



**BOARD OF REGENTS
COMMITTEE ON AUDIT**

Notes from Closed Session
October 7, 2011

Mr. Augustine called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order in closed session at approximately 12:00 noon on October 7, 2011 at the BWI Hilton Hotel in Linthicum, Maryland.

Regents in Attendance included: Mr. Norman R. Augustine (*chair*), Mr. Gary L. Attman, The Honorable C. Thomas McMillen (via phone), The Honorable Francis X. Kelly, Jr., and Dr. Paul Lawrence Vance. Also present were the Chancellor, USM Staff: Ms. Denson, Ms. Doyle, Ms. Moeller, Mr. Mosca, and Mr. Page; Ms. Skolnik - Office of the Attorney General; Ms. Byington and Ms. McGinley – UMB’s Office of the Vice President of Administration and Finance; and Mr. Smith and Ms. Booker, Partners – S.B. and Co., LLC.

The following agenda items were discussed:

1. The Audit Committee members voted and approved prior meeting minutes.
2. UMB’s Vice President of Administration and Finance provided an update regarding UMB’s initiatives to improve its oversight of grant and contract management. These initiatives were in response to USM’s independent auditor’s (SB & Co., LLC) management recommendations and other audit concerns on the subject. UMB previously set forth its plans to the Audit Committee in June 2010.
3. The Chancellor updated the Audit Committee regarding an internal team that was formed to evaluate the challenges faced by Intercollegiate Athletics (ICA) over recent and past years. This team is being led by USM’s Comptroller who updated the Audit Committee on the group’s efforts to date.
4. The Engagement Partner for USM’s Independent Auditor (SB & Co., LLC) updated the Audit Committee regarding the progress and status of its FYE 2011 independent audit of USM’s financial statements. Currently, SB & Co., LLC is in the final stages of completing their audit process.
5. USM’s Director of Internal Audit provided an update of the Office of Legislative Audit (OLA) activity since the Committee’s June 2011 meeting. Since this meeting, OLA issued reports on UMCP, UB and UMES.
6. USM’s Director of Internal Audit provided an update of Internal Audit’s 2011 plan of activity, the status of reported allegations received by Internal Audit over the past 2 years, and an update of follow up action items from previous Audit Committee meetings.
7. The Audit Committee present voted to approve Internal Audit Report Summaries from June 2011 through August 2011. These reports are not considered final or subject to public disclosure until they are approved by the BOR Audit Committee.