Mr. Augustine called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at approximately 10 AM on June 11, 2014 at the University System of Maryland Office. Regents in Attendance included: Mr. Norman R. Augustine (chair), The Honorable C. Thomas McMillen (vice chair), Ms. Linda, R. Gooden, Mr. Barry Gossett and Mr. James Shea (ex-officio) via phone. Also present were: USM Staff: Chancellor Kirwan (via phone), Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Mr. Hogan, Mr. Lurie, Mr. Vivona, Ms. White, Mr. Balakrishnan, and Dr. Spicer; Office of the Attorney General: Ms. Katherine Bainbridge; S.B. and Co., LLC (USM’s Independent Auditor): Mr. Smith, Mr. Walsh and Mr. Williams. Coppin State University: Dr. Neufville, Ms. Jenkins, Mr. Spinard, and Ms. Mosley; The University of Maryland, College Park: Dr. Wylie and Mr. Sneeringer. Bowie State University: Dr. Burnim, Dr. Brockenbrough and Mr. Rose.

1. **Discussion/Approval – Proposed IT/IS Security Standards for BOR Policy:**

   Dr. Kirwan noted the UMCP data breach occurred in February 2014. Response to this event has been a top priority item for the President’s Council and the IT Security Council and has resulted in updated USM IT Security Standards. The new standards elevate guidance from recommended guidelines to mandated BOR security policy. This document was developed to conform to National Institute of Standards and Technology (NIST) standards, which are largely adopted in the U.S. by state and federal organizations.

   Dr. Kirwan added that, as part of the vetting process, an independent review was provided by an IT security firm, MITRE Corporation. The Office of Legislative Audits (OLA) also reviewed and endorsed the policies. Dr. Kirwan believes this is a good starting point which will require continued review and revision. To ensure diligent periodic review, the new security standards will require annual signoffs by each university’s president and Chief Information Officer (CIO) with an annual report due to the USM CIO.

   Dr. Kirwan recommended that the BOR review, revise (as necessary), and approve the new IT security standards.

   After discussion, Mr. McMillen made a motion to approve the new IT security standards, seconded by Ms. Gooden, and unanimously approved by Regents Augustine (chair), McMillen (vice chair), Gooden, Gossett and Shea (ex officio).
2. **Information – SB & Co.’s Audit Plan for FYE 2014 Independent Audit:**

Mr. Smith stated that the work, timing, and deliverables will be consistent with prior years. For the year ended June 30, 2014, the following institutions will be audited: BSU, FSU, UMCP, and UB.

Mr. Graylin named significant current areas of emphasis: Transition from FRS to Kuali, ACC receivable/revenue recognition, ACC litigation, UMUC’s decline in revenue, UMB’s overseas activity, CSU’s finance function, collectability of receivables/preparation of reserves, and preparation for the adoption of GASB No. 68.

With regards to IT/IS security, Mr. Williams added that SB & Co. looks at critical systems, firewalls, and real-time monitoring.

3. **Update – CSU’s Improvement Initiative:**

Dr. Neufville reported that CSU’s successes include: More than 75% of process/efficiency issues have resolved, CSU has evaluated its personnel skill sets and its adherence to Policies and Procedures (P&P), CSU’s Policies and Procedures have been updated, and CSU has addressed the critical issue of increasing enrollment by hiring an enrollment manager, hiring a consulting firm, and hiring a financial aid director to upgrade financial controls.

Dr. Neufville summarized the status of CSU’s most recent Office of Legislative Audit’s audit findings (OLA). CSU has addressed 9 of 12 OLA findings. Of the 12 findings, 5 were repeat findings. Four of the 5 repeat findings have been addressed.

4. **Update – Legislative Audit Activity:**

Since the audit committee’s March 2014, the only OLA report published was that of BSU. Dr. Burnim (BSU President) conveyed actions taken and planned to mitigate the OLA findings.

5. **Reconvene to executive session:**

Chairman Augustine read aloud and referenced the Open Meetings Act Subtitle 5, section 10-508(a) which permits public bodies to close their meetings to the public in special circumstances. Mr. McMillen made a motion to move into Closed Session, seconded by Ms. Gooden, and unanimously approved by Regents Augustine (chair), McMillen (vice chair), Gooden, Gossett and Shea (ex officio). The closed session commenced at approximately 11:10 AM.