



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Public Session
June 3, 2015

Mr. Augustine 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: Mr. Augustine (*Chair*) (phone), Mr. Brady, Ms. Gooden, Mr. Gossett, Mr. Kelly, and Mr. McMillen (*vice chair*). Also present were: USM Staff -- Chancellor Kirwan, Mr. Brown, Ms. Denson, Ms. Doyle, Ms. Hickok, Mr. Hogan, Mr. Mosca, Mr. Page, Mr. Vivona, and Ms. White; Guest Speakers (Towson University) – Dr. Chandler, Ms. Brasington, and Ms. Davenport; Office of the Attorney General -- Ms. Bainbridge (phone); S.B. & Co., LLC (USM's Independent Auditor) -- Ms. Booker, Mr. Potter, and Mr. Smith.

The following agenda items were discussed:

1. Discussion – OLA's Report on Interagency Agreements Between Towson University (TU) and the Maryland Transit Administration (MTA):

TU's Interim President reported on TU's actions taken in response to findings reported by the Office of Legislative Audit's (OLA) special report published in February 2015. These actions included improved oversight and updated processes taken by TU's management to assure that the weaknesses related to interagency agreements were strengthened.

2. Information – SB & C's Audit Plan for the FYE 2015 Independent Audit:

USM's independent auditor presented their FYE 2015 independent audit plan. The scope of services will include:

- Audit of the June 30, 2015 Financial Statements,
- OMB-Circular A-133 Single Audit testing at certain universities as part of the State of Maryland Single Audit Report;
- Campus enrollment agreed upon procedures reports,
- Agreed upon procedures reports for bond offerings; and
- Year-round advice and consultation.

Additionally, SB & Co.'s Client Service Partner reviewed the required adoption of GASB 68. This defines the methodology that the USM and the State are required to follow in the reporting of pension liability in their financial statements.

3. Discussion – Completed Office of Legislative Audit Activity:

Since the Audit Committee's March 2015 meeting, four OLA reports were published. These included the University of Maryland College Park, the University System of Maryland Office, Salisbury University and the University of Maryland Center for Environmental Science.

4. Reconvene to Closed Session:

Regent Gossett read aloud and referenced the Open Meetings Act Subtitle 5, section 3-305(b) which permits public bodies to close their meetings to the public in special circumstances. Ms. Gooden made a motion to move into Closed Session, seconded by Mr. Kelly, and unanimously approved by Regents Augustine (*chair*), McMillen (*vice chair*), Brady, Gooden, Gossett, and Kelly. The closed session commenced at approximately 10:57 AM.