



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Closed Session
December 19, 2013

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. Regent Kelly moved for the adjournment of the public session, seconded by Regent Gooden, and unanimously approved by Regents Augustine (*chair*), McMillen, Gooden, Kelly, and Gossett. The closed session commenced at 11:38 AM. Also in attendance were: USM Staff: Dr. Kirwan, Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Mr. Hogan, Mr. Vivona and Ms. White; Office of the Attorney General: Ms. Elena Langrill; S.B. and Co., LLC (USM's Independent Auditor): Ms. Booker, Mr. Walsh and Mr. Seymour; and Coppin State University: Mr. Spinard, and Ms. Moseley.

The following agenda items were discussed:

1. Chairman Augustine requested a motion to approve prior meeting minutes from October 17, 2013. A motion to approve was made by Regent Kelly and seconded by Regent Gooden, and the motion was unanimously approved by Regents Augustine (*chair*), McMillen, Gooden, Kelly, and Gossett. (10-508(a)(1)(i), (10-508(a)(1)(ii), (10-508(a)(2), (10-508(a)(7), (10-508(a)(8), (10-508(a)(12), and (10-508(a) – Administrative matters).
2. CSU's Vice President of Finance and Administration, Mr. Spinard and Controller, Ms. Moseley, provided updates regarding the progress toward correcting audit findings that were reported by the Office of Legislative Audits in their most recent report of CSU. (10-508(a)(1)(i) and (10-508(a) – Administrative matters).
3. USM's Director of Internal Audit provided an update of action items from previous Audit Committee meetings. (10-508(a) – Administrative matters).
4. USM's Independent Auditor SB & Co. LLC., provided a review of their FY 2013 DRAFT management letter. (10-508(a) – Administrative matters).
5. USM's Associate Vice Chancellor reviewed a set of financial indicators that visually summarize financial health or performance against a set of benchmarks, as well as visual indicators of changes in financial ratios over time. (10-508(a)(1)(i), and (10-508(a) – Administrative matters).

6. USM's Director of Internal Audit presented for acceptance, Internal Audit's proposed schedule of audit engagements to be completed during Calendar Year (CY) 2014. The schedule of engagements is developed and executed in order to assist the BOR in fulfilling its responsibilities for overseeing the adequacy of and compliance with the internal controls of USM. A motion to accept Internal Audit's CY 2014 proposed plan of activity was made by Regent Kelly and seconded by Regent Gooden, and the motion was unanimously approved by Regents Augustine (*chair*), McMillen, Gooden, Kelly, and Gossett. (10-508(a) – Administrative matters).
7. USM's Director of Internal Audit provided an update of Internal Audit's 2013 plan of activity. (10-508(a)(1)(i), (10-508(a)(1)(ii), (10-508(a)(2), (10-508(a)(7), (10-508(a)(12), (10-508(a) – Administrative matters).
8. USM's Director of Internal Audit provided an update of the Office of Legislative Audit (OLA) activity since the committee's October 2013 meeting. (10-508(a)(1)(i), and (10-508(a) – Administrative matters).
9. USM's Director of Internal Audit provided a status update of reported allegations received by Internal Audit. (10-508(a)(1)(i), (10-508(a)(1)(ii), (10-508(a)(2), (10-508(a)(8), (10-508(a)(12), and (10-508(a) – Administrative matters).
10. A motion to accept Internal Audit's summary audit reports from the month of October 2012 was made by Regent Kelly and seconded by Regent Gooden. The motion was unanimously approved by Regents Augustine (*chair*), McMillen, Gooden, Kelly, and Gossett. The reports are not considered final or subject to public disclosure until they are accepted by the BOR Audit Committee. (10-508(a)(1)(i), and (10-508(a) – Administrative matters)
11. The Committee members met separately with the Independent Auditors, and the Director of Internal Audit. (10-508(a)(1)(i), and (10-508(a) – Administrative matters).