



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Open Session
December 22, 2015

Regent Mr. Barry Gossett called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at approximately 12:00 p.m. at the University System of Maryland Office.

Regents in attendance included: Mr. Augustine (Chair) (by phone), Mr. Bartenfelder (via phone), Mr. Brady, Ms. Gooden (by phone), Mr. Gossett, Mr. Kelly (by phone), Mr. Kinkopf (via phone), and Mr. Shea (by phone). Also present were: USM Staff -- Chancellor Caret, Mr. Brown, Ms. Denson, Ms. Doyle, Mr. Mosca, Mr. Page, Mr. Vivona, Ms. White; Office of the Attorney General -- Ms. Langrill; S.B. & Co., LLC (USM's Independent Auditor) -- Ms. Booker, Mr. Potter, Mr. Smith.

The following agenda items were discussed:

1. Information & Discussion – FYE 2015 – Independent Audit of System Wide Financial Statement and Enrollment Reports:

USM's independent auditor presented FY2015 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 discussion also included the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 [this requires that the System record a liability for a proportionate amount of the State's unfunded pension liability of approximately \$700M] as well as University of Maryland, College Park's entrance into the Big 10 conference.

2. Information & Discussion – Independent Auditor's Recommendations to Management:

USM's independent auditor presented various management recommendations intended to enhance accounting, information system security, and internal control functions.

3. Information & Discussion – Financial Dashboard Indicators:

USM's Controller presented FY2015 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:

USM's Director of Internal Audit conveyed that since the October 21, 2015 audit committee meeting, the Office of Legislative Audits has not issued any audit reports.

5. Reconvene to Closed Session:

Mr. 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. Mr. Gossett made a motion to move into Closed Session, seconded by Ms. Gooden, and unanimously approved by Regents Augustine (*chair*), Mr. Bartenfelder, Mr. Brady, Ms. Gooden, Mr. Gossett, and Mr. Kinkopf. The closed session commenced at approximately 1:13 p.m.