

**BOARD OF REGENTS**

**COMMITTEE ON AUDIT**

Minutes from Open Session

June 12, 2019

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Ms. Fish called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at approximately 2:30 P.M. at The Universities at Shady Grove.

Regents in attendance included**:** Ms. Fish (Chair), Ms. Gooden (phone), Mr. Gossett, Mr. Pope, Mr. Wood. Also present were: USM Staff -- Chancellor Caret (phone), Mr. Brown, Ms. Denson, Ms. Herbst, Mr. Lurie, Mr. McDonough, Mr. Mosca,Mr. Page, Dr. Spicer, Ms. White, Ms. Wilkerson; University of Maryland Eastern Shore – President Anderson (phone) and Mr. Primus (phone); Office of the Attorney General -- Ms. Langrill; S.B. & Co., LLC (USM’s Independent Auditor) – Mr. Alkunta, Ms. Booker, Mr. Smith.

The following agenda items were discussed:

1. Update of UMES’ Progress to Address Audit Findings from Its Most Recent Office of Legislative Audit Report – Information & Discussion

UMES’ President and Vice President of Administration and Finance provided an update on the status of corrective actions undertaken in response to the Office of Legislative Audit report issued on January 4, 2019.

1. SB & Company, LLC Audit Plan for the FYE 2019 Independent Audit of Financial Statements – Information & Discussion

The Audit Partner for USM’s Independent Auditor (SB&Co.) presented the planned scope, strategy and approach that they will be following for their audit of USM’s June 30, 2019 financial statements and the A133 Single Audit.

1. Update of Board of Regents Enterprise Risk Management Workgroup Activity – Information & Discussion

The Board of Regents had agreed that a policy on Enterprise Risk Management (ERM) and Crisis Management (CM) should be developed to demonstrate the importance of ERM and CM and guide the Chancellor and Presidents in their implementation of ERM and CM processes.

As the first step in the policy’s development, USM’s Vice Chancellor of Administration and Finance presented the ERM and CM Statement of Intent.

Mr. Pope made the motion for submission of the Statement of Intent to the full Board for its final approval. [Seconded by Mr. Gossett; unanimously approved.]

1. Board of Regents Policies Reviewed by the Committee on Audit During FY 2019 - Information

USM’s Director of Internal Audit provided the following policies/bylaws which have been reviewed by the Committee on Audit and will now be conveyed to the Full Board at its June 21, 2019, meeting: Committee on Audit Charter; Board of Regents Bylaws §3, *Committee on Audit Charge*; and Policy VIII-7.20 *– Policy on External Audits.*

1. Completed Office of Legislative Audit Activity - Information & Discussion

Since the March 27, 2019 audit committee meeting, the Office of Legislative Audit (OLA) has not issued any audit reports on USM institutions.

1. Follow up of Open Action Items from Prior Audit Committee Meetings and Senate Bill 719, *University System of Maryland’s Board of Regents – Transparency and Oversight* - Information & Discussion

USM’s Director of Internal Audit provided a status update of four action items from the March 2019 audit committee meeting. Presentation materials also included earlier action items and their statuses. The Director also presented the Audit Committee’s Annual Work Plan FY 2019 and its completion status.

The Committee also discussed strategies for ensuring compliance with Senate Bill 719.

1. Reconvene to Closed Session

Ms. Fish 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.

[Moved by Mr. Pope, seconded by Mr. Gossett; unanimously approved.]

**Open session adjourned at 3:51 P.M.**