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University of South Carolina
BOARD OF TRUSTEES

Audit, Compliance and Risk Committee

April 14, 2022

The Audit, Compliance and Risk Committee of the University of South Carolina Board of Trustees met at 10:00 a.m. on Thursday, April 14, 2022 in the Sansbury Campus Life Center Ballroom at USC Upstate and by Microsoft Teams.

Committee members present were Ms. Rose Buyck Newton, Chair; Mr. Brian C. Harlan; Mr. Richard A. Jones Jr.; Ms. Emma W. Morris; Mr. Robin D. Roberts; Dr. C. Dorn Smith III, Board Chair; and Mr. Thad H. Westbrook, Board Vice Chair. Mr. J. Egerton Burroughs and Mr. Charles H. Williams participated by Microsoft Teams video conference.

Other Board members present were Mr. C. Dan Adams, Mr. Alex English, Mr. Toney J. Lister, Mr. Hubert F. Mobley, Ms. Leah B. Moody, and Mr. Mack I. Whittle Jr. Mr. Miles Loadholt and Mr. John C. von Lehe Jr. joined by Microsoft Teams.

Also present were USC Columbia Faculty Senate Chair Dr. Audrey Korsgaard and USC Columbia Student Government President Ms. Reedy Newton. Special Advisor to the Board of Trustees, Mr. David Seaton, participated by Microsoft Teams.

Others in attendance were Interim President Harris Pastides; Secretary Cameron Howell; Vice President of Human Resources Caroline Agardy; Vice President for System Affairs Derham Cole; Interim Provost Stephen Cutler; Chief Audit Executive Pamela Dunleavy; Palmetto College Chancellor Susan Elkins; Associate Vice President for Finance

and Budget Kelly Epting; Vice President for Information Technology and Chief Information Officer Doug Foster; USC Upstate Chancellor Bennie Harris; USC Aiken Chancellor Daniel Heimmermann; Howie Houston with Elliott Davis; USC Controller Mandy Kibler; Governance Consultant Brit Kirwan; Associate Vice President and Chief Procurement Officer Venis Manigo; Governance Consultant Drumm McNaughton; Director of State Government Relations Derrick Meggie; USC Beaufort Chancellor Al Panu; General Counsel and Executive Director of Compliance Programs Terry Parham; Director of Government Relations Craig Parks; Chief Operating Officer Jeff Perkins; Assistant Director of Institutional Research and Analytics Jonathan Poon; Vice President for Student Affairs and Vice Provost Dennis Pruitt; Barbara Rushing with Elliott Davis; College of Arts and Sciences Dean Joel Samuels; University Treasurer and Associate Vice President and Chief of Staff for the Division of Administration and Finance Joe Sobieralski; Assistant Vice President, Media and External Engagement Jeff Stensland; Athletics Director Ray Tanner; Executive Vice President of Administration and Chief Financial Officer Ed Walton; Vice President for Diversity, Equity and Inclusion Julian Williams; and Board of Trustees support staff Anna Brannin and Cary Graham.

OPEN SESSION

I. Call to Order

Chair Newton called the meeting to order, welcomed those in attendance, and asked everyone in the room to introduce themselves. Secretary Howell confirmed Trustees joining by Microsoft Teams. Chair Newton called on Mr. Stensland to introduce members of the press. Mr. Stensland introduced Tyler Fedor with the *Daily Gamecock* as attending via the call-in press line.

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

Chair Newton called on Board Chair Dr. C. Dorn Smith III for introductory comments. Dr. Smith welcomed Ms. Reedy Newton to her first Board meeting as USC Columbia Student Government President. He introduced and welcomed new Board of Trustees staff member Ms. Anna Brannin and introduced USC Governance Consultants Mr. Britt Kirwan and Mr. Drumm McNaughton.

MOTION TO ENTER EXECUTIVE SESSION

Chair Newton stated there was a need for an Executive Session to discuss a personnel matter regarding the employment of an auditor in the office of Audit and Advisory Services and a proposed contractual matter regarding the engagement of an external auditing firm. Ms. Morris made the motion to enter Executive Session and Mr. Jones seconded the motion. A vote was taken, and the motion carried unanimously.

Chair Newton stated no action would be taken in Executive Session and invited the following to remain: Trustees, Dr. Korsgaard, Ms. Reedy Newton, Mr. Seaton, Interim President Pastides, Secretary Howell, Dr. Cutler, Mr. Walton, Mr. Parham, Ms. Agardy, Ms. Dunleavy, Ms. Kibler, and Board of Trustees staff.

EXECUTIVE SESSION

- Executive Session Removed

RETURN TO OPEN SESSION

II. External Audits

Chair Newton called on Mr. Howie Houston with Elliott Davis to present the

Uniform Guidance Audit, FY 2021-22. Mr. Houston stated the Audit of Federal Awards Under Uniform Guidance (Single Audit) was completed. Two reports were issued in conjunction with the Single Audit; both were unmodified.

There were no findings over financial reporting and no material weaknesses over compliance. There were three findings that were significant deficiencies over compliance. Mr. Houston advised two of the three findings related to the previous year's student financial assistance cluster program. One finding related to matters associated with stimulus funding.

Mr. Houston stated the National Collegiate Athletic Association (NCAA) Agreed Upon Procedures for USC Columbia and USC Upstate were completed and presented at the February meeting of the Audit, Compliance and Risk Committee.

Chair Newton thanked Mr. Houston and stated the reports were received as information.

III. Internal Audits

Chair Newton stated internal audit reports were posted to the Board portal for review prior to the meeting. Chair Newton called for questions; there were none.

Chair Newton stated the internal audit reports were received as information.

IV. Risk and Compliance Reports

Chair Newton stated the report of other external audits and reviews were posted to the Board portal in advance of the meeting. She asked if there were questions for Ms. Dunleavy. There were none.

Chair Newton stated the reports were received as information.

V. Audit, Compliance and Risk Committee

A. Education Session – Attracting and Retaining Talent

Chair Newton called on Vice President for Human Resources Caroline Agardy for an education session. Ms. Agardy reviewed workforce-related statistics pertaining to “The Great Resignation.” USC has seen increased turnover among faculty and staff and a significant decrease in the number of job applications. Ms. Agardy discussed recruitment and retention efforts by Human Resources. The department is conducting a classification and compensation redesign project for staff employees. Ms. Agardy reviewed the benefits of working at USC, recruitment strategies, and new retention tools. Ms. Agardy highlighted various initiatives including the new Careers at UofSC webpage, a referral bonus program, and an internal job board.

Chair Newton thanked Ms. Agardy and stated the report was received as information.

B. Matrix Review

Chair Newton stated the Audit, Compliance and Risk Committee’s matrix was updated and posted in the Board portal.

VI. Other Matters

Chair Newton called for any other matters to come before the Committee. There were none.

VII. Adjournment

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

Respectfully submitted,

Cameron Howell
Secretary