



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Open Session
March 18, 2016

Mr. Augustine called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at approximately 10:00 a.m. at the University System of Maryland Office.

Regents in attendance included: Mr. Augustine (Chair), Mr. Brady, Ms. Gooden, Mr. Gossett, Mr. Kelly (by phone), Mr. Kinkopf. Also present were: USM Staff -- Chancellor Caret, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Mr. Vivona, Ms. White; Office of the Attorney General -- Ms. Langrill; S.B. & Co., LLC (USM's Independent Auditor) -- Ms. Booker and Mr. Potter; Office of Legislative Audits – Mr. Barnickel and Mr. Smith.

The following agenda items were discussed:

1. Information & Discussion – Office of Legislative Audit's Chief Auditor Thomas Barnickel:

The Office of Legislative Audit's (OLA) Chief Auditor presented a background summary of OLA audit coverage, lessons learned, and other matters of interest to the USM Audit Committee.

2. Information & Discussion – USM A133 Single Audit for Year Ended June 30, 2015:

USM's independent auditor presented the status of the A133 Single Audit for the year ended June 30, 2015. The A133 Single Audit is a required compliance audit of the following major and federally funded programs:

- Student Financial Aid, and
- Research and Development.

There were no material weaknesses reported. Also discussed were the A133 audit scope, FYE 2015 audit findings and the status of prior year findings.

3. Information and Discussion – USM's Half Year (12/31/2015) Financial Statements & Financial Comparison Analysis to Peer Institutions (Information and Discussion):

USM's Comptroller presented interim financial statement highlights at December 31, 2015, which provided insights into USM's aggregate financial strength. The data presented also included comparisons to prior years' interim and year-end results. Commentary on the financial data also included:

- Trends in transfers of each institution's accounts receivable to the State Central Collection Unit; and
- Analysis of financial information used by debt rating agencies. This analysis included comparisons to peer institutions.

4. Information & Discussion – Update of Office of Legislative Audit Activity:

USM's Director of Internal Audit conveyed that, since the last Audit Committee meeting in December 2015, the Office of Legislative Audit published its report on Coppin State University. OLA sited seven findings, and two were repeat findings.

At the time of the meeting, audits were in process for four institutions: University of Maryland, Baltimore County; Towson University; Frostburg State University; and University of Maryland, Baltimore.

5. Information – Procedures for Board of Regents Bylaws and Policies Review:

USM's Director of Internal Audit presented a schedule of Board of Regents bylaws and policies that are to be reviewed and updated.

6. Reconvene to Closed Session:

Regent Augustine read aloud and referenced the Open Meetings Act Subtitle 5, §3-305(b) which permits public bodies to close their meetings to the public in special circumstances. Mr. Gossett made a motion to move into Closed Session, was seconded by Ms. Gooden, and was unanimously approved by Regents Augustine (*chair*), Mr. Brady, Ms. Gooden, Mr. Gossett, Mr. Kelly, and Mr. Kinkopf. The closed session commenced at approximately 11:28 a.m.