b>
	To conduct a comprehensive assessment of the university’s maturity in organizational governance areas, encompassing ethics, risk management, fraud detection and prevention system of internal controls, and compliance. This audit will evaluate the adequacy of the design, structure, and implementation of governance processes. Additionally, the objective is to assess the effectiveness of monitoring, communication, training, and remediation activities. Lastly, the audit will review the organizational alignment of this function to ensure independence and objectivity.

<b>Consulting Projects</b>	
<b>16</b>	<p><b>Regulatory Compliance &amp; Monitoring</b></p> <p>Eide Bailly will assist the university with establishing a workgroup aimed at centralizing compliance with applicable legal requirements as part of the university’s governance structure. The workgroup will be designed to create an oversight function that not only prevents, detects, corrects, and reports violations but also fosters a culture of integrity and transparency within the university.</p> <p>Key outcomes of the workgroup:</p> <ul style="list-style-type: none"> <li>• Streamline reporting processes to enhance transparency and accountability.</li> <li>• Conduct a thorough evaluation of the current governance structure, compliance requirements, and the administration of regulatory compliance across the university.</li> <li>• Identify and leverage existing tools and resources to streamline compliance efforts.</li> <li>• Maximize the utility of available administrative support to enhance efficiency.</li> <li>• Ensure efficient and consistent adherence to legal requirements university wide.</li> </ul>
	<p><b>University-wide Policy &amp; Procedure (P&amp;P) Review</b></p> <p>Eide Bailly to assist with evaluating the university-wide processes to ensure that P&amp;Ps are maintained and updated for key functions across the university. We will perform an assessment to identify gaps including non-existent or incomplete P&amp;P’s. We will aid the university in establishing a process to ensure that policies are timely updated, prepared in a consistent format, include the appropriate level of detail, and are appropriately approved and communicated to stakeholders.</p>
<b>18</b>	<p><b>Internal Audit – Quality Assessment Improvement Program (QAIP)</b></p> <p>Eide Bailly to assist the university with performing a quality assessment review in preparation for an independent external assessment that will evaluate the internal audits activities conformance with The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing.</p>
	<p><b>Cybersecurity Risk assessment and External Penetration Test Services</b></p> <p>Eide Bailly to perform a cybersecurity risk assessment to identify security gaps related to the university’s systems and data. We will perform an external penetration test to identify weaknesses within the network configuration that could allow unauthorized and/or unsuspected access to the internal network.</p>
<b>19</b>	<p><b>Cybersecurity Risk assessment and External Penetration Test Services</b></p> <p>Eide Bailly to perform a cybersecurity risk assessment to identify security gaps related to the university’s systems and data. We will perform an external penetration test to identify weaknesses within the network configuration that could allow unauthorized and/or unsuspected access to the internal network.</p>

APPENDIX C – RISK ASSESSMENT HEAT MAP

Department (Audit Unit)	LIKELIHOOD - RISKS FACTORS								Overall Likelihood Score	IMPACT - RISK FACTORS					Overall Impact Score	Overall Likelihood / Impact Score	Proposed Audit Plan High Risk Audit(s) Medium (Inherent) Risk Audit(s) Consulting Project(s)
	R.01	R.02	R.03	R.04	R.05	R.06	R.07	R.08		i.1	i.2	i.3	i.4	i.5			
	Strategic	Financial	Resource	Operational	Compliance	Information Technology	Safety	Reputational		Size of Entity	Compliance	Reputation	Business Operations	Financial			
Archives & Records Management	10	10	10	15	20	15	5	5	90	2	3	1	1	1	8	720	
Athletics	10	20	15	15	20	15	25	15	135	2	3	2	1	2	10	1350	^ 11) Safety and Security Compliance & Effectiveness
Board of Trustees	20	5	5	5	20	5	5	15	80	2	3	2	2	2	11	880	
College of Engineering Technology & Management (ETM)	15	15	15	15	15	15	20	15	125	2	2	2	3	3	12	1500	^ 11) Safety and Security Compliance & Effectiveness
College of Health, Arts, and Sciences (HAS)	15	15	15	15	15	15	20	15	125	2	2	2	3	3	12	1500	^ 11) Safety and Security Compliance & Effectiveness
General Counsel	5	15	15	15	20	10	5	5	90	1	2	2	2	1	8	720	
Government Relations	15	15	20	20	20	15	5	5	115	1	2	2	2	2	9	1035	
Housing and Residence Life	15	15	15	15	20	10	20	15	125	2	3	3	2	2	12	1500	^ 11) Safety and Security Compliance & Effectiveness
Human Resources and Affirmative Action	20	20	25	20	20	20	10	15	150	2	3	3	2	3	13	1950	1) HR Workforce Management Assessment 4) Cybersecurity Assessment & Compliance Review 5) IT Controls Assessment
Information Technology	15	15	20	15	20	20	15	20	140	2	3	3	3	2	13	1820	
Institutional Advancement	10	10	10	10	15	15	5	15	90	2	2	3	2	3	12	1080	
Office of the President	25	15	15	15	20	15	5	15	125	2	2	2	3	2	11	1375	
Office of the Provost and Academic Affairs	20	20	15	20	15	20	10	15	135	2	3	3	3	3	14	1890	2) Grant Management 6) Student Enrollment & Program Completion Process
Office of the Vice President for Finance & Administration	20	20	10	10	20	20	5	10	115	2	2	2	2	3	11	1265	8) Finance / Accounting Operations 9) Financial Performance 10) Comprehensive Financial Health Assessment 12) Infrastructure and Capital Projects Management 13) IP Monetization Effectiveness & Compliance
Oregon Manufacturing Innovation Center (OMIC)	20	20	15	20	20	15	20	15	145	2	2	3	3	3	13	1885	3) Assessment of OMIC Operations ^11) Safety and Security Compliance & Effectiveness 13) IP Monetization Effectiveness & Compliance
Procurement, Contracts, & Risk Management	20	20	15	20	15	15	10	20	135	2	2	3	3	3	13	1755	7) Contract Management
Registrar's Office	20	20	15	15	20	20	5	15	130	2	3	3	2	2	12	1560	14) Accreditation Conformance and Quality Assurance
Title IX	15	15	15	15	25	25	5	20	135	2	3	3	2	3	13	1755	see Consulting Project #16
<b>Total Risk Factors</b>	<b>290</b>	<b>285</b>	<b>265</b>	<b>275</b>	<b>340</b>	<b>285</b>	<b>195</b>	<b>250</b>									

\* 15)

^ 11) 1547 - Average Overall Likelihood/Impact Score of 5 High Risk dept ^

\* 15) Organizational Governance Maturity Assessment

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Consulting Projects	
** 16) Regulatory Compliance & Monitoring	
17) University-wide Policy & Procedure Review	
18) Internal Audit - Quality Assessment Improvement Program (QAIP)	
19) Cybersecurity Risk Assessment	

## **ACTION ITEM**

### **Agenda Item No. 4.1**

#### **Request to Approve the Facilities Master Plan**

##### **Background**

A comprehensive Facilities Master Plan (FMP or ‘the Plan’) is an essential tool for capital development, resource allocation and effective campus planning. Oregon Tech engaged Soderstrom Architects to develop a comprehensive FMP by calendar yearend 2023. The last assessment was completed several years ago, before the campus experienced significant student and program growth.

The Plan establishes a framework for prescribed growth and development of capital improvements and additions and is designed to be responsive to current and future needs, while being sufficiently flexible to accommodate changes that may occur. The FMP also aligns physical, spatial and fiscal objectives in support of the University’s Strategic Plan. Future expansion and improvements at Oregon Tech campuses are vital to continued academic, research and student success. The Plan describes the recommended development of facilities, available land and infrastructure consistent with the mission of the University.

The Plan considers how the institution's role and mission relate to facilities requirements. This involves an analysis of space and program needs, a description of existing land and facilities, including an explanation of the possible new or revised use of existing land and facilities, new facilities, projected needs over the next several years and assumptions and criteria to meet these needs. The Plan also provides an assessment of building and facilities condition along with relevant life cycle, building space utilization, campus identity, access and parking, security and other development opportunities.

Developed through a collaborative process with a cross section of faculty, staff, students and other stakeholders, the Plan is a comprehensive document that will require periodic updates as the campuses continue to evolve. It is important to note that although the recommendations in the Plan are intended to encourage achievement, the Plan is not supported by a commitment or specific timetable for funding or completing projects. That process occurs as part of capital budget development.

##### **Staff Recommendation**

After review of the draft Facilities Master Plan, staff requests a **Motion by the Committee for Approval by the full Board of the Facilities Master Plan with delegation of authority to the president or his designee to finalize report formatting and to coordinate capital projects and infrastructure improvements in collaboration with the Finance and Facilities Committee Chair.**

##### **Attachments and Additional Information**

Attachment 4.1.1- [Draft Facilities Master Plan](#)

Attachment 4.1.2- [Draft Facilities Master Plan Appendices](#)



## **ACTION ITEM**

### **Agenda Item No. 4.2**

## **Request to Approve the Risk Assessment and Multi-Year Audit Plan**

### **Background**

The Oregon Tech Board of Trustees (Board) chose to outsource internal audit services following the dissolution of the Oregon University System (OUS) in 2016. Internal Audit reports to the Board's Audit Committee, with most operational interaction flowing through the Chair of the Finance and Facilities Committee, acting in their capacity as Chair of the Audit Committee. Functionally, Internal Audit reports to the Vice President for Finance and Administration. Internal Audit meets regularly with the Director of Audit and Compliance, Vice President for Finance and Administration and the President to discuss ongoing matters as well as with the General Counsel on a case-by-case basis.

Oregon Tech's internal auditor is Eide Bailly, LLP | CPAs and Business Advisors, a public accounting firm based in Fargo, North Dakota. Oregon Tech internal audit services are supported through Eide Bailly's Denver, Colorado office.

An essential step in effective internal audit planning is performing the risk assessment. Over the past several months, and since presenting to the Board in October of 2023, Eide Bailly has engaged in discussions with the President, the Chair of the Audit Committee, the previous internal auditors, members of leadership and other staff and stakeholders in gathering information and assessing university risks. Following these inclusive discussions, Eide Bailly developed their Risk Assessment report (see Attachment FF&A 3.1.7). This document served as an important reference tool for Eide Bailly in developing the proposed Multi-Year Audit Plan (see Attachment FF&A 3.1.7) and will inform both audit project prioritization and the determination of the internal audit resources necessary to perform specific audit projects.

### **Staff Recommendation**

After review of the Risk Assessment and Draft Audit Plan, staff requests a **Motion by the Committee for Approval by the full Board of the Risk Assessment and Multi-Year Audit Plan with delegation of authority to the president or his designee to coordinate activities with the internal auditors in collaboration with the Audit Committee Chair.**

### **Attachments and Additional Information**

Attachment FF&A 3.1.7- Risk Assessment and Draft Multi-Year Audit Plan