

Business Affairs Officers Committee
Meeting Minutes
Wednesday, May 4, 2016

Members Present: Lakshmi Sabapathy, Rachel Beatty, Linda Carter, Joan Ferguson, Lara Trocchio, Jeff Bolton, Sue Robell, Natasha Weathers, Shelley Clifton, Kimberly Rize, Donna Wells, Celeste Lezuch, Arthurine Turner, Elizabeth Elder, Sausha Kellogg, Mary Beth Buchan, Warren Doucet, Sharon Program, Lisa Shrader, Angela Strickland, Karen Vest, Elizabeth Godwin and Tamaka Butler

Guests: Alicia Pendleton, Carolyn Hafner, Fannie Moore and Kevin Hayes

I. Call To Order

- a. The meeting was called to order at 1:33 p.m.
- b. The minutes from the meeting held on April 6, 2016 will be distributed before our next meeting.

II. New Business

a. Meeting Cancellation - The July 6, 2016 meeting has been cancelled

b. Alicia Pendleton -FLSA Proposed Changes¹

- Alicia provided a presentation beginning with an overview of Fair Labor Standard Act (FLSA) regulations, proposed Obama Administration changes and its impact to the University.
- Alicia acknowledgement the efforts of College and University Professional Association for Human Resource (CUPA-HR) taking the lead on this issue, preparing and collecting data and providing comments on behalf of the higher education community.
- Current FLSA for employees classified as exempt from overtime is based on three test salary basis, salary level and duties. Proposed changes would increase the minimum salary threshold from \$23,600 to \$50,440 year, the job duties test no changes and the highly compensated work salary would increase from \$100,000 to \$122,149 year. Department of Labor is scheduled to issue the new regulations this month with a 60 days implementation period.
- Changes imposes significant cost to higher education system. Functional impact areas impacted have been identified as academic, student affairs, athletic and research. While the proposed regulations financial impact based on WSU HR analysis is estimated at \$7.2 million with \$5 million of those dollars attributed to research area.
- Strategies to prepare for the changes were presented to included working group with members of the BAO committee.
- It was noted it was recently reported that Department of Labor is considering lowering the salary threshold from \$50,440 to \$47,000.

¹ Presentation distributed to committee on 5/9/2016.

- A copy of the schools/colleges/divisions impacted by classifications would be sent to the co-chairs after this meeting with this presentation.

c. Fraud Awareness – Carolyn Hafner/Fannie Moore

- Carolyn Hafner provided an introduction to Internal Audit presentation on Fraud Awareness. This presentation is their efforts to launch a new approach to educate the university community on fraud. It was noted that 40% of Internal Audit time is spend on fraud investigation - detection/prevention/investigation.
- Fannie Moore provided information to the committee why fraud is committed, described the Fraud Triangle – opportunity due to weaknesses in internal controls, rationalization/justification for committing fraud and pressure due to personal financial issue.
- Red flags – borrowing money from co-workers, unrecorded vacation time, lack of internal controls, lack of account reconciliation, asset misappropriation examples (i.e. travel reimbursement, timesheet, procurement card – personal purchases and theft from petty cash).
- Awareness and prevention methods such as the use of Banner COGNOS reports, account reconciliation, business procedures and supervisory review. The presenters as the committee members what preventative methods they used.
- The Fraud Hotline and Anonymous Tips Form are ways to report any suspicious activity while remaining anonymous.
- Internal Audit would like to continue making this presentation to schools/colleges/divisions chairs, associate chairs and leadership. It was noted that awareness is provided to new WSU employees at Orientation.
- The presenters agreed to send a copy of the presentation to the co-chairs for distribution.

d. IT Security Education – Kevin Hayes²

- Kevin presentation on in depth email phishing action as part of C&IT security awareness program with an agenda providing an explanation on why emails are used for attacks, learning red flags of phishing emails, citing real phishing examples experience at WSU and tips to protect yourself.
- Email attacks are successful due to a lack of security, ease of copying and change a legitimate site graphics which make attacks virtually free to the attacker.
- Using a real phishing example, “invoice.zip incident to show how easily attackers gained access to people while uploading malware for a phishing.
- Preventative measures were identified along such as checking for red flags -spelling, grammar errors, unknown address or immediate action demand are made. Hovering and checking for a lock and green section before a url is another indicator to determine a safe and verified email. Scams request passwords, or locked account/full mail that require an action. Web links containing virus or malware. When in doubt, throw it out.

² Presentation distributed with the minutes.

- Additional examples of phishing examples were cited from account/delivery/pick-up notices, voicemail, prizes and request to transfer funds.
- Kevin noted that while reading an email is safe, an attacker job is to get you to act so be wary of each email received and report all phishing incidents.
- A question was about regarding reporting suspicious email notification via Microsoft, Kevin stated that while they help Microsoft, C&IT is unaware of the incident so those message should be sent to CIT email address: abuse@wayne.edu

e. BAO Updates

- The committee was reminded that the Capital Assets Inventory deadline is Monday, May 16th.
- Evaluation from Internal Audit presentation should be left on the table.

Meeting adjourned at 3:32 p.m.