



DRAFT
BOARD OF REGENTS
COMMITTEE ON AUDIT
Minutes from Open Session
December 14, 2017

Chairman 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 Bowie State University.

Regents in attendance included: Mr. Augustine (Chair), Mr. Brady (phone), Mr. Bartenfelder (phone), Ms. Fish, Ms. Gooden, Mr. Gossett, and Mr. Pope.

Also present were: USM Staff -- Chancellor Caret, Mr. Balakrishnan, Mr. Brown, Ms. Denson, Ms. Doyle, Ms. Herbst, Mr. Mosca, Mr. Page, Dr. Spicer (phone), Mr. Vivona, and Ms. White; University of Maryland, Eastern Shore – Ms. Martin (phoned); University of Maryland University College – President Miyares; Office of the Attorney General -- Ms. Langrill; S.B. & Co., LLC (USM’s Independent Auditor) – Mr. Alkunta, Ms. Booker, Mr. Seymour, and Mr. Smith.

The following agenda items were discussed:

1. Information & Discussion: FY 2017 Independent Audit of USM’s Financial Statements and Enrollment Reports

USM’s comptroller presented FY2017 financial statements, which included an unmodified (unqualified) opinion.

USM’s 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.

Information and Discussion: Independent Auditor's Recommendations to Management

USM’s independent auditor presented a recommendation that USM consider implementing a central Information Technology Cloud-based platform. The independent auditor also recommended that USM evaluate UMES’s monitoring of its revolving loan programs, BSU’s financial close process, BSU’s documentation for grant billings and draws, and CSU’s financial functions. An update was provided on the status of prior year recommendations.

2. Information & Discussion: Financial Dashboard Indicators

USM's comptroller presented FY2017 financial dashboard indicators, which provided insights into each USM institution's financial performance. The dashboard also provided a comparison of each institution's performance to the prior year's results.

3. Information: Completed Office of Legislative Audit Activity

Since the October 16, 2017 audit committee meeting, the Office of Legislative Audit issued its audit report on Bowie State University.

4. 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.

5. Reconvene to Closed Session

Mr. Augustine 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. Pope, seconded by Ms. Gooden; unanimously approved.]

The closed session commenced at approximately 10:54 A.M.



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COMMITTEE ON AUDIT**
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Mr. Augustine 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. Pope, seconded by Ms. Gooden; unanimously approved.] The closed session commenced at approximately 10:54 A.M.

Regents in attendance included: Mr. Augustine (Chair), Mr. Brady (phone), Mr. Bartenfelder (phone), Ms. Fish, Ms. Gooden, Mr. Gossett, and Mr. Pope. Also present were: USM Staff -- Chancellor Caret, Mr. Balakrishnan, Mr. Brown, Ms. Denson, Ms. Doyle, Ms. Herbst, Mr. Mosca, Mr. Page, Dr. Spicer (phone), Mr. Vivona, and Ms. White; Office of the Attorney General – Ms. Langrill; S.B. & Co., LLC (USM’s Independent Auditor) – Mr. Alkunta, Ms. Booker, Mr. Seymour, and Mr. Smith.

The following agenda items were discussed:

1. UMUC President Miyares provided an update regarding UMUC’s actions taken in response to the Office of Internal Audit investigative report that was issued in February 2017. (3-305(b)(12).
2. USM’s Director of Internal Audit presented the proposed Internal Audit Plan of Activity for Calendar Year 2018. (3-103(a)(1)(i).
3. USM’s Director of Internal Audit provided an update of engagement additions, cancellations and completions to Internal Audit’s 2017 plan of activity. (3-103(a)(1)(i).
4. USM’s Director of Internal Audit provided a status update of reported criminal allegations received by Internal Audit. (3-305(b)(12).
5. USM’s Director of Internal Audit provided an update on Office of Legislative Audit activity currently in process. (3-305(b)(13).
6. The Committee members met separately with the Independent Auditors and the Director of Internal Audit. (3-103(a)(1)(i).

Closed session adjourned at 11:41 A.M.