



**UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS - AUDIT COMMITTEE
MEETING AGENDA - OPEN SESSION
June 3, 2020**

- | | |
|---|-------------|
| 1. FY 2020 Audit Committee Objectives (Information & Discussion) | Mr. Mosca |
| 2. CliftonLarsonAllen LLP, Introductions and Audit Approach for the FYE 2020 Independent Audit (Information & Discussion) | Ms. Bowman* |
| 3. Completed Office of Legislative Audit Activity (Information & Discussion) | Mr. Mosca |
| 4. Open Action Items from Prior Meetings (Information & Discussion) | Mr. Mosca |
| 5. Convene to Closed Session (Action) | Ms. Fish |

* Ms. Christian Bowman, Principle Partner - CliftonLarsonAllen LLP

**USM BOR Audit Committee
Annual Work Plan
FY 2020**

| Objective | | When Performed | | | | | | Completed |
|---|---|--------------------------|-----|------|-----|------|-----------|-----------|
| | | Audit Committee Meetings | | | | | | |
| | | Oct | Dec | Mar* | Mar | June | As Needed | |
| Authority | | | | | | | | |
| 1 | The Committee, with the approval of the Board, is empowered to retain outside counsel or persons having special competence as necessary to assist the Committee in fulfilling its responsibility. | | | | | | x | N/A |
| 2 | Resolve any disagreements between the independent auditor and management. | | | | | | x | N/A |
| Composition of Committee Members | | | | | | | | |
| 3 | The Audit Committee shall comprise not less than 5 or more than 7 members. The majority of the members must be knowledgeable about financial matters. | x | | | | | | x |
| Meetings | | | | | | | | |
| 4 | Meet at least 4 times per year. | x | x | x | x | x | | x |
| Responsibilities | | | | | | | | |
| Internal Audit | | | | | | | | |
| 5 | Review with the Director of Internal Audit progress of completing the annual plan of activity. | x | x | | x | x | | x |
| 6 | Review and approve internal audit's annual plan of activity. | | x | | | | | x |
| 7 | Ensure that there are no unjustified restrictions or limitations on the internal audit department. | x | x | | x | x | | x |
| 8 | Review the effectiveness of the internal audit function. | | | | | x | | |
| 9 | Meet separately with the Director of Internal Audit to discuss any matters that the committee or the Director of Internal Audit believes should be discussed privately. | x | x | | x | x | | x |
| Independent Auditor | | | | | | | | |
| 10 | Review the external auditors' proposed audit scope and approach. | | | | | x | | x |
| 11 | Review significant accounting and reporting issues and understand their impact on the financial statements. | | x | | | | | x |
| 12 | Review with management and the external auditors the results of the audit, including any difficulties encountered. | | x | | | | | x |
| 13 | Discuss the annual audited financial statements with management and the external auditors. | | x | | | | | x |
| 14 | Discuss the scope of external auditors' review of internal control over financial reporting. | | x | | | | | x |

**USM BOR Audit Committee
Annual Work Plan
FY 2020**

| Objective | When Performed Audit Committee Meetings | | | | | | Completed |
|----------------------------|--|-----|------|-----|------|-----------|-----------|
| | Oct | Dec | Mar* | Mar | June | As Needed | |
| 16 | | | x | | | | x |
| 17 | x | x | | x | x | | x |
| Financial Reporting | | | | | | | |
| 18 | x | x | | | | | x |
| 19 | | x | | | | | x |
| 20 | | | | x | | | x |
| Other | | | | | | | |
| 21 | x | x | | x | x | | x |
| 22 | | | | | x | | x |
| 23 | | | | x | | | x |
| 24 | x | x | | x | x | | x |
| 25 | x | | | | x | | x |
| 26 | | | | | x | | N/A |
| 27 | x | | | | x | | x |
| 28 | x | | | | | | |

Mar* - The Committee on Audit met March 6, 2020 and approved the selection of USM's Independent Auditor.



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR **DISCUSSION**

TOPIC: CliftonLarsonAllen LLP. – Communication of Audit Strategy and Approach for the FYE 2020 Independent Audit of Financial Statements

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 3, 2020

SUMMARY:

Materials attached.

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION:

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None.

DATE:

SUBMITTED BY: David Mosca

University System of Maryland

June 3, 2020 Audit Committee Meeting

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

We promise to know you and help you.



Your Service Team

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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CLA Service Team

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| Chrissy Bowman Engagement Principal-In-Charge | Remi Omisore Engagement Principal | Bobby Gauthier Engagement Manager | Phil DelBello IT Manager | Nancy Jones Technical Resource and Engagement Quality Reviewer |

Committed to providing top quality service by a team of professionals dedicated to the higher education industry



About CLA

HISTORY

65+ years
in business



FISCALLY STRONG
\$1.1 billion
in revenue



LOCATION

More than **120**
Locations nationwide

NATIONAL

Among the nation's
leading professional
services firm



RESOURCES

6,200+
employees



Including: **200+**
higher education professionals



INDUSTRY DRIVEN

We serve **400+** Higher education clients



Create Opportunities | We promise to know you and help you.



Your Service Plan

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Scope of Services and Deliverables

Opinion on financial statements for the year ending June 30, 2020

Single audit testing as part of the State of Maryland Single Audit Report

Governance communication letter

Management letter, if applicable

Campus enrollment agreed-upon procedures

Howard P. Rawlings Scholarship Programs agreed-upon procedures



Timeline

The **audit planning** meeting today is the start of the audit process. We utilize a **collaborative approach**, which includes seeking input from management and governance, to develop an audit plan that focuses on areas of **risk** and areas of **significance to stakeholders** of your Institutions.



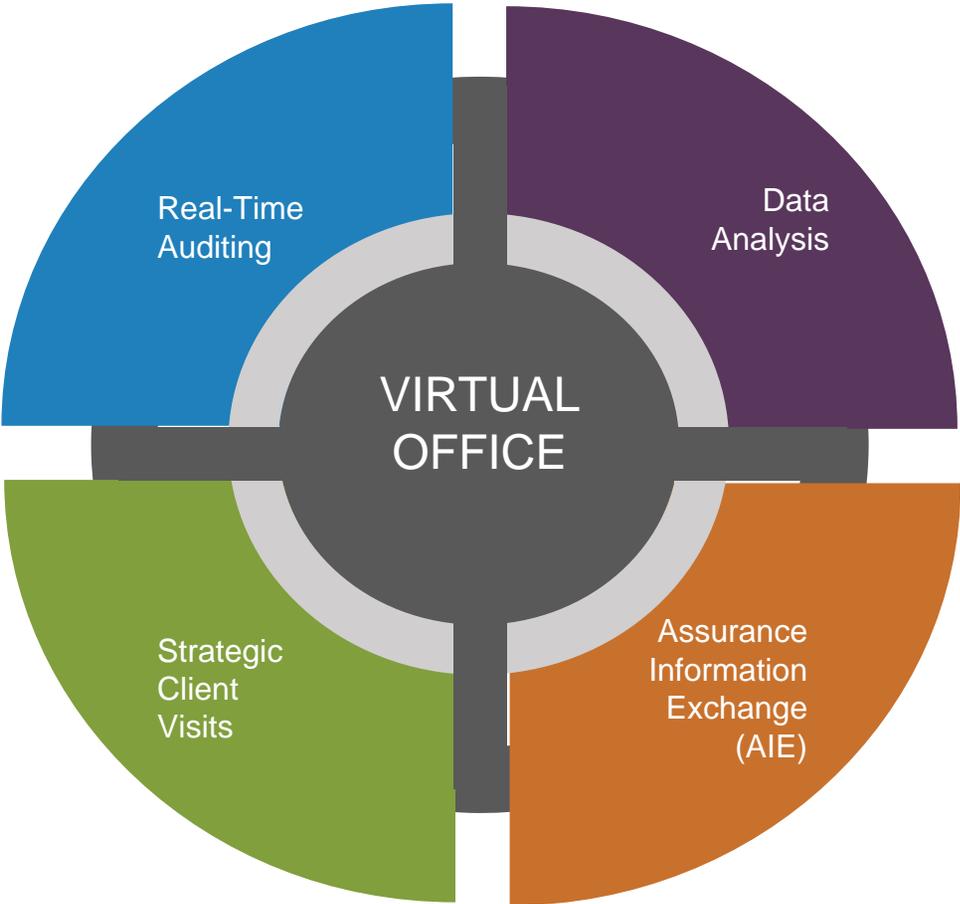
Any items of significance, warranting communication with governance, that arise throughout the audit process will be promptly communicated. If you do not hear from us prior to the Draft audit presentation in **November**, everything went as planned and as discussed here today.



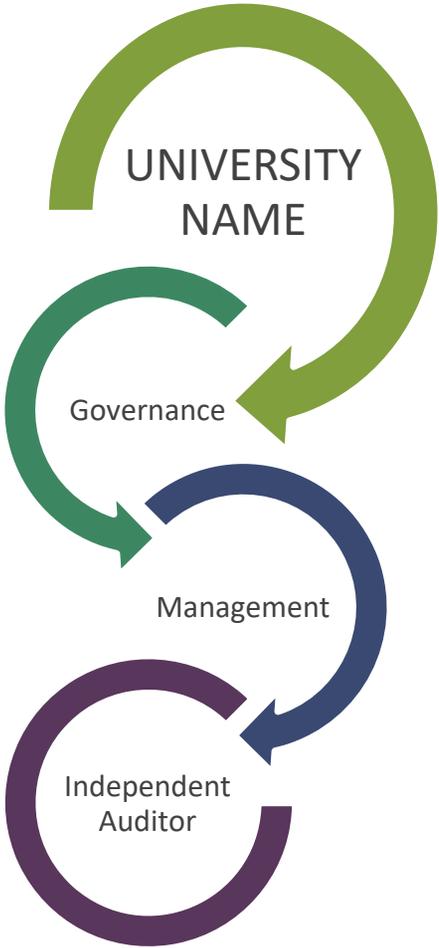
Virtual Office

Virtual Office is an approach where the CLA engagement team performs many of the audit’s substantive procedures at CLA vs. performing all of ‘fieldwork’ at our client’s location.

Allowing for flexibility in engagement workflow and having impactful interactions during key strategic client visits.



Responsibilities



Responsibilities of Parties Involved

| | |
|---------------------|--|
| Governance | Strategic Direction |
| | Accountability, including financial reporting |
| Management | Internal Controls |
| | Accounting Policies |
| | Management Decisions |
| | Fair Presentation of Financial Statements |
| | Programs to Prevent and Detect Fraud |
| Independent Auditor | Opinion on Fair Presentation of Financial Statements |
| | Audit in Accordance with GAAS and GAGAS |
| | Reasonable, not Absolute Assurance |
| | Understanding of Internal Controls |
| | Risk Based Audit Approach |



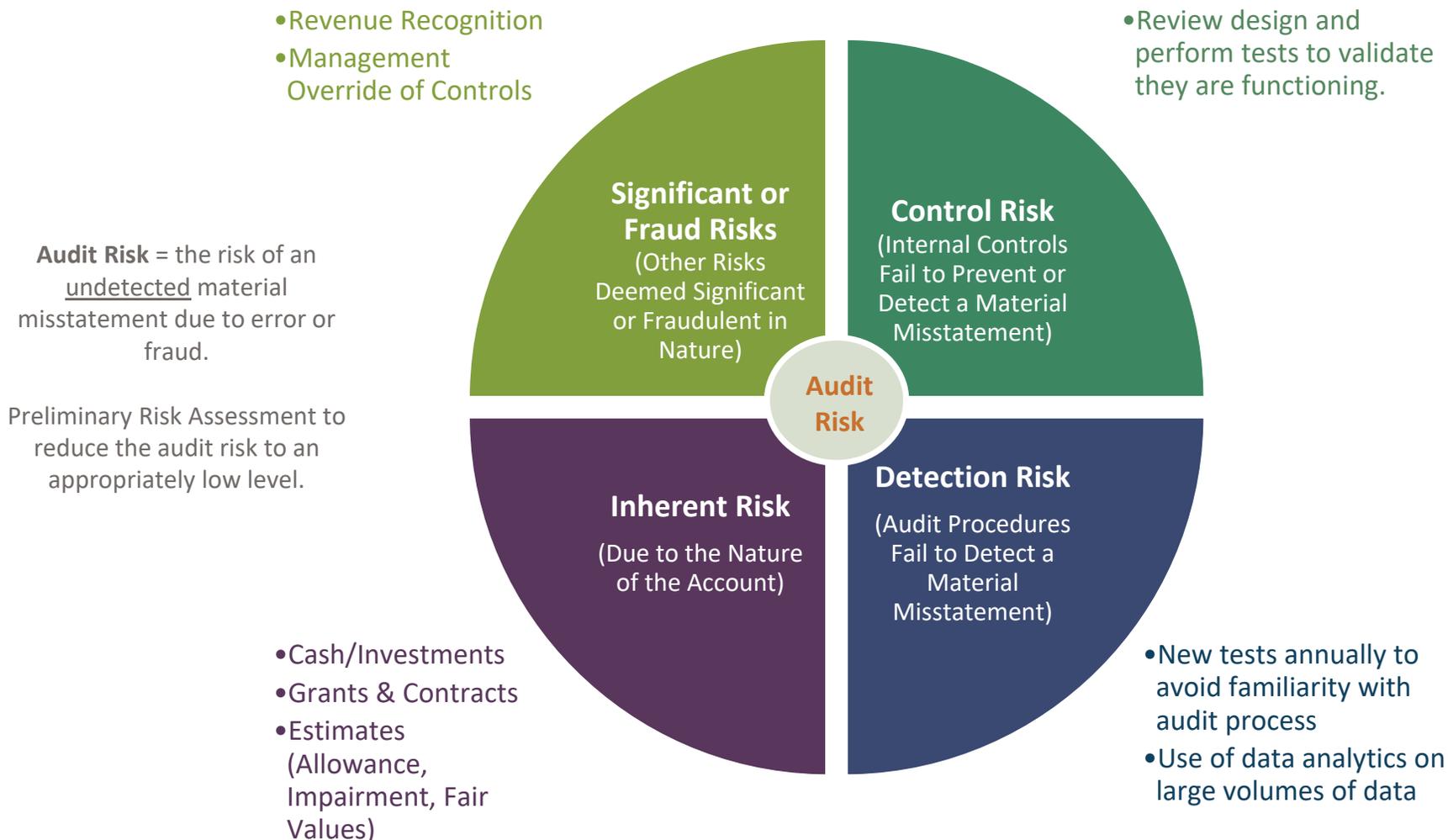


Audit Approach

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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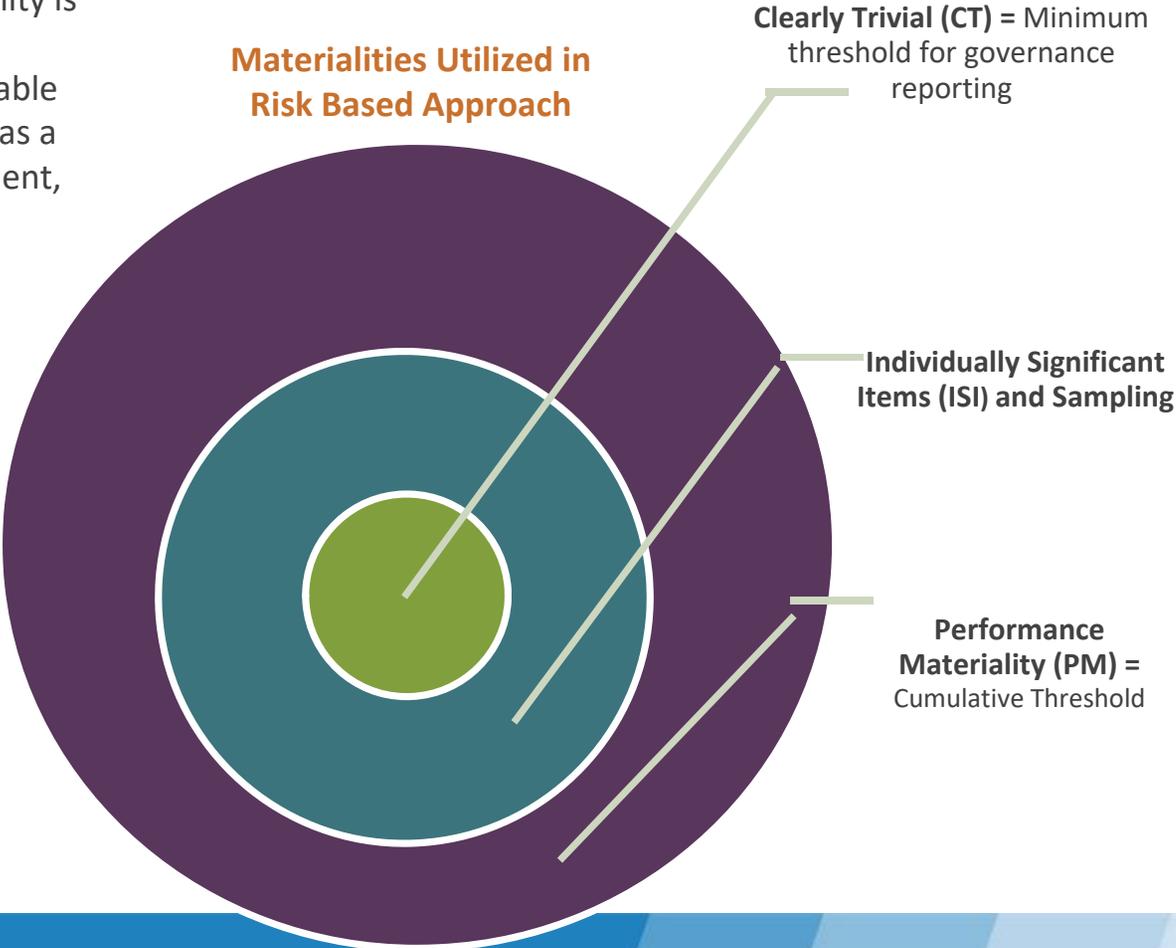
Risk Assessment



Risk Assessment (Cont.)

Our Responsibility Related to Fraud:

As independent auditors, our responsibility is to conduct an audit in accordance with professional standards to obtain reasonable assurance that the financial statements as a whole are free from **material** misstatement, whether caused by error or fraud.



Balance Sheet

| STATEMENT OF NET POSITION | UMB | UMCP | BSU | TU | UMES | FSU | CSU | UB | SU | UMGC | UMBC | UMCES | System |
|--|------------------|------|-----|----|------|-----|-----|----|----|------|------|-------|--------|
| Cash & investments | Tested centrally | | | | | | | | | | | | |
| Endowment investments | Tested centrally | | | | | | | | | | | | |
| Other long term investments | | | | | | | | | | | | | |
| Accounts receivable | | | | | | | | | | | | | |
| Student notes receivable | | | | | | | | | | | | | |
| Inventories | | | | | | | | | | | | | |
| Prepaid expenses and other | | | | | | | | | | | | | |
| Inter-institutional balances | | | | | | | | | | | | | |
| Capital assets | | | | | | | | | | | | | |
| Deferred outflows- refunding of debt | | | | | | | | | | | | | |
| Deferred outflows- service concession arrangements | | | | | | | | | | | | | |
| Deferred outflows- pension related | Tested centrally | | | | | | | | | | | | |
| Accounts payable and accrued liabilities | | | | | | | | | | | | | |
| Accrued workers compensation | | | | | | | | | | | | | |
| Accrued vacation costs | | | | | | | | | | | | | |
| Obligations under capital leases | | | | | | | | | | | | | |
| Revenue bonds and notes payable | Tested centrally | | | | | | | | | | | | |
| Unearned revenues | | | | | | | | | | | | | |
| Net pension liability | Tested centrally | | | | | | | | | | | | |
| Deferred inflows- service concession arrangements | | | | | | | | | | | | | |
| Deferred inflows- pension related | Tested centrally | | | | | | | | | | | | |
| Net investment in capital assets | | | | | | | | | | | | | |
| Restricted | | | | | | | | | | | | | |
| Unrestricted | | | | | | | | | | | | | |

| |
|------------------------------|
| Legend: |
| Substantive testing approach |
| Analytical testing approach |

**Subject to change based on final assessment.



Statement of Revenues, Expenses and Changes in Net Position

| STATEMENT OF ACTIVITIES | UMB | UMCP | BSU | TU | UMES | FSU | CSU | UB | SU | UMGC | UMBC | UMCES | System |
|--|------------------|------|-----|----|------|-----|-----|----|----|------|------|-------|--------|
| Tuition and fees | | | | | | | | | | | | | |
| Less scholarship allowances | | | | | | | | | | | | | |
| Federal grants and contracts | | | | | | | | | | | | | |
| State grants and contracts | | | | | | | | | | | | | |
| Nongovernmental grants and contracts | | | | | | | | | | | | | |
| Sales and services of educational departments | | | | | | | | | | | | | |
| Auxiliary- residential | | | | | | | | | | | | | |
| Auxiliary- parking | | | | | | | | | | | | | |
| Auxiliary- dining | | | | | | | | | | | | | |
| Auxiliary- bookstore | | | | | | | | | | | | | |
| Auxiliary- athletics | | | | | | | | | | | | | |
| Auxiliary- other services | | | | | | | | | | | | | |
| Less auxiliary scholarship allowances | | | | | | | | | | | | | |
| Other operating revenues, net | | | | | | | | | | | | | |
| State appropriations | Tested centrally | | | | | | | | | | | | |
| Pell grants | | | | | | | | | | | | | |
| Gifts | | | | | | | | | | | | | |
| Investment income | | | | | | | | | | | | | |
| Capital grants and gifts | | | | | | | | | | | | | |
| Capital appropriations | Tested centrally | | | | | | | | | | | | |
| Additions to permanent endowments | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | |
| Interest expense on capital asset-related debt | | | | | | | | | | | | | |
| Other nonoperating revenues (expenses), net | | | | | | | | | | | | | |
| Transfers to other system institutions | | | | | | | | | | | | | |

| |
|------------------------------|
| Legend: |
| Substantive testing approach |
| Analytical testing approach |

**Subject to change based on final assessment.

| | Substantive Approach | Analytical Approach | Totals |
|-------------|----------------------|---------------------|-------------------|
| Assets | \$ 10,490,112,431 | \$ 163,509,160 | \$ 10,653,621,591 |
| Liabilities | \$ 3,783,634,746 | \$ 117,103,382 | \$ 3,900,738,128 |
| Revenues | \$ 4,895,817,925 | \$ 820,125,136 | \$ 5,715,943,061 |
| Expenses | \$ 5,403,345,576 | \$ 28,603,027 | \$ 5,431,948,603 |



Control Understanding

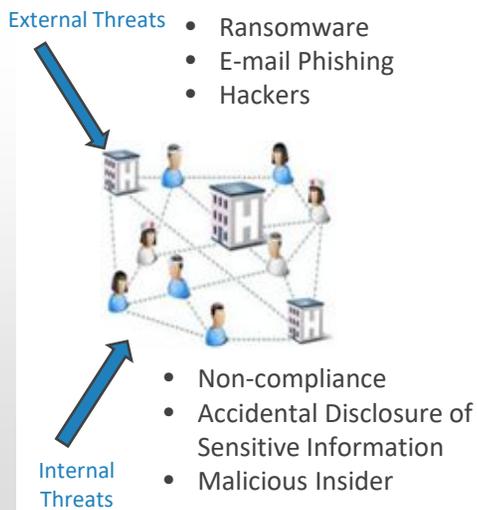
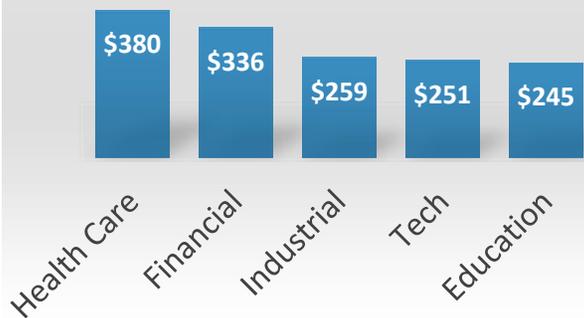
- Understand the Control Environment- All locations
- Walkthrough of key controls- All locations for the areas tested substantively
- Testing the effectiveness of key controls:
 - Tuition revenue- All locations except UMCES and System Office
 - Payroll- All locations
 - Nonpayroll expenses (except depreciation and interest)- All locations
- Consideration of Information of Technology- All locations



Information Security and Compliance Issues

Regulatory pressure is increasing
- \$22,855,300 in fines (2017)

Cost of a breach (per record) by industry



Things to consider

- Have your staff been trained?
- Are your systems secure?
- Would you know if an insider was stealing info?
- Do you know the risks?
- Are you compliant?
- Can you recover?





Upcoming GASB Pronouncements

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*



The screenshot shows the GASB website's 'NEWS & MEDIA' section. The main article is titled 'GASB Postpones Effective Dates of Upcoming Pronouncements' and is dated May 8, 2020. The article text states: 'Norwalk, CT, May 8, 2020—The Governmental Accounting Standards Board (GASB) today issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic....' Below the text is a link for 'Media Advisory | [Statement No. 95](#)'. To the right of the main article is a list of other news items: 'MAY 8, 2020 GASB Postpones Effective Dates of Upcoming Pronouncements', 'APRIL 23, 2020 GASB Provides Guidance to Assist Stakeholders with Implementing Its Pronouncements', and 'APRIL 20, 2020 GASB Issues Guidance on Accounting for PJs'.



Upcoming GASB Pronouncements

June 30, 2021

- GASB 84, *Fiduciary Activities*
- GASB 90, *Majority Equity Interests*

June 30, 2022

- GASB 87, *Leases*
- GASB 89, *Accounting for Interest Cost before the End of a Construction Period*

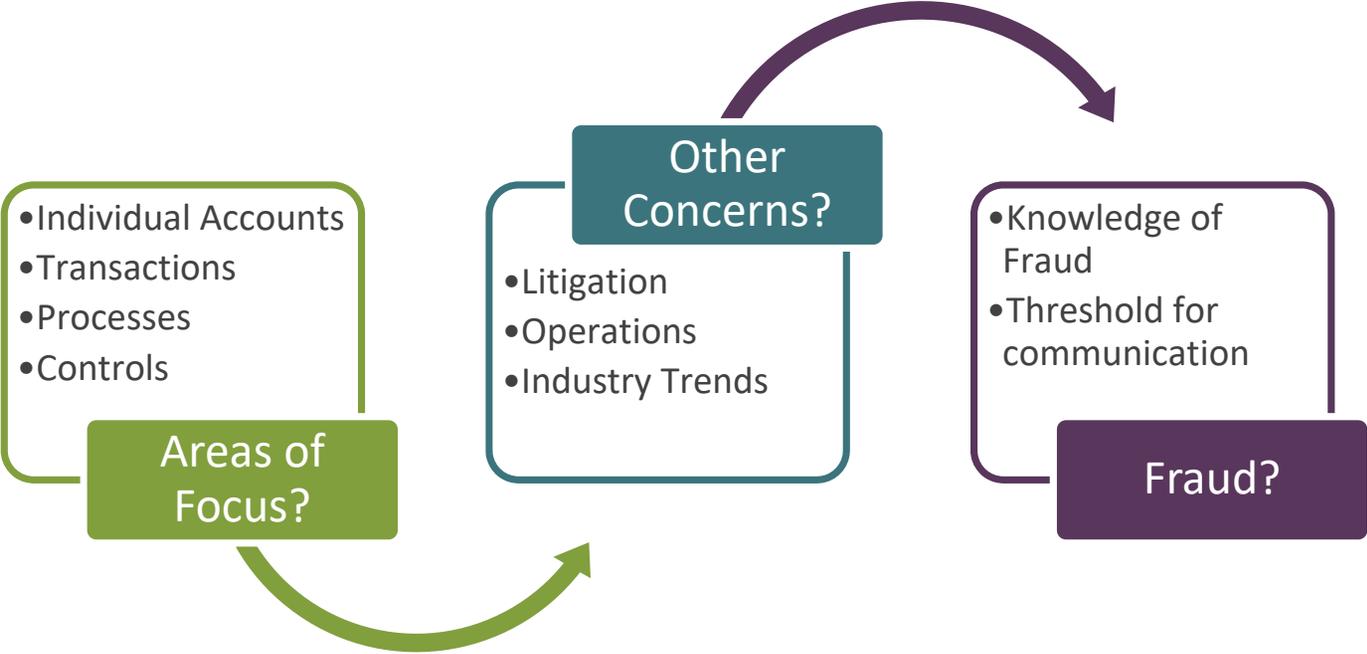
June 30, 2023

- GASB 91, *Conduit Debt Obligations*



Governance Input

As independent auditors, we work **for** governance and work **with** management to accomplish the audit. Your input is valued as we develop our audit plan and approach.





Appendix

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Resources

Articles, Webinars, and Tools
www.claconnect.com



REDUCING RISK | ARTICLE
Strong Vendor Recordkeeping Can Help Protect Higher Ed Orgs From Fraud



REGULATIONS | EVENT
Parting with Perkins: What the New Guidance Means for Your Institution



REGULATIONS | ARTICLE
Don't Underestimate Revenue Recognition's Impact on Your College or University



REDUCING RISK | ARTICLE
Four Rules of Thumb for Assessing Public-Private Partnerships in Higher Education



Resources

Other
ways CLA
can help
you reach
your
goals

- Internal control assessments
- Ethics and fraud training
- Forensic services
- Data analytics
- Quality assessment review
- IT risk assessments
- Vulnerability assessments
- Executive search
- Human resource assessments
- Succession planning
- Telecom
- Grant compliance
- ACA compliance
- Evaluation of employee benefit plans
- Enterprise risk management
- Investment policies
- Financial forecasting
- Program profitability analysis
- Finance department assessments





Higher Education Industry Trends

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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Key Issues and Challenges Facing Higher Education

| | | | |
|---|---------------------------------|---|---|
| Program profitability | Changing demographics | Changing technology expectations | Tax reform implications |
| New Accounting Standards | Cybersecurity and data breaches | Enrollment Planning: Modeling for the future, sustainability, competition | Closures and Mergers in for-profit and non-profit sectors |
| Higher Education Reauthorization Proposals: Simplification of Loan Programs | Deferred Maintenance | Compliance Issues: Clery Act, Student Financial Aid, Title IX | Succession Planning: Key positions, inflexibility of tenured faculty, early retirement programs |





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BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR **DISCUSSION**

TOPIC: Update of Office of Legislative Audit Activity

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 3, 2020

Since the Committee’s December meeting, the Office of Legislative Audits (OLA) has not published any reports of USM institutions:

OLA Engagements Currently Active:

- University of Maryland College Park (IT/IS portion);
- Towson University;
- Frostburg State University; and
- Bowie State University.

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION: none

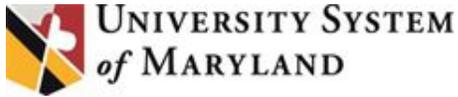
COMMITTEE ACTION: None

DATE:

BOARD ACTION: None

DATE:

SUBMITTED BY: David Mosca



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR **DISCUSSION**

TOPIC: Follow up of Action Items from Prior Audit Committee Meetings

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 3, 2020

SUMMARY:

See Attachments:

Attachment A: Listing of Open Action Items From 2018 – 2020 Audit Committee Meetings.

Attachment B: Update of the FYE 6/30/2019 A133 Single Audit Repeated Report Findings

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE ACTION: none

DATE:

BOARD ACTION: none

DATE:

SUBMITTED BY: David Mosca

USM Board of Regents
 Action Items From 2019 - 2020 Audit Committee Meetings
 3-Jun-20

Action Item

Status

From March 2020 Audit Committee Meeting

| | | |
|----|--|--|
| 1. | Establish update process to monitor progress of correcting A133 Repeated Audit Findings - CSU and UMES | Update included in this June 3, 2020 meeting. |
| 2. | Review IT/IS security policies and practices for using personal equipment in teleworking. | Discussion included in this June 3, 2020 meeting's closed session. |

From December 2019 Audit Committee Meeting

| | | |
|----|--|---|
| 1. | Include a footnote to provide clarity of "Other Expense line item in Combining Statement of Activities | Will be included with FYE 2020 financial reporting. |
| 2. | Include Audit of FSU's Student Affairs Director's Financial and HR Activities | Added Internal Audit's 2020 plan of activity. |

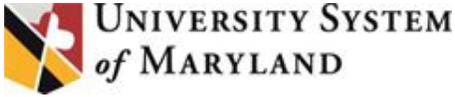
From October 2019 Audit Committee Meeting

| | | |
|----|---|---|
| 1. | Include ongoing discussion of Foundation Policy Development and Oversight at each FY 2020 Audit Committee meeting. Get Presidents' input. | First update included with Audit Committee's 12/18/2019 meeting. Second in March meeting. Postponed in June 2020 meeting. |
| 2. | Universities shall submit their ERM plan of implementation to the Audit Committee and annual produce risk dashboards. Contact UMB's Department of Health as a resource for implementing ERM. Internal Audit should audit implementation of ERM. | Plan's are due in the Spring of 2020 and implementation by July 2021. Internal Audit will incorporate ERM implementation audits in 2021. Audit Committee will be regularly updated. |
| 3. | Invited internal audit staff to future meetings. | To be completed at December 2019 and March 2020 meetings (March visits moved to future date.) |

Note: Action items concluded prior to the March 2020 BOR Audit Committee meetings are not included in this schedule.

University System of Maryland
A133 Single Audit
Update of Repeat Report Findings
Audit Year Ended 6/30/2019

| Institution | Type of Finding | New / Repeat | Status |
|-------------|--|----------------------|--|
| FSU | 1. Borrower Data Transmission and Reconciliation (Direct Loan) – Monthly reconciliations of borrower information per the Direct Loan Servicing System and the institutions' records are required under Federal guidelines. (2017) 2. Student Enrollment Reporting - Untimely and inaccurate submission of student enrollment status changes to National Student Loan Data System within 60 days of change. NSLDS is used for loan repayment notifications based on changes such as graduation, withdrawals, or reducing classes from full time to part time. (2018) | | Cleared by SB & Co. Cleared by SB & Co. |
| CSU | 1. Verification - Obtaining the proper proof of information reported on the student's Institutional Student information Record (ISIR) and making the corrections through the Central Processing System based on results. (2017) 2. Borrower Data Transmission and Reconciliation (Direct Loan) – Monthly reconciliations of borrower information per the Direct Loan Servicing System and the institutions' records are required under Federal guidelines. (2017) | Repeat Repeat | Cleared by SB & Co. In-Process – Corrective action plan was implemented in 2019. The reconciliations are being done consistently but it is a manual process. CSU hired a consultant to help streamline the process. It is expected this issue will be resolved by December 2020 and will likely remain a repeated finding for the FY2020 audit. |
| UB | 1. Student Enrollment Reporting - Untimely and inaccurate submission of student enrollment status changes to National Student Loan Data System within 60 days of change. NSLDS is used for loan repayment notifications based on changes such as graduation, withdrawals, or reducing classes from full time to part time. (2018) | Repeat | In-process –A revised corrective action plan was implemented in March 2020. The finding will likely be repeated due the timing nature of the finding and the A133 audit reporting. |
| UMES | 1. Student Enrollment Reporting - Untimely and inaccurate submission of student enrollment status changes to National Student Loan Data System within 60 days of change. NSLDS is used for loan repayment notifications based on changes such as graduation, withdrawals, or reducing classes from full time to part time. (2017) | Repeat | Cleared by SB & Co. |
| UMBC | 1. Student Enrollment Reporting - Untimely and inaccurate submission of student enrollment status changes to National Student Loan Data System within 60 days of change. NSLDS is used for loan repayment notifications based on changes such as graduation, withdrawals, or reducing classes from full time to part time. (2018) | | Cleared by SB & Co. |
| UMCP | 1. Return of Title IV Funds – Students indicated as being on a leave of absence did not have the appropriate documentation in their file and therefore, the calculation of the Title IV refunds was not completed (2018) | | Cleared by SB & Co. |
| BSU | 1. Student Enrollment Reporting - Untimely and inaccurate submission of student enrollment status changes to National Student Loan Data System within 60 days of change. NSLDS is used for loan repayment notifications based on changes such as graduation, withdrawals, or reducing classes from full time to part time. (2017) | Repeat | Cleared by SB & Co. |



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Convening Closed Session

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 3, 2020

SUMMARY:

The Open Meetings Act permits public bodies to close their meetings to the public in circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Committee on Audit will now vote to reconvene in closed session. The agenda for the public meeting today includes a written statement with a citation of the legal authority and reasons for closing the meeting and a listing of the topics to be discussed. The statement has been provided to the regents, it is posted on the USM’s website and copies are available here today.

ALTERNATIVE(S): No alternative is suggested.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR’S RECOMMENDATION: The Chancellor recommends that the BOR Audit Committee vote to reconvene in closed session.

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE: 6-3-2020

SUBMITTED BY: David Mosca, 443.367.0035, dmosca@usmd.edu



STATEMENT REGARDING CLOSING A MEETING
OF THE USM BOARD OF REGENTS

Date: June 3, 2020
Time: 10:00 AM
Location: Universities System of Maryland Office

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
 - [] (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - [] (ii) Any other personnel matter that affects one or more specific individuals.
- (2) [] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) [] To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) [] To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) [] To consider the investment of public funds.
- (6) [] To consider the marketing of public securities.
- (7) [] To consult with counsel to obtain legal advice on a legal matter.
- (8) [] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.
- (11) To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- 15) To discuss cybersecurity, if the public body determines that a public discussion would constitute a risk to:
- (i) security assessments or deployments relating to information resources technology;
 - (ii) network security information, including information that is:
 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
 2. collected, assembled, or maintained by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
 - (iii) deployments or implementation of security personnel, critical infrastructure, or security devices...

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

Legislative audit matters that are ongoing and, therefore, confidential; discussion of cybersecurity that would constitute risk to components of a security system, discussion of investigative matters which may lead to criminal prosecution; calendar year 2020 internal audit plan of activity; and the committee meeting separately with the independent auditors and the director of internal audit.

REASON FOR CLOSING:

- 1) To maintain confidentiality of discussions of cybersecurity that would constitute risk to components of USM's security system (§3-305(b)(15));
- 2) To maintain confidentiality of discussions of ongoing investigations by the USM Office of Internal Audit's and outside agencies, which potentially could result in criminal prosecutions (§3-305(b)(12));
- 3) To maintain the confidentiality of matters involved in ongoing legislative audits, as required by Section 2-1226 of the State Government Article of the Annotated Code of Maryland (§3-305(b)(13));
- 4) To carry out an administrative function: discussion of calendar year 2020 audit plan of activity by the USM Office of Internal Audit (§ 3-103(a)(1)(i); and
- 5) To carry out an administrative function: the Committee's separate meetings with the independent auditors and the Director of Internal Audit (§3-103(a)(1)(i)).