



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Public Session
March 24, 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 March 24, 2014 at the University System of Maryland Office. Regents in Attendance included: Mr. Norman R. Augustine (*chair*), The Honorable C. Thomas McMillen, Ms. Linda, R. Gooden, The Hon. Francis X. Kelly Jr., and Mr. Barry Gossett. Also present were: USM Staff: Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Mr. Hogan, Ms. Moultrie, Mr. Vivona, Mr. Balakrishnan, Dr. Spicer, and Mr. Gonzalez; Office of the Attorney General: Ms. Katherine Bainbridge; S.B. and Co., LLC (USM's Independent Auditor): Ms. Booker, and Mr. Smith; Coppin State University: Dr. Neufville, Mr. Spinard, and Ms. Moseley; and the University of Maryland, College Park: Mr. Dworkis, Ms. Dove and Mr. Farley.

1. Update - UMCP's software conversion to KUALI: Mr. Dworkis informed the committee that UMCP successfully went live with KUALI on January 6, 2014. Mr. Dworkis reviewed that the objective of the KUALI implementation was to replace its legacy FRS financial system.

Modules included Financial, Student and a Library module. The core functions implemented by UMCP included:

- Chart of Accounts/General Ledger,
- Purchasing/Accounts Payable,
- Capital Asset Management,
- Electronic Documents, and
- Labor Distribution.

This implementation included UMCP, UMES, UMCES and USMH.

2. USM's Year End 6/30/2013 A133 Single Audit: Ms. Booker recapped that the A133 Audit is a compliance audit of the following major and federally funded programs:

- Student Financial Aid, and
- Research and Development.

Ms. Booker communicated the scope of SB & Co., LLC's audit, FYE 2013 audit findings, and the status of prior year findings.

3. USM's Half Year (12/31/2013) Financial Statements: Ms. Denson reported on USM's financial results for the first six months of FYE 2014. Commentary focused on:
 - USM's Balance Sheet,
 - Trends related to the transfer of student receivables to the state central collection agency, and
 - Ratio analysis of financial information used by debt rating agencies.

4. Update – Legislative Audit Activity: Mr. Mosca communicated the Office of Legislative Audits' (OLA) recent publications, and identified those institutions that are currently being audited.

5. Update – CSU's Improvement Initiative: Dr. Neufville and Mr. Spinard provided an update regarding CSU's improvement initiative. Points of note included:
 - CSU's Reaccreditation,
 - Existing challenges in achieving CSU's improvement objectives,
 - Status of correcting audit findings identified in OLA's most recent audit of CSU, and
 - Enrollment levels.