



**BOARD OF REGENTS
COMMITTEE ON AUDIT**

Notes from Closed Session

November 2, 2012

Mr. Augustine called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order in closed session at approximately 2:00 PM on October 2, 2012 at the University of Maryland, Baltimore County.

Attendance:

Regents: Mr. Norman R. Augustine (Chair), The Honorable Francis X. Kelly, Honorable C. Thomas McMillen (via phone), Dr. Paul Vance (via phone), and Dr. Frank M. Reid, III (via phone).
USMO: Dr. Kirwan, Mr. Brown, Ms. Denson, Ms. Doyle (via phone), Ms. Moeller, Mr. Mosca, Mr. Page, and Ms. White.
Guest Speakers: UMBC: Dr. Hrabowski, Ms. Rehn (Comptroller), Mr. Rous (Provost), and Ms. Schaefer (VPAF), UMB: Ms. Byington (VPAF) and Ms. McGinley (AVP).
External Auditors: Ms. Booker and Mr. Smith.
OAG: Mr. Thomas Faulk.

The following areas were reviewed and discussed:

1. The Audit Committee members voted to approve prior meeting minutes. Minutes were approved.
2. Senior Management from UMBC and UMB provided the Audit Committee with an overview of their third party contracts and grants oversight.
3. USMO's Director of Internal Audit provided an update of action items from previous Audit Committee meetings.
4. The Committee reviewed the new BOR Policy V-2.10 on Intercollegiate Athletics, focusing on the sections applicable to the Audit Committee.
5. The Committee reviewed the *Penn State Freeh Report*. In the wake of recent scandals gaining national exposure at Penn State University, this report was published by a Special Investigative Counsel commissioned by Penn State's Board of Trustees. Discussion focused the report's criticism of Penn State's governance oversight.
6. USMO's Director of Internal Audit provided an update of the Office of Legislative Audit (OLA) activity since the Committee's June 2012 meeting. Since that time OLA issued its report of Salisbury University. No other OLA reports of USM institutions were issued since that time.
7. USMO's Director of Internal Audit provided an update of Internal Audit's Calendar Year 2012 plan of activity.
8. USMO's Director of Internal Audit provided an update of reported allegations received by Internal Audit over the past 2 years.
9. The Audit Committee members present, voted and approved Internal Audit Report Summaries for May, June, July and August 2012. These reports are not considered final or subject to public disclosure until they are approved by the BOR Audit Committee.