



**BOARD OF REGENTS
COMMITTEE ON AUDIT**

Minutes from Open Session
October 30, 2019

Ms. Fish 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: Ms. Fish (Chair), Ms. Gooden (*ex officio*), Mr. Gossett, Mr. Needham, Mr. Pope and Mr. Wood. Also present were: USM Staff -- Mr. Brown, Ms. Denson, Ms. Herbst, Mr. McDonough, Mr. Mosca, Mr. Page, Ms. White and Ms. Wilkerson; University of Maryland, College Park -- Mr. Poterala; Office of the Attorney General -- Ms. Langrill; S.B. & Co., LLC (USM's Independent Auditor) -- Mr. Alkunta and Mr. Smith.

The following agenda items were discussed:

1. Information & Discussion – FY 2020 Audit Committee Work Plan

The Audit Committee members reviewed the Committee's Work Plan for FY 2020.

2. Action – Proposed Board of Regents Policy on Enterprise Risk Management

Mr. Pope reviewed the proposed policy *VIII-20.00 Policy on Enterprise Risk Management*. Discussion included the policy's development, requirements and timelines for implementation. [Mr. Pope motioned for approval of the Enterprise Risk Management policy, Mr. Needham seconded the motion, and the committee unanimously approved.]

3. Action – Proposed Board of Regents Policy on Crisis Management

Mr. Pope reviewed the proposed policy *VIII- 21.00 Policy on Crisis Management*. Discussion included the policy's development, requirements and descriptions of scenarios defined as "crisis" situations. [Mr. Pope motioned for approval of the Policy on Crisis Management, Mr. Needham seconded the motion, and the committee unanimously approved.]

4. Action, Information & Discussion – Review of BOR Policies Pertaining to the Committee on Audit’s Charge

USM’s Director of Internal Audit introduced proposed additions to the Committee on Audit Charter and the Board of Regents Bylaws *Article X, Section 3*. Modifications included adding responsibility for overseeing reviews of the Presidents, Chancellor and Board Members’ annual financial disclosures, and oversight of Enterprise Risk Management as defined in BOR Policy - VIII-20.00 Policy on Enterprise Risk Management. [Mr. Pope motioned for approval of the modifications, Mr. Needham seconded the motion, and the committee unanimously approved.]

5. Information & Discussion – FYE 2019 – System Wide Draft Financials, Balance Sheet & Statement of Changes (affiliated foundations are not included)

USM’s Controller presented FY 2019 draft financial statements. The financial statements reflect the preliminary financial position and the results of operations of the University System of Maryland for the year ended June 30, 2019 as prepared on the accrual basis of accounting. The draft statements also provided a comparison of performance to the prior year’s results. The final audited financial statements for the University System of Maryland will be available in December. They will include an audit opinion (System officials anticipate a “clean” or unqualified opinion), appropriate footnote disclosures, management’s discussion and analysis, and supplementary financial statements for each of the USM institutions.

6. Information & Discussion – Completed Office of Legislative Audit Activity

USM’s Director of Internal Audit summarized the Office of Legislative Audits’ reports on UMCES, CSU, USMO, UMB and SU.

7. Information & Discussion – Follow Up of Action Items from Prior Meetings

USM’s Director of Internal Audit provided a status update of open action items from prior meetings. Discussion included Internal Audits Review of Presidents and Chancellor’s 2018 financial disclosure statements.

8. Reconvene to Closed Session

Ms. Fish read aloud the Open Meetings Act language which permits public bodies to formally close the Open Session. [Mr. Pope made a motion to move into Closed Session, Mr. Needham seconded the motion and there was unanimous approval.]

Open Session closed at 11:35 A.M.