



Virtual OHSU Board Governance Committee Meeting

**September 17, 2025
2:00-3:00pm**

YouTube: <https://youtube.com/live/WsywXdhybJs?feature=share>

Dial In Audio Only

1-503-388-9555 Portland, OR

1-206-207-1700 Seattle, WA

Meeting number (access code): 2869 453 7683



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Agenda

1. Review Finance & Audit Committee Charter



Date: September 15, 2025

To: Members of the Governance Committee

From: Connie Seeley, Secretary to the Board of Directors

RE: Updates to the Finance & Audit Committee (FAC) Charter

As you are aware, it is the responsibility of the Governance Committee to review and update board governance documents when needed. Attached for your review and for discussion at our upcoming Governance Committee are two copies of an updated Finance & Audit Committee (FAC) Charter, one “clean” and a “red-lined” version.

Prior to this past year, the Finance & Audit Committee did not have public meetings and did not vote on anything. It was advisory only. As a result, the external auditors (KPMG) provided their annual audit report to the FAC in October but then repeated that report to the full Board a week later. Because of this, we had to have back-to-back full Board meetings, one in September and one in October.

Now with public FAC meetings, the Committee can vote on actions that are delegated to it in its charter. The updated charter allows the FAC to receive and vote to accept the external audit directly in its public October meeting, eliminating the need for the second full Board meeting in October. With this proposed change, we will align with what is a common practice at other organizations; the audit committee receiving and approving external audit reports and providing a report on this action to the full Board at its next meeting, in our case, January. Lawrence and his team have consulted with Drew Corrigan, our KPMG partner, who also agrees that this would be best practice.

To implement this for this year, we plan to bring the adjusted FAC charter (providing it with the authority to accept the audit) to both the Governance Committee and the FAC this month. Then KPMG will provide their report at the October FAC meeting without the need to repeat it at an October full Board meeting, which we can then cancel.

**Oregon Health & Science University
Board of Directors
Finance & Audit Committee Charter**

Committee Purposes

1. The OHSU Board Finance & Audit Committee will serve as advisors to the OHSU President and/or the President's designee for matters related to long-term financial plans and annual budgets, review of financial results and performance goals, identifying and managing financial risk, and strategic financial decisions in relation to the overall mission of the organization.
2. The Committee shall have the authority to receive, review, and accept on behalf of the Board of Directors the report of the independent auditors, including the annual audited financial statements. ~~Further, they~~ will also assist the President and/or the President's designee by reviewing and advising on the quality and integrity of accounting, auditing, financial reporting and internal controls, which include obtaining annually, from a qualified independent public accountant, adequate assurance that appropriate accounting standards have been followed and that financial reports comply with applicable laws and regulations.
3. The Committee will serve as advisors to the President and/or the President's designee in formulating the University's overall investment policies, and establishing investment guidelines in furtherance of those policies. The Committee, along with the Chief Financial Officer, will monitor the management of the portfolio for compliance with the investment policies and guidelines and for meeting performance objectives over time.
- ~~4. The Committee is not authorized to make decisions for or recommendations to the Board of Directors but serves only in an advisory capacity to the President or the President's designee.~~

Committee Membership

The Finance & Audit Committee will consist of no fewer than three members who shall be appointed and replaced by the Board and serve at the pleasure of the Board. ~~At~~ least one member of the Finance & Audit Committee shall have experience in financial reporting or analysis, or the Finance & Audit Committee shall obtain the services of an individual who has such experience.

The Board will designate one of its members to serve as Chair of the Committee, but if the Committee Chair is not so designated or he or she is absent or unable to serve, the members of the Committee may designate an acting Chair by majority vote of the full Committee membership.

Committee Meetings and Reports

~~The Committee will meet at least four times per year. The Committee's performance will be evaluated at least annually. As a body that is exclusively advisory to a single individual, no quorum is required or necessary for Committee business and shall not be constituted regardless of the number of members in attendance.~~

Budget and Finance Matters

The Committee will provide advice and counsel to the President and/or the President's designee as follows:

- Review and comment on financial assumptions and proposals preliminary to OHSU's annual operating and capital budgets.
- Review and comment on long-term financial plans prepared in connection with the mission and strategic plans, financings, acquisitions, partnerships and other decisions that involve long-term financial planning.
- Review and comment on the organization's performance against annual budgets and long-term plans, through review of financial reports and forecasts.
- Review and comment on financial strategies of the university, including sensitive business, financial or commercial matters not customarily provided to competitors related to financings, mergers, acquisitions or joint ventures or related to the sale or other disposition of, or substantial change in use of, significant real estate or personal property, or related to health system strategies, investment policy and performance, and debt and debt risk management.
- Review and comment on the portfolio of financial institutions that provide banking and lending services to the university, including market conditions and terms.

Audit Matters

The Committee will provide advice and counsel to the President or the President's designee on:

- The selection of an independent audit firm to provide annually a written opinion and other required communications on the consolidated financial statements of OHSU in accordance with auditing standards generally accepted in the United States of America.

- The independence of the audit firm from OHSU in both fact and appearance.
- -The audit scope, engagement letter (which will include a designated member of the Committee as an addressee), and aggregate billings of the audit firm, including any non-audit services provided.
- The budget, structure, scope, findings and results of the university's internal audit program. -The director of the internal audit program will meet with the committee twice annually.
- Issues concerning financial integrity and controls, fraud or misappropriation of resources, whether identified by management, internal audit, the independent audit firm or others, will be brought to the attention of the Committee and the full Board where appropriate.

In addition, the Committee shall have the authority to receive, review, and accept on behalf of the Board of Directors:

- The report of the independent auditors, including the annual audited financial statements. The Committee shall report its actions to the Board at the next regular meeting and provide the Board with a summary of key findings and recommendations from the auditors for acknowledgement.

♦ The acceptance of the audited financial statements by the Finance & Audit Committee shall be deemed acceptance by the Board of Directors, unless otherwise directed by the Board. The Committee shall also oversee management's response to the auditors' recommendations and report on progress to the Board.

Audit Firm Independence

In order to ensure the independence and integrity of the audit, the audit firm retained by OHSU must agree that:

- The partner conducting the audit must rotate off the audit no less often than every 7 years, for a period of at least 2 years.
- The audit firm may not have employed the OHSU President, OHSU Chief Financial Officer, Comptroller or Hospital Chief Financial Officer in the one year preceding the audit.
- Prior to performance by the audit firm of services outside the engagement letter that may bear on auditor independence, management shall consult with members of the Committee.

Investment Matters

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The Committee will provide advice and counsel to the President [and/or](#) the President's designee on:

- Setting investment policies and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments.
- Overseeing investment and reinvestment of funds. The Committee may delegate investment functions to officers and employees and to external investment managers.
- Monitoring the management of the funds by reviewing written reports from investment staff and by discussions with investment staff at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy.
- Evaluating investment performance of the fund based on a comparison of actual returns, and with such other benchmarks as the Board or Committee may from time to time select. The evaluation will take into account compliance with investment policies and guidelines and risk levels.
- Review and recommend to the President or the President's designee an incentive compensation pool for professional investment staff.
- Periodically review and assess the adequacy of this charter and make recommendations for revisions.

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Board of Directors
Finance & Audit Committee Charter**

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