



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Public Session
October 15, 2014

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 October 15, 2014 at the University System of Maryland Office. Regents in Attendance included: Mr. Augustine (*Chair*), Ms. Gooden, Mr. Gossett (phone), Mr. Kelly (phone), Mr. McMillen (*vice chair* - phone), and Ms. Ahmed. Also present were: USM Staff: Chancellor Kirwan, Mr. Balakrishnan, Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Dr. Spicer, Mr. Vivona, and Ms. White; Office of the Attorney General: Ms. Bainbridge; S.B. and Co., LLC (USM's Independent Auditor): Mr. Smith and Ms. Booker. Coppin State University: Dr. Neufville, Ms. Jenkins, Ms. Phelps, and Ms. Mosley; The University of Maryland, College Park: Mr. Denna, and The University of Maryland, Eastern Shore: Dr. Bell, Dr. Holden, and Mr. Wesson.

1. Update – CSU's Improvement Initiative:

Dr. Neufville summarized the status of CSU's most recent Office of Legislative Audit's audit findings (OLA). Discussion also included CSU's enrollment challenges, budget management and online teaching opportunities.

2. Update – Legislative Audit Activity (OLA):

Since the audit committee's June 2014 meeting, the only report published by OLA was that of the University of Baltimore. OLA report four findings. None were classified as a repeat finding. USM's Director of Internal Audit also summarized Bowie State University's progress toward implementing corrective actions related to OLA's findings, which were published in May 2014.

3. Information & Discussion – FYE 2014 System-Wide Draft Financial Statements (affiliated foundations were not included):

USM's Controller presented FYE 2014 Draft Financial statements. The financial statements reflect the financial position and results of operations of the USM for the years ended Jun30, 2014 and 2013, and were prepared on an accrual basis of accounting. The final, audited financial statements for USM will be available in early December 2014, and will include the independent auditor's opinion. System officials anticipate an unqualified opinion. The final statements will also include all appropriate note

disclosures, a section containing management's discussion and analysis, the financial statements of affiliated foundations, and supplementary financial statements of the USM institutions.

4. 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. Augustine 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 Kelly. The closed session commenced at approximately 11:10 AM.