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**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Public Session
March 26, 2015

Chairman Augustine called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at approximately 11:05 a.m. at the University System of Maryland Office.

Regents in attendance included: Mr. Augustine (*Chair*), Mr. Brady, Ms. Gooden, Mr. Gossett, Mr. McMillen (*Vice Chair*) and Mr. Shea (phone). Also present were: USM Staff -- Chancellor Kirwan, Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Lurie, Mr. Mosca, Ms. Moultrie, Mr. Page, Mr. Vivona, and Ms. White; Coppin State University – President Neufville, Ms. Mosley and Ms. Phelps; Office of the Attorney General -- Ms. Bainbridge; S.B. & Co., LLC (USM’s Independent Auditor) -- Ms. Booker, Partner.

The following agenda items were discussed:

1. USM's Year End 6/30/2014 A133 Single Audit (Information and Discussion):

The engagement partner for USM’s Independent Auditor (Ms. Booker) summarized the results of their A133 Single Audit which is a required compliance audit of the following major and federally funded programs:

- Student Financial Aid, and
- Research and Development.

Ms Booker communicated that there were no material weaknesses to report. She also reviewed the scope of the A133 audit, FYE 2014 audit findings, and the status of prior year findings.

2. USM's Half Year (12/31/2014) Financial Statements & Financial Comparison Analysis to Peer Institutions (Information and Discussion):

USM’s Comptroller reported on USM’s interim financial statements, for the six month period that ended December 31, 2013. Commentary focused on:

- USM’s Balance Sheet,
- Cash spending on System and Board approved capital projects, and

- Ratio analysis of financial information used by debt rating agencies.

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

USM’s Director of Internal Audit conveyed that except for an audit report on Inter-agency agreements between the Maryland Transit Authority (MTA) and Towson University, the Office of Legislative Audits’ (OLA) had not published any new reports of specific USM institutions since the Audit Committee’s December 2014 meeting.

4. Discussion - Internal Audit Follow Up of Coppin State University's Most Recent Office of Legislative Audit Report:

USM’s Director of Internal Audit summarized the status of Coppin State University’s (CSU) most recent Office of Legislative Audit’s (OLA) audit findings. Additionally, CSU’s President and Vice-President of Administration and Finance conveyed that significant progress it has made in addressing these findings.

[Note: on March 31, 2015, OLA issued a report to Maryland’s Department of Legislative Services that CSU had corrected those findings reported as “repeat findings” in their November 2013 report. This positive outcome will result in the State’s budget committees releasing \$100K to CSU which was previously withheld.]

5. Reconvene to executive session:

Chairman Augustine read aloud and referenced the Open Meetings Act General Provisions Article subsection 3-305(b) which permits public bodies to close their meetings to the public in special circumstances. Mr. Brady made a motion to move into Closed Session, seconded by Ms. Gooden, and unanimously approved by Regents Augustine (*chair*), McMillen (*vice chair*), and Mr. Gossett. The closed session commenced at approximately 11:10 AM.