

OLD DOMINION UNIVERSITY
BOARD OF VISITORS
Audit, Compliance, and Human Resources Committee

November 30, 2023

MINUTES

The Audit, Compliance, and Human Resources Committee of the Board of Visitors of Old Dominion University met on Thursday, November 30, 2023, at 11:08 a.m. in the Board Room of the Kate and John Broderick Dining Commons. Present from the Committee were:

Robert S. Corn, Chair
Ross A. Mugler, Vice Chair
R. Bruce Bradley (*ex-officio*)
P. Murry Pitts (*ex-officio*)
Andrew Hodge
Steve Hsiung (*Faculty Representative*)

Absent from the Committee: Elza Mitchum

Also present from the Board: Brian Holland
Rick Wyatt
Keshav Vermani (*Student Representative*)

Also present were:

Brian O. Hemphill, President	Maggie Libby
Austin Agho	Donna Meeks
Ashleigh Boothe	Alicia Monroe
Alonzo Brandon	Chad Reed
Richard Clark	September Sanderlin
Ken Fridley	Ashley Schumaker
Nina Rodriguez Gonser	Amanda Skaggs
Sarah Hanson	JaRenae Whitehead
Jaime Hunt	Allen Wilson
Brandi Hephner LaBanc	

Chairman Robert S. Corn, called the meeting to order at 11:08 a.m.

- A. **Approval of Minutes** – Upon a motion made by committee Chairman Corn and duly seconded, the minutes of the Audit, Compliance, and Human Resources Committee meeting held on September 14, 2023 as presented were approved by all members present and voting (*Corn, Mugler, Bradley, Pitts, Hodge*).
- B. **Closed Session** – Vice Chair Ross A. Mugler moved that this meeting be recessed in Closed Session to discuss the performance of specific departments where such evaluation will necessarily involve discussion of the performance of specific individuals as permitted by the Code of Virginia section 2.2-3711(A), subsection (1) and to discuss specific vulnerabilities as permitted by the Code of Virginia section 2.2-3705(2)(14)(b). The motion was duly seconded and approved by all members present and voting (*Corn, Mugler, Bradley, Pitts, Hodge*).

In addition to the Committee members in attendance, the following individuals were in attendance during the closed session: President Hemphill, Vice President Reed, Vice President Hephner LaBanc, Ms. Skaggs, Ms. Schumaker, and Mr. Wilson.

- C. **Reconvene in Open Session and FOIA Certification** – At the conclusion of Closed Session, Chairman Corn reconvened the meeting and the following Freedom of Information Act Certification was read: “Any person who believes that the Board discussed items, which were not specifically exempted by law or not included in the motion, must now state where they believe there was a departure from the law or a departure in the discussion of matters other than that stated in the motion convening the closed session. I shall now take a roll call vote of the Board. All those who agree that only lawfully exempted matters and specifically only the business matters stated in the motion convening the closed session were discussed in closed session say “aye.” All those who disagree say “nay.” The certification was approved by roll call vote (*Ayes: Corn, Mugler, Bradley, Pitts, Hodge; Nays: None*).
- D. **Report from the Chief Audit Executive** – Ms. Amanda Skaggs, Chief Audit Executive, presented the University Audit Department report.

1. **Presentation of Completed Audit Reports-**
 - a. **Housing and Residence Life**
 1. Ms. Skaggs shared the objectives of this audit are to determine whether there are adequate internal controls and operating procedures in place, compliance exists with applicable requirements and processes are efficient and effective. She shared the overall risk is moderate and the audit conclusion is adequate. They looked at several areas concerning Housing and Residence Life including, access, budget management,

purchasing, deposit practices, camps and conferences, contract administration, on-campus housing and more. Strengths were noted for goal setting, fixed assets, performance evaluations and position descriptions, resident assistant training, fire drills and reconciliations completed since January.

2. Ms. Skaggs shared details on camp and conference contracts include that contracts were not executed, enforced or retained as expected. Most findings were most contracts were unsigned by the licensee and/or ODU rep, in some instances contracts were signed after the event started, deposits weren't made at booking, full payment wasn't collected in timely manner for 70% of the contracts reviewed, one invoice didn't match the amount collected, contracts were found in support of 70% of the revenue recorded in Banner and documentation needed for supporting the contracts were not available. Ms. Skaggs shared that the audit report recommended to revise the contract language to match deposit and payment practices, enforce obtaining signatures of all parties in advance and retain supporting documents. Committee member, Bruce Bradley asked how much money these represent, and Ms. Skaggs answered in a 2-year period it was approximately \$200,000.
3. Contract administration findings were shared next. Ms. Skaggs said the contracts assigned to Housing and Residence life are not administered as expected. The audit report recommended that Housing and Residence Life work with vendors to collect the amounts due and create a scheduled task list for each contract to meet obligations.
4. Another area the Audit Dept. looked into was physical keys. The six dorms they checked had 68 missing keys and 33 still hadn't had the process initiated to have the locks changed or collect the fee from the student. Procedures require twice daily key audits and in 10 buildings for a single day revealed only two key audits occurred. The report recommended that practices and procedures be reviewed and brought into alignment and perform lock change requests in a timely manner and apply the missing key fee when necessary. Student representative, Keshav Vermani asked is there an attempt to modernize the key system, as someone who has gotten locked out of his dorm room more than once. Vice President of Student Enrollment and Engagement, Brandi Hephner LaBanc shared they are currently in a 3-year plan to modernize areas of housing and residence life. Ms. Skaggs commented there is a budgetary effect from modernizing the physical keys.
5. VP Hephner LaBanc shared that the issues identified are being addressed with quick action, and she is grateful for the Audit team's

help in identifying shortfalls. Also mentioned, by VP Hephner LaBanc leadership had changed and eight roles were down to two. VP Hephner LaBanc said they are addressing the findings and have already taken a lot of action.

6. Ms. Skaggs shared with the Board the findings on revenue deposits and fees charged. There were late deposits, and fees being charged that did not align with the approved Tuition and Fee Schedule.
 7. Employee housing arrangements were found to have no formal procedures in place, the pricing varied, contracts were missing signatures, and applicable taxes were not levied. The recommendations included: creating and implementing procedures, enforcing sponsoring dept. signature before move-in, informing Payroll when housing ends and charging taxes where applicable.
 8. Web Time Entry Overrides: Ms. Skaggs shared that time sheets and leave reports were not consistent, 8 of 27 approvers didn't consistently approve their employees time and leave impacting 155 timesheets. Recommendations to emphasize and raise awareness of the importance of timely submissions.
 9. Records management: Certain key aspects are missing, recommended to complete an inventory of all record types and establish a file directory structure. Board member, Rick Wyatt asked how often the audit happens. Ms. Skaggs said there is no set frequency for an area.
2. Status of Open Audit Issues since September 2023- The department tracked the 35 open audit issues and reported that 10 are now complete with 23 items in progress and two are planned. For comparison at this point last year, we were tracking 53 items. Ms. Skaggs shared for every item we had at least one item closed in each Vice President area.
 3. Active Audit Projects-
 - a. Athletic Business Office- Fieldwork
 - b. Office of the President FY2023 Expenditures- Fieldwork
 - c. Police Department Fiscal Activities FY2023 - Fieldwork
 - d. Enterprise Data Storage and Recovery-Survey
 - e. College of Engineering and Technology -Survey
 - f. Student Financial Aid -Survey
 - g. Onboarding Processes (Classified and AP Faculty) -Survey
 - h. Salesforce TargetX – Customer Relationship Manager
 - i. Special Projects and Other Activities
 4. Proposed Modification to FY 2024 Audit Plan- It was proposed to remove Salesforce TargetX from the Audit Plan and Vice Chair, Ross Mugler made a

motion to modify the FY2024 Audit Plan as recommended. The motion was duly seconded and approved by all members present and voting (*Corn, Mugler, Bradley, Pitts, Hodge*).

- E. **Report from the Vice President for Administration and Finance** – Reported to the Board by Vice President for Administration and Finance, Chad Reed, the Red Flag Rule relates to the federal regulations regarding identity theft. It is the University policy for the VP of Admin and Finance to affirm the Board annually that the University has met all requirements and that the University personnel have completed all training as required by the Red Flag Rule. Vice President Reed confirmed this has been completed.
- F. **Report from the Vice President for Human Resources Diversity, Equity, and Inclusion** – Vice President for Human Resources, Diversity, Equity and Inclusion September Sanderlin presented the report.
1. **Proposed Overtime Rule for FLSA**- The Fair Labor Standards Act establishes minimum wage, overtime pay, recordkeeping and youth employment standards affecting employees in the private sector and in the Federal, State and local government. It was shared that in 2004 the rule stated that the salary threshold for exemption was \$23,660 and highly compensated employee exemption was set at \$100,000. In 2016, the proposed rule was for a salary threshold at \$47,413. However, this rule didn't pass. In 2019, the rule passed to update salary threshold to \$35,568 and highly compensated employees to \$107,432. The 2023 proposed overtime rule updates the minimum salary threshold to \$55,068 and for highly compensated employees the salary threshold is \$143,988. The proposal also includes updates every three years. The 60-day comment period started November 7, 2023, and if it passes the anticipated timeframe is June/July 2024. VP Sanderlin shared examples of potential impacts on AP Faculty positions: Academic Advisors, Admission Counselors, Residence Hall Directors, and Athletic Positions. Impacts on classified positions include: ITS level 1 and 2 roles, Financial Services Specialist I and Public Relation and Marketing Specialist III. Other implications include, compression/internal alignment, remote positions, EVMS/ODU integration, University compensation study and policies. The financial implications of estimated costs to bring all impacted positions to the new salary threshold of \$55,068 would be \$1,143,964, this could also be higher if the final rule that passes is based on the recent wage data. There are also overtime implications for employees who would remain non-exempt. VP Sanderlin shared with the Board that she plans to stay abreast of the status of the proposed rule, work with senior leaders to prepare for any changes, develop communication strategy, trainings and review and prepare to update any relevant policies and procedures.
 2. **Healthiest Employer Designation**- VP Sanderlin shared with the board that ODU won 5th healthiest employer in Virginia with 500-4,999 employees. In 2022, ODU was 6th place. The University was recognized for the Tuition Assistance Program which demonstrates a commitment to the employee and their dependents.
 3. **Administrative and Professional Faculty Senate**- VP Sanderlin shared that the inaugural AP Faculty Senate is in place and the bylaws were included in the OnBoard materials. Upon his arrival, President Hemphill committed to establishing

an AP Senate to give Administrative and Professional Faculty a voice with University administration.

4. Administrative and Professional Faculty Appointments- VP Sanderlin shared with the Board 28 Administrative and Professional Faculty appointments. Committee member, Bruce Bradley asked how do some appointments get “exceptional hire” status? Ms. Sanderlin said it requires approval from the Vice President of Human Resources, President Hemphill and the VP over the area hiring. Presiding chair, Corn, made a motion to approve the 28 Administrative and Professional Faculty appointments. The motion was duly seconded and approved by all members present and voting (*Corn, Mugler, Bradley, Pitts, Hodge*).

G. Adjournment - There being no further business, the meeting adjourned at 12:08 p.m.