Mr. Augustine called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at approximately 11:04 a.m. at the University System of Maryland Office.

Regents in attendance included: Mr. Augustine (Chair), Mr. Gossett (phone), Mr. Kelly (phone), and Mr. McMillen (vice chair - phone). Also present were: USM Staff -- Chancellor Kirwan, Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Mr. Vivona, and Ms. White; Office of the Attorney General -- Ms. Bainbridge; S.B. & Co., LLC (USM’s Independent Auditor) -- Ms. Booker, Mr. Walsh, Mr. Williams, and Ms. Xie.

The following agenda items were discussed:

1. Information & Discussion – FYE 2014 Independent Audit of USM’s Financial Statements, Agreed-Upon Procedures, and Recommendations to Management:

   USM’s independent auditor presented FY2014 Audited Financial Statements, agreed-upon procedures results that tested enrollment statistics, and recommendations to management.

   The independent auditor rendered an unqualified opinion on financial statements that reflect the financial position and results of operations of the USM for the years ended June 30, 2014 and 2013. These financial statements were prepared on an accrual basis of accounting and include all appropriate note disclosures, the financial statements of affiliated foundations, and supplementary financial statements of each USM institution.

   The independent auditor conveyed the results of their agreed upon procedures which tested enrollment information provided to the Maryland Higher Education Commission (MHEC) to source documentation. These procedures are designed to provide a statistically reliable conclusion [90% confidence interval] on the accuracy of enrollment information among as many as five different attributes. Ms. Booker summarized that S.B. & Co., LLC’s results support that USM’s information reported to MHEC is statistically reliable.
2. **Information & Discussion – FYE 2014 System-Wide Financial Dashboard Indicators:**

   USM’s Controller presented FY2014 financial dashboard indicators, which provide insight into each USM institution’s financial strength. The dashboard also provided a comparison of each institution’s performance to the prior year’s results.

3. **Discussion – Office of Legislative Audit Activity (OLA):**

   Since the audit committee’s October 2014 meeting, two reports were published by OLA. The first report was that of the University of Maryland, College Park (IT/IS matters). OLA reported four findings, two of which were classified as repeat findings. The second report was that of the University of Maryland, Eastern Shore. OLA reported findings related to a related entity, the Maryland Hawk Corporation, as well as findings regarding cash receipts, students accounts receivable, access to make changes to student accounts/other financial transactions, reconciliation of credit card collections, contract monitoring, IT/IS security, and procurement.

4. **Public session adjourned at approximately 11:36 a.m.**