

University of South Carolina
BOARD OF TRUSTEES

Audit, Compliance and Risk Committee
In Person, Floyd Boardroom, Pastides Alumni Center
and By Microsoft Teams
August 19, 2022

OPEN SESSION

I. Call to Order

Chair Newton called the meeting to order at 10:20 a.m. Secretary Howell confirmed Trustees attending in person and by Microsoft Teams audio and video conference.

Committee Members in attendance:

Rose Buyck Newton, Chair
J. Egerton Burroughs (online)
Brian C. Harlan
Richard A. Jones Jr.
E. Scott Moise
Emma W. Morris
Charles H. Williams
Thad H. Westbrook, *Board Vice Chair*
C. Dorn Smith III, *Board Chair*

Other Trustees in attendance:

C. Dan Adams
Alex English
C. Edward Floyd
Toney J. Lister (online)
Hubert F. Mobley
Leah B. Moody (online)
Molly M. Spearman (online)
John C. von Lehe Jr. (online)
Mack I. Whittle Jr.

Other in attendance:

Audrey Korsgaard, USC Columbia Faculty Senate Chair
Reedy Newton, USC Columbia Student Government President
Robin Roberts, Expert Advisor to the Advancement, Engagement and Communications Committee
David Seaton, Expert Advisor to the Governance Committee

Administrators in attendance:

Michael Amiridis, President

Cameron Howell, University Secretary and Secretary of the Board of Trustees

Donna Arnett, Executive Vice President for Academic Affairs and Provost

Terry Parham, General Counsel

Ed Walton, Executive Vice President and Chief Financial Officer

Media in attendance:

Josh Boucher, the *State*

Sydney Dunlap, the *Daily Gamecock*

Alexa Jurado, the *State*

Notice:

Chair Newton stated notice of the meeting and agenda had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the Committee; and a quorum was present to conduct business.

II. Internal Audits

Chief Audit Executive Pam Dunleavy reviewed internal audits, the detailed reports of which were posted to the Board portal.

A. Annual Reviews

1. Audit & Advisory Services Annual Report – Fiscal Year 2021-22

Ms. Dunleavy reviewed the Audit & Advisory Services annual report for FY21-22, and provided details of the FY22-23 budget, FY21-22 balanced scorecard, and new goals for FY22-23.

Chair Newton stated the update was received as information.

2. Risk Assessment and Audit Plan – Fiscal Year 2022-23

Ms. Dunleavy reviewed the FY22-23 risk assessment and audit plan, including the plan's development process and risk framework.

Mr. Harlan made a motion to approve the FY22-23 risk assessment and audit plan as presented and posted to the Board portal. Ms. Morris seconded the motion. A vote was taken, and the motion was approved.

B. Internal Audit Quality Assurance Review Self-Assessment Memo

Ms. Dunleavy discussed the purpose for the internal audit quality assurance review self-assessment memo and stated the memo was available for review on the Board portal.

Chair Newton stated the update was received as information.

C. Audit Reports

Ms. Dunleavy presented information on the following audit reports, of which the detailed reports were posted to the Board portal.

1. Chemical and Biological Safety Audit Report
2. Cost Transfers Audit Report
3. IT Server Security Audit Report
4. IT Vulnerability Management Audit Report
5. Purchasing Card Monitoring Program Memo
6. USC Upstate Business Operations Audit Report
7. Tracking Report

Chair Newton stated the updates were received as information.

III. Approval of Policy Reviews

Ms. Dunleavy presented five policy reviews for approval, which were posted to the Board portal.

A. BTRU 1.06, Audit & Advisory Services

Mr. Burroughs made a motion to approve BTRU 1.06 as presented and posted to the Board portal. Ms. Morris seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated this agenda item would be included on the Audit, Compliance and Risk Committee's written consent agenda for consideration by the full Board.

B. BTRU 1.18, Conflicts of Interest and Commitment

Mr. Harlan made a motion to approve BTRU 1.18 as presented and posted to the Board portal. Mr. Jones seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated this agenda item would be included on the Audit, Compliance and Risk Committee's written consent agenda for consideration by the full Board.

C. BTRU 1.20, Dishonest Acts and Fraud

Mr. Williams made a motion to approve BTRU 1.20 as presented and posted to the Board portal. Ms. Morris seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated this agenda item would be included on the Audit, Compliance and Risk Committee's written consent agenda for consideration by the full Board.

D. BTRU 1.22, Reporting Violations of State or Federal Laws or Regulations (Whistleblower Policy)

Ms. Morris made a motion to approve BTRU 1.22 as presented and posted to the Board portal. Mr. Harlan seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated this agenda item would be included on the Audit, Compliance and Risk Committee's written consent agenda for consideration by the full Board.

E. BTRU 1.24, Internal Control Policy

Mr. Jones made a motion to approve BTRU 1.24 as presented and posted to the Board portal. Mr. Burroughs seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated this agenda item would be included on the Audit, Compliance and Risk Committee's written consent agenda for consideration by the full Board.

IV. Risk and Compliance Reports

Chair Newton stated the report of other external audits and reviews was posted to the Board portal prior to the meeting and called for questions for Ms. Dunleavy. There were none.

Chair Newton stated the update was received as information.

V. Human Resources Updates

A. Classification and Compensation Study Update

Vice President for Human Resources Caroline Agardy stated the classification and compensation study had been completed, and reviewed recommendations from the study. [ACRC 081922 OS V A]

Chair Newton stated the update was received as information.

B. Approval of USC Upstate Voluntary Separation Program

Ms. Agardy reviewed the components and criteria of the USC Upstate voluntary separation program which was posted to the Board portal. [ACRC 081922 OS V B]

Mr. Burroughs made a motion to approve the USC Upstate voluntary separation program as presented posted to the Board portal. Mr. Jones seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated this agenda item would be included on the Audit, Compliance and Risk Committee's written consent agenda for consideration by the full Board.

VI. Approval of Vice President for Development Candidate

Chair Newton stated a candidate for Vice President for Development was presented by President Amiridis at the July 22, 2022 called meeting of the Audit, Compliance and Risk Committee in Executive Session without objection, and that the candidate's material had been posted to the Board portal.

Ms. Morris made a motion to recommend full Board approval of Ms. Michelle Dodenhoff as the Vice President for Development effective August 22, 2022 with an annual salary of \$425,000. Mr. Harlan seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated the full Board would consider the Committee's recommendation for action at its meeting later that day.

VII. Approval of Vice President for Student Affairs Candidate

Chair Newton stated a candidate for Vice President for Student Affairs and Academic Support was presented by President Amiridis at the July 22, 2022 called meeting of the Audit, Compliance and Risk Committee in Executive Session without objection, and that the candidate's material had been posted to the Board portal.

Mr. Jones made a motion to recommend full Board approval of Mr. Rex Tolliver as the Vice President for Student Affairs and Academic Support effective August 22, 2022 with an annual salary of \$310,000. Mr. Williams seconded the motion. A vote was taken, and the motion was approved.

Chair Newton stated the full Board would consider the Committee's recommendation for action at its meeting later that day.

MOTION FOR EXECUTIVE SESSION

Chair Newton stated there was a need for an Executive Session to discuss matters related to Information Technology security, along with a personnel matter regarding an employee grievance proceeding.

Ms. Morris made the motion to enter Executive Session. Mr. Harlan seconded the motion. A vote was taken, and the motion carried unanimously.

EXECUTIVE SESSION

- Executive Session Removed

RETURN TO OPEN SESSION

VIII. Audit, Compliance and Risk Committee

A. Matrix Review

Chair Newton provided an update on the status of the Audit, Compliance, and Risk Committee matrix.

B. Approval of Audit, Compliance and Risk Committee Charter Revisions

Ms. Morris made a motion to approve the revisions to the Audit, Compliance and Risk Committee charter as presented and posted to the Board portal. Mr. Burroughs seconded the motion. A vote was taken, and the motion carried unanimously.

C. Committee Self-Assessment

Chair Newton stated a hardcopy of the results of the Audit, Compliance and Risk Committee self-assessment had been provided to Committee members.

IX. Other Matters

Chair Newton called for other matters to come before the Committee. Following a question from Mr. Whittle, President Amiridis confirmed Ms. Pam Dunleavy would attend meetings of his executive team, in addition to one-on-one meetings with him.

X. Adjournment

Chair Newton declared the meeting adjourned at 11:25 a.m.

Respectfully submitted,

Cameron Howell
Secretary

HUMAN RESOURCES UPDATE

CLASSIFICATION AND COMPENSATION STUDY VOLUNTARY SEPARATION PROGRAM FOR USC UPSTATE

August 19, 2022



CLASSIFICATION AND COMPENSATION STUDY

WHY?

- Externally Competitive
- Market Driven Structure
- Equitable and Fair Pay
- Create More Career Paths
- Create Efficiencies in our Processes
- Compliance

DESIGN

- **Job Analysis** – identifying positions that perform substantially similar work
- **Titles** – aligning positions into job families and position titles
- **Job Alignment** – creating new job descriptions for the consolidated job families
- **Market Pricing** – benchmarking jobs with those in the market
- **Market Ranges** – creating more narrow pay ranges – 50%
- **Minimum Qualifications** – Revisiting our job requirements to be more in line with the market and state government so we can have expanded applicant pools

RECOMMENDATIONS TO THE PRESIDENT

- **Phased in approach to implementation**
 - Move employees to the new job titles
 - Increase salaries of employees below the new market ranges to the minimum of the range
 - Implement new ranges and qualifications for advertised jobs
- **Considerations for prioritizing a phased-in approach to other employee raises**
 - Based on turnover of different occupational groups
 - Individual adjustments based on performance and percent to market
 - Availability of funding

VOLUNTARY SEPARATION PROGRAM

The USC Upstate submitted a voluntary separation program

- For faculty in select departments within Academic Affairs
- For all staff within Academic Affairs

The program must be approved by the President of USC and the Director of State Human Resources based on the ability to demonstrate recurring cost savings for realignment and/or permanent downsizing.

ELIGIBILITY/CRITERIA

- Only employees in FTE positions are eligible for the program.
- Employees who submitted a notice of resignation/retirement which has been accepted prior to VSP notification are not eligible.
- Program will be announced, and the employee must be offered 45 calendar days from the date that the employee receives notification of the VSP to consider participation.

SUMMARY OF USC UPSTATE VSP

Eligible Academic Affairs Departments	Employee Type	Maximum # of Participants
Mathematics and Computer Science	Faculty	3
Language, Literature and Composition	Faculty	6
History, Political Science, Philosophy and American Studies	Faculty	2
Sociology, Criminal Justice and Women's Studies	Faculty	1
Fine Arts and Communication Studies	Faculty	2
Natural Sciences and Engineering	Faculty	2
Johnson College of Business and Economics	Faculty	2
Library	Faculty	2
Division of Academic Affairs	Staff	2

Maximum Payout: \$100,000 or one year's base salary, whichever is less.

Separation Date: December 31, 2022

Criteria: Must be in a USC FTE position for 10 years as of August 16, 2022

Incentive: 1/26 of base pay salary for each year of university service

COMPONENTS

- Program must be funded with existing funds.
- Program may be implemented based on Upstate's ability to demonstrate recurring cost savings over two fiscal years.
- Implementation of the program will be based on fair and objective criteria developed by Upstate.
- All decisions made under this program by employees to retire or resign are voluntary and are not considered grievable or appealable.
- Participants may not return to an FTE position for a period of two years, unless they reimburse the university on a pro-rata basis.
- The university must report the results to State HR by August 15 of the next fiscal year.

PROJECTED COST SAVINGS FOR NEW VSP

College / Division	Maximum Slots	Maximum Payout	Projected Savings - Current FY	Projected Savings FY 2023-24	Projected Savings FY 2024-25	Cumulative Total Savings
University of South Carolina, Upstate, Academic Affairs	22	\$100,000	(\$92,701)	\$1,894,425	\$1,894,425	\$3,696,149