



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Open Session
December 18, 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, Mr. Gossett, Mr. Needham, Mr. Pope, and Mr. Wood. Also present were: USM Staff -- Mr. Banner, Mr. Brown, Ms. Clark, Ms. Denson, Mr. Eismeier, Ms. Gable, Ms. Herbst, Ms. Higgins, Mr. Hill, Mr. McDonough, Ms. Miller, Mr. Mosca, Ms. O'Hara, Mr. Page, Mr. Raley, Mr. Rizvi, Ms. Vaz, Ms. White, and Ms. Wilkerson; Office of the Attorney General -- Ms. Langrill; S.B. & Co., LLC (USM's Independent Auditor) – Mr. Alkunta and Ms. Booker.

The following agenda items were discussed:

1. Information and Discussion – USM Internal Audit's Financial and Operational Auditors

USM's Director of Internal Audit introduced Internal Audit's Financial and Operational auditors to the Audit Committee.

2. Information and Discussion - FY 2019 Independent Audit of USM's Financial Statements, Independent Auditor's Recommendations to Management, and Enrollment Reports

USM's independent auditor presented FY 2019 financial statements, which included an unmodified (unqualified) opinion. The independent auditor noted that;

- No material weaknesses in internal controls were discovered;
- No instances of fraud were discovered as a result of their audit procedures;
- The auditor received full cooperation from management.

The independent auditor presented various recommendations and provided an update on the implementation status of prior year recommendations.

The independent auditor also conveyed the results of their agreed upon procedures which tested enrollment information provided to the Maryland Higher Education Commission (MHEC) to source documentation. These procedures provided a statistically reliable conclusion [90% confidence interval] that the enrollment information reported to MHEC was accurate.

3. Information & Discussion – Financial Dashboard Indicators

USM's Comptroller presented FY 2019 financial dashboard indicators, which provided insights into each USM institution's financial strength. The dashboard also provided a comparison of each institution's performance to the prior year's results.

4. Information – Completed Office of Legislative Audit Activity:

Since the October 30, 2019 audit committee meeting, the Office of Legislative Audit issued its audit report on University of Maryland Global Campus.

5. Information & Discussion - Follow up of Action Items from Prior Meetings

USM's Director of Internal Audit provided a status update of action items from prior meetings.

6. 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. Needham, seconded by Ms. Gooden; unanimously approved.]

The closed session commenced at approximately 11:15 a.m.