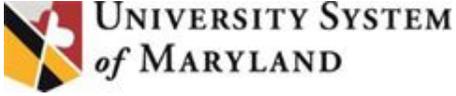




UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS - AUDIT COMMITTEE
OPEN MEETING AGENDA
October 25, 2021

1. [Information & Discussion – FY 2022 Audit Committee Work Plan](#) Mr. Mosca
2. [Information & Discussion – Review of BOR Charge Policies](#) Mr. Mosca
 - Committee on Audit Charter
 - Committee on Audit Bylaws
3. [Information & Discussion – Update Proposed Modifications to BOR Policy on Affiliated Foundations](#) Mr. Page
Ms. Herbst
4. [Information & Discussion – FYE 2021 - System Wide Draft Financials, Balance Sheet & Statement of Changes \(affiliated foundations are not included\)](#) Ms. Denson
Mr. Page
5. [Information & Discussion - USM’s Year End 6/30/2020 A133 Single Audit Report](#) Ms. Bowman
6. [Information and Discussion – Update on USM’s Enterprise Risk and Crisis Management Programs](#) Mr. Page
7. [Information & Discussion – Completed Office of Legislative Audit Activity](#) Mr. Mosca
8. [Information & Discussion – Follow up of Action Items from Prior Meetings](#) Mr. Mosca
9. [Approval - Convene to Closed Session](#) Ms. Fish

[LINK TO CLOSED SESSION](#)



BOARD OF REGENTS

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

TOPIC: Information & Discussion – FY 2022 Audit Committee Work Plan

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

Attached is a schedule of the Audit Committee’s FY 2022 work plan. The objectives of the work plan are designed to assist the Audit Committee in fulfilling the requirements of its Charter and Bylaws. The schedule also identifies which objectives will be addressed at each of the four Audit Committee meetings scheduled throughout the year.

As new risks emerge, additions or modifications to the work plan will be made as needed.

Attachment

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION: none

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None

DATE:

SUBMITTED BY: David Mosca

**USM BOR Audit Committee
Annual Work Plan
FY 2022**

Objective		When Performed					Completed
		Audit Committee Meetings					
		Oct	Dec	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	
2	Resolve any disagreements between the independent auditor and management.					x	
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					
Meetings							
4	Meet at least 4 times per year.	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		
6	Review and approve internal audit's annual plan of activity.		x				
7	Ensure that there are no unjustified restrictions or limitations on the internal audit department.	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		
Independent Auditor							
10	Review the external auditors' proposed audit scope and approach.				x		
11	Review significant accounting and reporting issues and understand their impact on the financial statements.		x				
12	Review with management and the external auditors the results of the audit, including any difficulties encountered.		x				
13	Discuss the annual audited financial statements with management and the external auditors.		x				
14	Review and discuss the results of enrolment testing agreed upon procedures.						
15	Review and discuss the results of A-133 Single Audit..	x			x		
16	Discuss the scope of external auditors' review of internal control over financial reporting.		x				

**USM BOR Audit Committee
Annual Work Plan
FY 2022**

Objective		When Performed					Completed
		Audit Committee Meetings					
		Oct	Dec	Mar	June	As Needed	
17	Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.					x	
18	Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.	x	x	x	x		
	Financial Reporting						
19	Review FYE Consolidated Financial Statements	x	x				
20	Review FYE Financial Dashboard Indicators		x				
21	Review 12/31/21 six month Financial Statements			x			
	Other						
22	Regularly report to the Board of Regents about Committee activities.	x	x	x	x		
23	Confirm annually that all responsibilities outlined in the committee's charter have been carried out.				x		
24	Discuss with the Attorney General or representative, the status of legal matters that may have a significant impact on USM institution's financial statements.	x	x	x		x	
25	Review legislative audits of the institutions of the University System and institutional responses thereto, and provide the Board with appropriate reports.	x	x	x	x		
26	Review policies pertaining to Audit Committee	x			x		
27	Monitor the Board's observance of the State Ethics Code as it pertains to possible conflict of interest with matters of the University System of Maryland					x	
28	Oversee the Board's Enterprise Risk and Crisis Management Work Group	x	x	x	x	x	
29	Receive updates of Cybersecurity environment and emerging risks.	x	x	x	x	x	
30	Review Presidents, Chancellor and Board of Regents annual financial disclosure forms. This is to comply with Md. Education Code Ann. §12-104(p).				x		



BOARD OF REGENTS

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

TOPIC: Review of Board of Regent Policies

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

SUMMARY:

Attached are BOR Policies/Bylaws that pertain to the Board of Regents (BOR) Committee on Audit's charge. These are:

1. Committee on Audit Charter (Attachment A). Last revised November 13, 2020. No modifications are currently recommended.
2. The Board of Regents Bylaws Section 3. November 22, 2019. Committee on Audit (Attachment B). No modifications are currently recommended.

Procedures for Review of USM BOR Bylaws and Policy

BYLAWS:

1. The Committee on Organization and Compensation should review BOR bylaws on a 4-year cycle.
2. **Each BOR committee should conduct an annual review of their committee charge at the beginning of each fiscal year.**

BOR POLICIES:

1. All BOR policies should be reviewed on a 4-year cycle.
2. Each policy should be assigned to a BOR committee(s); assigned policies should be relevant to the committee's mission.
3. USM staff will assist BOR committees in developing a detailed 4-year policy review schedule that considers policies that are high priority and identifies policies that are primarily technical or administrative in nature or dictated by external requirements. (Attachment C).
4. Policy reviews should include an update of policies, as needed, as well as the elimination of unneeded policies and/or merger of policies.
5. Policies may be reviewed out of cycle if problems arise with the policy implementation or to implement best practices.
6. Each BOR committee should report annually at the end of each fiscal year to the BOR on the policies reviewed during the past 12 months.

attachments

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION:

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca

Attachment A

**University System of Maryland
Board of Regents Audit Committee
Audit Committee Charter
Established June 2006 and Last Revised – November 13, 2020**

PURPOSE

To assist the Board of Regents in fulfilling its responsibilities for overseeing the adequacy of and compliance with the internal controls, BOR Policies, risk management practices, investigative activity, governance processes, and to oversee the sufficiency and appropriateness of the financial reporting of the University System of Maryland.

AUTHORITY

The Audit Committee (Committee) is granted the authority to investigate any activity of the USM, and all employees are directed to cooperate as requested by the Committee Chair or Committee of the Whole. The Committee, with the approval of the Board, is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility. It is empowered to:

- Appoint, compensate and oversee the work of the Director of Internal Audit and the public accounting firm employed by the organization to conduct the annual audit. This firm and the Director of Internal Audit will report directly to the Audit Committee.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Retain independent accountants or other qualified professionals to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from employees--all of whom are directed to cooperate with the committee's requests--or external parties.
- Meet with USM officers, external auditors or outside counsel, as necessary.
- The committee may delegate authority to subcommittees, providing that decisions are presented to the full Committee at its next scheduled meeting.
- Review and approve the yearly internal audit plan and oversee the effectiveness of the internal audit function.

COMPOSITION

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 and have financial literacy as a whole. The Chairman of the Board of Regents shall appoint the members of the Audit Committee, and select the Audit Committee's Chair, to serve one year terms. A majority of members of the committee shall constitute a quorum.

MEETINGS

The Audit Committee is to meet at least four times each year, and as many more times as it deems necessary. All Committee members are expected to attend each meeting. As necessary or desirable, the Committee Chair may request that members of management and the representatives of the independent auditor or other advisors be present at meetings of the Committee.

RESPONSIBILITIES:

1. The Committee on Audit shall render advice and assistance to the Board of Regents in fulfilling its fiduciary responsibilities for overseeing the adequacy of and compliance with the internal controls, BOR Policies, risk management practices, investigative activity, governance processes, and to oversee the sufficiency and appropriateness of the financial reporting of the University System of Maryland.
2. This Committee shall review independent audit proposals including the scope of examination, services to be provided, reports to be rendered and fees to be charged, recommend to the Board the selection and scope of work of the independent external auditor of the University System of Maryland, review findings received there from and provide the Board with appropriate reports.
3. This Committee shall review legislative audits of the institutions of the University System and institutional responses thereto, and provide the Board with appropriate reports.
4. This Committee shall review and recommend to the Board the scope of the internal audit function. The Committee shall review the Charter of the Office of Internal Audit, its annual plan of work, its reports and administrative actions taken regarding its recommendations, and its annual report of significant audit items, and shall provide the Board with appropriate reports on the activities of that office. The Committee shall review the performance of the Director of Internal Audit and monitor the effectiveness of the internal audit function.
5. In fulfillment of these responsibilities this Committee shall foster direct communications with the external auditors on an annual basis or as otherwise deemed appropriate, and shall assure direct access from the Office of the Internal Audit, including meeting privately, at least on an annual basis, with the Director of Internal Audit.
6. This Committee shall monitor the Board's observance of the State Ethics Code as it pertains to possible conflict of interest with matters of the University System of Maryland.

7. This Committee shall assist the Board in fulfilling its responsibility to comply with Md. Education Code Ann. Section 12-104(p) review of annual financial disclosure statements—The Board of Regents shall review the annual financial disclosure statements filed by the Chancellor and the presidents of each constituent institution in accordance with Section 5-607 of the General Provisions Article.
8. The Committee shall review the annual financial disclosure statements filed by the members of the Board of Regents in accordance with Section 5-607 of the General Provisions Article.
9. The Committee shall render advice and assistance to the Board of Regents in fulfilling its responsibilities for overseeing the sufficiency and adequacy of Enterprise Risk Management of the University System of Maryland as defined in BOR Policy - VIII-20.00 Policy on Enterprise Risk Management.

Attachment B

Board of Regents Bylaws

Article X Section 3. Committee on Audit. (Last Revised November 22, 2019)

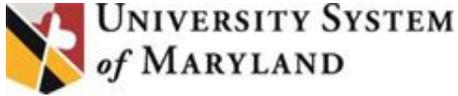
A. The Committee on Audit shall have the following duties:

1. The Committee on Audit shall render advice and assistance to the Board of Regents in fulfilling its fiduciary responsibilities for overseeing adequacy of and compliance with the internal controls of the University System of Maryland and the sufficiency and appropriateness of its financial reporting.
2. This Committee shall review independent audit proposals including the scope of examination, services to be provided, reports to be rendered and fees to be charged, recommend to the Board the selection and scope of work of the independent external auditor of the University System of Maryland, review findings received there from and provide the Board with appropriate reports.
3. This Committee shall review legislative audits of the institutions of the University System and institutional responses thereto, and provide the Board with appropriate reports.
4. This Committee shall review and recommend to the Board the scope of the internal audit function. The Committee shall review the Charter of the Office of Internal Audit, its annual plan of work, its reports and administrative actions taken regarding its recommendations, and its annual report of significant audit items, and shall provide the Board with appropriate reports on the activities of that office.
5. In fulfillment of these responsibilities this Committee shall foster direct communications with the external auditors on an annual basis or as otherwise deemed appropriate, and shall assure direct access from the Office of the Internal Auditor, including meeting privately, at least on an annual basis, with the Director of Internal Audit.
6. This Committee shall monitor the Board's observance of the State Ethics Code as it pertains to possible conflict of interest with matters of the University System of Maryland.
7. This Committee shall assist the Board in fulfilling its responsibility to comply with Md. Education Code Ann. Section 12-1-4(p) review of annual financial disclosure statements— The Board of Regents shall review the annual financial disclosure statements filed by the Chancellor and the presidents of each constituent institution in accordance with Section 5-607 of the General Provisions Article.
8. The Committee shall review the annual financial disclosure statements filed by the members of the Board of Regents in accordance with Section 5-607 of the General Provisions Article.
9. The Committee shall render advice and assistance to the Board of Regents in fulfilling its responsibilities for overseeing the sufficiency and adequacy of Enterprise Risk Management of the University System of Maryland as defined in BOR Policy - VIII-20.00 Policy on Enterprise Risk Management.

Attachment C

USM BOR Policy Review Schedule
 Committee on Audit
 October 30, 2020

Policy Number	Policy Name	Last Updated	Last Reviewed	Next Committee Review Date
I-7.00	Policy on Public Ethics of Members of the Board of Regents	Aug-99	Apr-17	FY 2022
VIII-7.10	Policy on Reporting Suspected or Known Fiscal Irregularities	Jun-17	Jun-17	FY 2022
VIII-7.11	Policy on the Communication of Suspected Fraud, Unethical and Illegal Business Activity	Apr-10	Apr-17	FY 2022
VIII-7.20	Policy on External Audits	Jun-18	Jun-18	FY 2023
VIII-7.30	Policy on Responses to Legislative Audits	Jun-18	Jun-18	FY 2023
VIII-7.50	USM Office of Internal Audit Charter	Jun-18	Jun-19	FY 2022
VIII-20.00	Policy on Enterprised Risk Management	Oct-19	Oct-19	FY 2023
Charter	Committee On Audit	Oct-21	Oct-21	FY 2022
Bylaws	Committee On Audit	Oct-19	Oct-21	FY 2022



BOARD OF REGENTS

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

TOPIC: Proposed Modifications to Fundraising Foundation Policy - Update

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

Verbal update to be provided.

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: FY 2021 Preliminary USM Financial Statements

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

SUMMARY:

A brief review of the unaudited preliminary University System of Maryland basic financial statements for the year ended June 30, 2021.

The sheet titled 'Financial Snapshot' summarizes the System's key financial health ratio used by rating agencies, Available Resources to Debt Outstanding, using the figures reflected in the preliminary financial statements, to provide a comparison between June 30, 2021, and 2020. The second part of the Financial Snapshot adjusts the publicly reported balances to take into consideration Board-approved claims and authorizations not yet expended or reflected in the financial statements to arrive at a 'true' financial health ratio for internal management and decision-making purposes. The ratio is also used for managerial decision making in the BOR Policy VIII-12.00 Policy on Debt Management.

A set of key points in reviewing the System's preliminary financial statements is included.

The financial statements reflect the preliminary financial position and the results of operations of the University System of Maryland for the years ended June 30, 2021, and 2020 prepared on an accrual basis of accounting. The final, audited financial statements for the University System of Maryland will be available in December, and will include the auditor's opinion (System officials anticipate a 'clean' or unqualified opinion at this point) all appropriate note disclosures, a section containing management's discussion and analysis, the financial statements of the affiliated foundations, and supplementary financial statements for each of the USM institutions.

FISCAL IMPACT: Information item

CHANCELLOR'S RECOMMENDATION: Information item

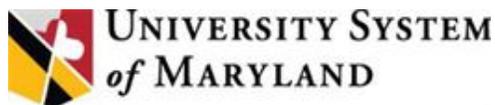
COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca



**Preliminary Financial Statements
Years ended June 30, 2021, and 2020**

Key points associated with FY 2021 preliminary financial statements:

1. The total net position increase of \$115M (**A on Statements of Net Position**) is comprised of a decrease of \$32M in unrestricted net position (**B on Statements of Net Position and Financial Snapshot**), \$149M increase in net invested in capital assets (**C on Statements of Net Position**) and \$2M decrease in restricted net position.
2. The decrease in unrestricted net position reflects an increase from operating activities of \$184M offset by cash-funded spending on capital projects of \$111M and \$105M in additional expense per the allocation of the pension liability (see point #4).
3. Over the past 2 years, USM institutions were awarded \$574M under the Department of Education's HEERF Program (Higher Education Emergency Relief Fund). Revenue recognized is recorded as 'Nonoperating grants', along with pass through support received from the State to assist with Public Safety related expenses (**D on Statements of Revenues, Expenses and Changes in Net Position**).

HEERF Program (in millions)	Total Award	FY20 Revenue	FY21 Revenue	Remaining To Be Used
Student Aid	\$209	\$29	\$61	\$119
Institutional	251	29	94	128
HBCUs/Minority Serving Institutions	114	5	21	88
Total HEERF Program Awards	\$574	\$63	\$176	\$335

4. The net pension liability and related deferred balances as of June 30, 2021, and 2020 were \$1,100M and \$995M, respectively (**E on Statement of Net Position and Financial Snapshot**). The net impact of pension related adjustments beyond required contributions is an additional expense of \$104M in FY21, compared to \$95M in FY20.
5. Tuition and fees decreased \$27M in FY21 compared to FY20 (**J on Statements of Revenues, Expenses and Changes in Net Position**). This decrease is largely due to the change in the mix of students (less non-resident undergraduates) and cancellation of study abroad programs.
6. The final audit report will include the basic financial statements of the University System of Maryland, but also affiliated, separately governed organizations that are recognized as affiliated entities called 'component units. Unrestricted net assets reported for the affiliated foundations is \$167M in FY21 compared to \$139M reported in FY20 (**F on Financial Snapshot**).
7. As shown on the 'Financial Snapshot', the financial statements report the key Balance Sheet strength ratio used by the rating agencies. Balance Sheet strength, defined as the ratio of 'available resources' (USM unrestricted net position + unfunded pension amounts + accrued leave liability + affiliated foundation unrestricted net assets) to debt outstanding, is 203% at June 30, 2021, compared to 218% at June 30, 2020 (**H on Financial Snapshot**).

8. To ensure informed decision-making, the financial snapshot, following Board of Regents policy, adjusts reported financial statement balances to take into account Board-approved commitments and authorizations to spend not yet reflected in the financial statements. On that adjusted basis the results of FY21 resulted in a slight increase in overall 'true' financial standing, with the ratio of available resources to debt outstanding on an adjusted basis, improving from 127% at the end of FY20 to 133% at the close of FY21 (**I on Financial Snapshot**).

UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

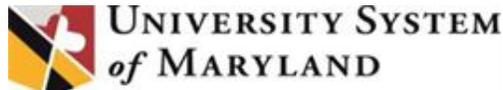
	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,682,340,506	\$ 2,633,496,005
Accounts receivable, net	333,521,964	343,251,636
Notes receivable, current portion, net	3,870,228	3,874,699
Inventories	9,015,105	9,954,651
Prepaid expenses and other	<u>22,710,212</u>	<u>20,886,577</u>
Total current assets	<u>3,051,458,015</u>	<u>3,011,463,568</u>
Noncurrent assets:		
Restricted cash and cash equivalents	103,482,279	62,133,802
Endowment investments	436,809,838	354,554,440
Other investments	40,545,866	34,999,509
Notes receivable, net	19,075,445	23,860,209
Capital assets, net	<u>7,089,386,175</u>	<u>6,826,034,004</u>
Total noncurrent assets	<u>7,689,299,603</u>	<u>7,301,581,964</u>
Total assets	<u>10,740,757,618</u>	<u>10,313,045,532</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refundings of debt	9,376,625	12,109,985
Asset retirement obligations	12,276,398	12,801,865
Deferred changes, pension expense	<u>373,714,162</u>	<u>390,016,497</u> E
Total assets and deferred outflows of resources	<u>\$ 11,136,124,803</u>	<u>\$ 10,727,973,879</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 361,200,526	\$ 348,633,745
Accrued workers' compensation, current portion	4,794,150	4,885,800
Accrued vacation costs, current portion	129,705,571	123,461,419
Revenue bonds and notes payable, current portion	92,180,951	99,295,675
Obligations under capital lease agreements, current portion	2,888,764	1,846,129
Unearned revenues	<u>375,914,566</u>	<u>351,060,005</u>
Total current liabilities	<u>966,684,528</u>	<u>929,182,773</u>
Noncurrent liabilities:		
Accrued workers' compensation	27,166,850	27,686,200
Accrued vacation costs	176,027,850	151,666,808
Revenue bonds and notes payable	1,226,264,284	1,088,171,129
Obligations under capital lease agreements	35,892,193	12,336,835
Net pension liability	<u>1,395,144,942</u>	<u>1,275,563,402</u> E
Total noncurrent liabilities	<u>2,860,496,119</u>	<u>2,555,424,374</u>
Total liabilities	<u>3,827,180,647</u>	<u>3,484,607,147</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred service concession arrangement receipts	233,863,349	252,219,390
Deferred changes, pension expense	<u>78,780,716</u>	<u>109,755,858</u> E
Total deferred inflows of resources	<u>312,644,065</u>	<u>361,975,248</u>
NET POSITION		
Unrestricted	1,180,181,283	1,212,195,784
Net investment in capital assets	5,580,046,683	5,430,985,410
Restricted:		
Nonexpendable:		
Scholarships and fellowships	18,367,468	17,585,035
Research	7,636,277	7,210,176
Other	16,927,705	16,923,030
Expendable		
Scholarships and fellowships	46,303,581	36,878,144
Research	62,227,723	80,563,068
Loans	34,623,365	40,243,558
Capital projects	3,659,537	9,023,201
Other	<u>46,326,469</u>	<u>29,784,078</u>
Total net position	<u>6,996,300,091</u>	<u>6,881,391,484</u> A
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,136,124,803</u>	<u>\$ 10,727,973,879</u>

PRELIMINARY

**UNIVERSITY OF SYSTEM OF MARYLAND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>		<u>2020</u>	
OPERATING REVENUES:				
Tuition and fees	\$ 1,737,544,196		\$ 1,764,678,052	J 1,408,292,784
Less: scholarship allowances	<u>(374,251,026)</u>		<u>(356,385,268)</u>	
Federal grants and contracts		\$ 1,363,293,170		\$ 783,778,541
State and local grants and contracts		772,768,717		218,485,078
Nongovernmental grants and contracts		230,279,198		243,414,129
Sales and services of educational departments		280,670,286		335,932,342
Auxiliary enterprises:				
Residential facilities	108,811,825		166,289,368	
Less: scholarship allowances	<u>(6,506,601)</u>	102,305,224	<u>(9,619,728)</u>	156,669,640
Dining facilities	50,868,506		105,895,827	
Less: scholarship allowances	<u>(3,155,203)</u>	47,713,303	<u>(4,905,838)</u>	100,989,989
Intercollegiate athletics	86,556,363		124,374,286	
Less: scholarship allowances	<u>(6,166,541)</u>	80,389,822	<u>(6,267,635)</u>	118,106,651
Bookstore	11,706,188		13,692,645	
Less: scholarship allowances	<u>(1,393,925)</u>	10,312,263	<u>(1,531,320)</u>	12,161,325
Parking facilities	23,998,707		36,825,497	
Less: scholarship allowances	<u>(149,932)</u>	23,848,775	<u>(136,669)</u>	36,688,828
Other auxiliary enterprises revenues	128,281,049		132,783,243	
Less: scholarship allowances	<u>(58,014)</u>	128,223,035	<u>(37,181)</u>	132,746,062
Other operating revenues		<u>51,515,174</u>		<u>69,486,420</u>
Total operating revenues		<u>3,453,990,829</u>		<u>3,616,751,789</u>
OPERATING EXPENSES:				
Instruction		1,393,669,988		1,402,071,908
Research		1,049,694,090		1,039,622,121
Public service		566,830,671		521,599,010
Academic support		521,427,847		527,330,418
Student services		326,570,148		321,421,560
Institutional support		576,271,559		543,979,557
Operation and maintenance of plant		405,283,934		402,000,372
Scholarships and fellowships		173,499,859		137,307,078
Auxiliary enterprises:				
Residential facilities		157,478,229		184,119,860
Dining facilities		72,574,068		115,170,982
Intercollegiate athletics		115,311,726		138,171,000
Bookstore		13,706,606		14,773,008
Parking facilities		25,734,331		34,280,720
Other auxiliary enterprises expenses		<u>146,554,542</u>		<u>138,835,403</u>
Total operating expenses		<u>5,544,607,598</u>		<u>5,520,682,997</u>
Operating loss		<u>(2,090,616,769)</u>		<u>(1,903,931,208)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		1,505,429,509		1,493,671,878
Pell grants		163,278,977		167,411,653
Other nonoperating grants		199,746,082	D	89,316,876
Gifts		49,987,266		53,210,506
Investment Income	103,870,375		87,461,092	
Less: investment expense	<u>(1,465,896)</u>	102,404,479	<u>(1,323,876)</u>	86,137,216
Interest on indebtedness		<u>(35,369,673)</u>		<u>(40,580,627)</u>
Other revenues, (expenses), gains and (losses)		<u>6,054,352</u>		<u>(14,638,982)</u>
Total nonoperating revenues		<u>1,991,530,992</u>		<u>1,834,528,520</u>
Income (loss) before other revenues		<u>(99,085,777)</u>		<u>(69,402,688)</u>
OTHER REVENUES:				
Capital appropriations		160,457,476		172,302,652
Capital gifts and grants		52,323,700		23,039,106
Additions to permanent endowments		<u>1,213,208</u>		<u>2,568,951</u>
Total other revenues		<u>213,994,384</u>		<u>197,910,709</u>
Increase in net position		114,908,607		128,508,021
Net position - beginning of year		<u>6,881,391,484</u>		<u>6,752,883,463</u>
Net position - end of year		<u>\$ 6,996,300,091</u>		<u>\$ 6,881,391,484</u>

PRELIMINARY



Financial Snapshot
As of June 30, 2021 Compared with 2020

	June 30, 2021	June 30, 2020
From the June 30, 2021 and 2020 preliminary financial statements		
USM unrestricted net position	\$ 1,180,181,283	\$ 1,212,195,784 B
Net pension liability and deferred balances	1,100,211,496	995,302,763 E
USM accrued leave	305,733,421	275,128,227
Affiliated foundations unrestricted net assets	167,093,314	139,171,213 F
Available funds	\$ 2,753,219,514	\$ 2,621,797,987
Debt outstanding	\$ 1,357,226,192	\$ 1,201,649,768 G
Ratio of available resources to debt outstanding per financial statements	203%	218% H
 Claims against the June 30 available resources not reflected in financial statements:		
Available funds per financial statements	\$ 2,753,219,514	\$ 2,621,797,987
Cash-funded capital projects not fully spent at June 30,	(215,994,358)	(242,236,277)
Future years cash-funded capital projects committed but not yet authorized	(275,836,258)	(358,621,000)
Noncapital cash-funded projects not yet authorized	(88,618,761)	(44,474,515)
Adjusted available funds	\$ 2,172,770,137	\$ 1,976,466,195
Debt outstanding per financial statements	\$ 1,357,226,192	\$ 1,201,649,768
Revenue bond-funded projects authorized but debt not yet issued	276,532,257	352,751,640
Adjusted total debt outstanding	\$ 1,633,758,449	\$ 1,554,401,408
Ratio of available resources to debt outstanding, adjusted	133%	127% I

While rating agencies base their assessments based on financial statement balances, the System manages the ratio of available funds to debt outstanding to not fall below 1:1 ratio to ensure that financial health does not fall below medians for Aa1 rating category.

FY2021 Preliminary Financial Statements

Audit Committee, October 25, 2021



Agenda

- FY21 Financial Results
- Financial Snapshot
- Impact of the Pandemic

FY21 Financial Results

The System expected to use \$170M in fund balance in relation to ongoing operations, and expected another \$100M+ in cash-funded capital spending, for a total expected decline in fund balance of more than \$280M during FY 2021.

Preliminary financial statements report a decrease in unrestricted fund balance of \$32M.

FY21 Financial Results, continued

Financial measures and circumstances that caused positive financial results:

- Moratorium on approval of cash spending on new cash-funded capital projects, unless for health and safety reasons
- Reserved cash balances by using revenue bonds to finance \$88M in projects previously approved for cash spending
- Responsible financial management by the institutions
- Award of additional CARES/HEERF funding of \$467M
- Support from the State for COVID/Public Safety \$49M

FY21 Financial Results, Continued

Components of change in unrestricted net position	\$
Results of ongoing or normal operations	\$304M
Auxiliary lost revenue	(197M)
Cash spending on capital projects	(117M)
Impact of state pension liability allocation	(105M)
CARES Act/DBM Public Safety Support	200M
Appropriation cut	(117M)
Reported change in unrestricted net position	(\$32M)

Financial Snapshot

- Intended to portray Balance Sheet strength, defined as the ratio of available resources to debt outstanding, consistent with BOR Policy on Debt Management (BOR Policy VIII-12.00).
- ‘Available resources’ includes:
 - USM’s unrestricted net position
 - Unfunded pension amounts – State’s liability is allocated to the System based on contributions to the pension plan compared to the total. 9.4% increase in Net Pension Liability consistent with the results of the Statewide Plan
 - Accrued leave liability – increase in liability result of employees not taking vacation during the pandemic
 - Affiliated foundation’s unrestricted net position – 20% increase consistent with overall USMF investment return for FY21

Financial Snapshot, continued

Claims against the June 30 available resources accounts for items not reflected in the financial statements:

- Cash funded projects
 - Approval for cash spending on capital projects between \$1M-\$5M is required from the Chancellor; all projects greater than \$5M require the Regents approval
 - The overall decrease in cash funded projects is the result of switching \$88M to Bond funding

- Revenue bond funded projects
 - Change represents new authorizations of \$53.7M plus \$88M in projects previously approved to use cash switched to bond funding less project spending of \$146M less unspent proceeds

Financial Snapshot, continued

Balance Sheet strength, defined as the ratio of 'available resources' (USM unrestricted net position + unfunded pension amounts + accrued leave liability + affiliated foundation unrestricted net assets) to debt outstanding, is 203% at June 30, 2021 compared to 218% at June 30, 2020.

Adjusting for Board-approved commitments and authorizations to spend not yet reflected in the financial statements, FY21 resulted in a slight decrease in overall in 'true' financial standing, with the ratio of available resources to debt outstanding on an adjusted basis, changing from 127% in FY20 to 133% in FY21.

Impact of the Pandemic

March 2020

- In person classes cancelled, remote learning began
- All spring sports cancelled, including basketball championship games
- Regents approved ~~partial~~ refund of student fees
- Financial impact for FY20 of approximately \$240M

Impact of the Pandemic, continued

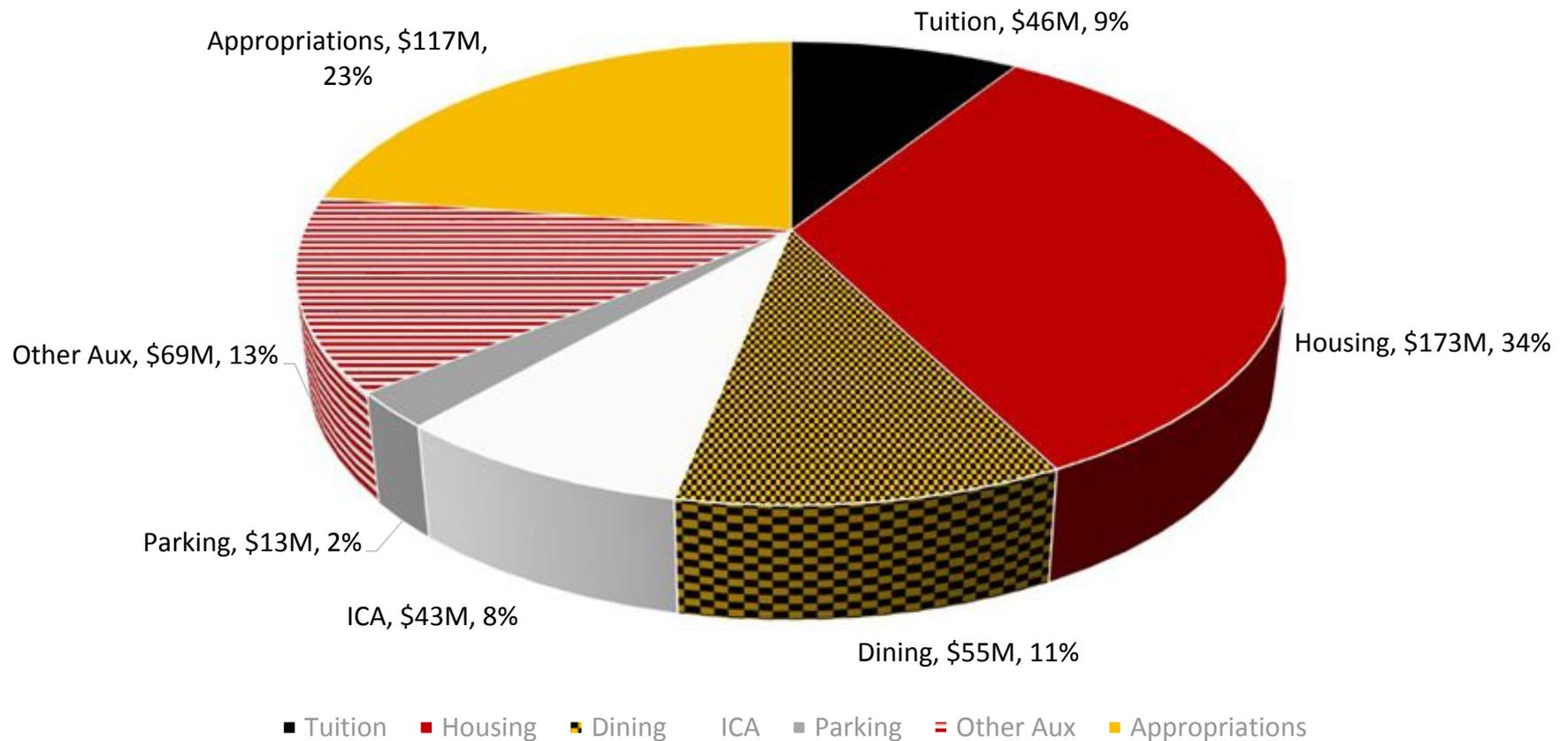
FY2021

- Appropriations cut, \$117M
- Hybrid classes, change in mix in students, \$27M
- Financial impact on auxiliary revenue \$132M
 - social distancing on campus, housing and dining at 50% capacity, reduced parking
 - Sports cancelled or reduced seasons, no fans at games

Impact of Pandemic, continued

March 2020 - June 2021

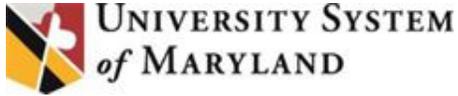
Revenue Loss



Impact of the Pandemic, continued

- Higher Education Emergency Relief Fund(HEERF)/CARES Act Funding

HEERF Program	Funds Award	FY20 Revenue	FY21 Revenue	Balance to be used
Student Aid	\$209M	\$29M	\$61M	\$119M
Institutional Aid	251	29	94	128
HBCUs/Other	114	5	21	88
Total	\$574M	\$63M	\$176M	\$335M



BOARD OF REGENTS

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

TOPIC: USM's Year End 6/30/2020 A133 Single Audit

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

See attached CliftonLarsonAllen LLC's (CLA) report to USM Regents.

CLA's State of Maryland's 98-page, A -133 audit report can be found at the following link:

https://www.usmd.edu/usm/adminfinance/finafair/FY20_SAR.pdf

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None

DATE:

SUBMITTED BY: David Mosca



University System of Maryland

Presentation of Single Audit for the Year Ended June 30, 2021

October 25, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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

Agenda

- Timeline
- Schedule of Findings and Questioned Costs
- Status of Prior Year Findings
- FY22 Planning



Timeline



Schedule of Findings and Questioned Costs



Total Federal Expenditures: \$20,010,232,889
Type A threshold: \$30,015,349
Required Coverage (40%): \$8,004,093,156 (Medicaid covers \$9 billion)
Major Programs for USM: 84.425
Current Year Findings: None

Status of Prior Year Findings

- 2019-015 (UMB)- There were 7 instances out of 40 where the institution provided funds prior to 10 days before the first day of classes of the payment period. **CORRECTED**
- 2019-016 (UMB)- There were 9 instances out of 40 where the institution did not provide support. Student records indicated the student graduated, but no support provided confirming the status was reported to NSLDS. **CORRECTED**
- 2019-017 (UMB)- There were 34 instances out of 40 where the institution did not provide support confirming the student began attendance in an online education program. **CORRECTED**
- 2019-018 (UMB)- For one out of one subrecipient selected, the institution was unable to provide clear documentation showing the actions performed and the timing of those actions as part of its risk assessment process prior to the awarding of the grant. The institution was able to provide a copy of each of the subrecipient's latest single audit reports, but no indication of the date received or when reviewed. The documentation also did not provide for a clear conclusion reached on the assessment and how it impacted the monitoring procedures for the subrecipient. **NOT CORRECTED. CAP implementation was FY21.**



Status of Prior Year Findings

- 2019-019 (UMB)- For 2 out of 2 subrecipients selected, the institution was unable to provide clear documentation showing the actions performed and the timing of those actions as part of its risk assessment process prior to the awarding of the grant. The institution was able to provide a copy of each of the subrecipient's latest single audit reports, but no indication of the date received or when reviewed. **NOT CORRECTED. CAP implementation was FY21.**
- 2019-020 (UMB)- For UMB's Maryland Global Initiatives Corporation (MGIC), there were 16 out of 25 instances where MGIC did not have the required provisions in the contracts with vendors. **CORRECTED**
- 2019-021 (UMB)- For 2 out of 2 subrecipients selected, the institution was unable to provide clear documentation showing the actions performed and the timing of those actions as part of its risk assessment process prior to the awarding of the grant. The institution was able to provide a copy of each of the subrecipient's latest single audit reports, but no indication of the date received or when reviewed. **NOT CORRECTED. CAP implementation was FY21.**
- 2019-022 (UMGC)- There were 6 instances out of 40 where the institution did not report the enrollment status change within the 60-day time frame. **NOT CORRECTED. CAP implementation was FY21.**



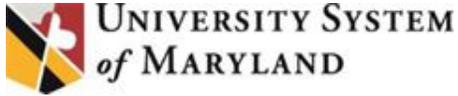
FY22 Planning - Extensions

ATTACHMENT – SNAPSHOT OF IMPACT OF 6-MONTH EXTENSION PROVIDED BY OMB MEMO 21-20 FOR AUDITS NOT SUBMITTED AT 3/19/21		
Fiscal Year End	Normal Due Date*	Extended Due Date*
June 30, 2020	March 31, 2021	September 30, 2021
July 31, 2020	April 30, 2021	October 31, 2021
August 31, 2020	May 31, 2021	November 30, 2021
September 30, 2020	June 30, 2021	December 31, 2021
October 31, 2020	July 31, 2021	January 31, 2022
November 30, 2020	August 31, 2021	February 28, 2022
December 31, 2020	September 30, 2021	March 31, 2022
January 31, 2021	October 31, 2021	April 30, 2022
February 28, 2021	November 30, 2021	May 31, 2022
March 31, 2021	December 31, 2021	June 30, 2022
April 30, 2021	January 31, 2022	July 31, 2022
May 31, 2021	February 28, 2022	August 31, 2022
June 30, 2021	March 31, 2022	September 30, 2022



FY22 Planning - Higher Risk Programs

- The following programs are considered “higher risk” (in addition to Medicaid)
 - 21.019: Coronavirus Relief Fund
 - 21.023: Emergency Rental Assistance
 - 20.106: Airport Improvement Program
 - 20.500/20.507/20.525/20.526: Federal Transit Cluster
 - 84.425: ESF (HEERF)
 - 93.461: Testing for the Uninsured
 - 93.498: Provider Relief Fund
 - ALL new ARPA programs (list to be provided)



BOARD OF REGENTS

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

TOPIC: Update from Enterprise Risk and Crisis Management Workgroup

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

Verbal update to be provided.

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

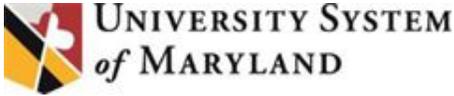
COMMITTEE ACTION: None

DATE:

BOARD ACTION: None

DATE:

SUBMITTED BY: David Mosca



BOARD OF REGENTS

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

TOPIC: Update of Office of Legislative Audit Activity

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

Since the Committee’s June 2021 meeting, the Office of Legislative Audits (OLA) has not published any reports of USM institutions:

OLA Engagements Currently Active:

- University of Maryland College Park;
- University of Maryland Eastern Shore;
- University of Maryland Baltimore; and
- The University of Baltimore.

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION: none

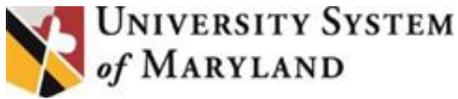
COMMITTEE ACTION: None

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: October 21, 2021

SUMMARY:

Attachment A: Listing of Open Action Items From 2019 – 2021 Audit Committee Meetings.

Attachment B: Survey of Non-Fundraising Foundation Practices for Engaging Independent Auditor.

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 - 2021 Audit Committee Meetings
 25-Oct-21

Action Item

Status

From June 2021 Audit Committee Meeting

1.	Include reports and updates from Enterprise Risk and Crisis Management as a standing item for each meeting in the Committee's annual work plan.	Included in the Committee's FY 2022 work plan and update on the agenda for Committee's October 2021 meeting.
2.	Obtain review of Fundraising Foundation Policy by the OAG.	Has taken place since June 2021 meeting and issues resolution is ongoing.
3.	Include language in the proposed Fundraising Foundation Policy to specifically allow the BOR to review information that is submitted by foundations within 120 days after the close of the System's fiscal year.	Included in policy revisions.
4.	Survey non-fundraising foundation practices to determine how they select their independent financial auditors.	Results included in October 2021 Audit Committee Meeting
5.	Continue discussion of Cybersecurity/Data Privacy assessment and operations plan and similar activities is an ongoing discussion at each audit committee meeting.	Included in October 2021 Audit Committee Meeting in closed session and included in Committee's annual work plan.

From March 2021 Audit Committee Meeting

1.	Submit and recommend modifications to the BOR Policy on Foundations for the Committee's consideration and recommendation to the full Board.	Included in the June 2021 Audit Committee Meeting.
2.	Recommend that Foundation Boards, executive directors and Presidents annually affirm that they have read and understood the BOR's Foundation Policy	Included in modification to BOR Policy on Affiliated Foundations.
3.	Regarding the annual Foundation Compliance Reporting, indicate which entities are necessary for the completion of USM's annual financial audit.	Will include in FY 2022 reporting.
4.	The BOR Enterprise Risk Management (ERM) Work Group will provide an update on USM's implementation of ERM programs.	Will include in October 2021 Audit Committee Meeting.

From October 2020 Audit Committee Meeting

1.	Develop NIST standards compliance scorecards.	In process.
----	---	-------------

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. Update in October 2020 meeting included commitment to present proposed policies at the March 2021 Audit Committee meeting. Ongoing.
2.	Universities shall submit their ERM plan of implementation to the Audit Committee and annually 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.

Note: Action items concluded prior to the October 2021 BOR Audit Committee meetings are not included in this schedule.

USM
Non-Fundraising Foundations *
Survey of Practices for Engaging Independent Financial Auditor
Oct-21

Foundation	Who decides?	How often is the decision made/reviewed?	How long since the last RFP/review?	Comments
BSU Foundation	Board of Directors	Engagement letter is reviewed and signed by Executive Director annually	Board voted in 2016 for SB & Company	In FY22 the Finance and Audit Committee will review the services; if a decision to change auditors is made, that will be voted on by the Board
BSU - MD Center	Finance Committee	There is no timeline	RFP completed approximately 10 years ago	Have used the same auditor for many years
SU - Foundation	Audit Committee reviews the proposals and the Foundation Board give the final approval	Use a 5 year commitment	RFP done about 4 years ago	Planned on issuing another RFP during 2020, however due to the pandemic and change of staff decided to retain the services of the current auditor (TGM)
SU - Ward Foundation	Finance Committee	3 year commitment	New bid in 2016	Decided in 2019 to retain the same auditors they had used previously
UMCP - Harry Hughes	Executive Committee	Review done 3-5 years	Review done 3 years ago	Auditor selected from recommendations from community non-profits
UMCP - 4H	The Board of Directors	Reviewed annually	Prior year	
UMCP - M Club	Foundation Board	Unknown	Unknown	RFP was sent a long time ago and have used the same auditor since (treasurer is looking more to see if he can find more information)
UMCP - RH Smith School	Foundation Board	Approved annually	RFP done at least 25 years ago.	Retention of the auditor is reviewed annually although the original RFP was done at least 25 years ago.
UMB Medical Alumni	Foundation Board	Reviewed annually	Prior year	At the year end meeting when the report is discussed and no issues are noted, that constitutes the "approval" that they will perform the audit again the following year
UB Foundation	Foundation Board	Do a new RFP about every 5 years	Last RFP in 2009	Prior to 2009, had been using same auditor for about 25 years
FSU Foundation	Audit Committee	New RFP done every 3 years	2019	Discussing moving doing an RFP to every 5 years; have used the same auditor for many years but have used a new RFP
CSU Foundation	Finance Committee selects and the Foundation Board approves	New RFP done every 3 years	Unknown	
TU Foundation	Audit Committee	Whenever necessary	Last done in 2010	
UMBC Research Park	Foundation Board	Whenever necessary	Unknown	
UMES Foundation	Audit Committee	Performance assessed annually	RFP last done about 3-5 years ago	

* - Also included TU Fundraising Foundation



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Convening Closed Session

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 25, 2021

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.

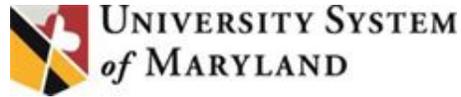
COMMITTEE ACTION:

DATE: 10-25-2021

BOARD ACTION:

DATE:

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



STATEMENT REGARDING CLOSING A MEETING
OF THE USM BOARD OF REGENTS

Date: October 25, 2021
Time: Approximately 11:00 AM
Location: Zoom

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 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 to prevent, detect, or investigate criminal activity; or 3. Related to an assessment, made 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:

IT security matters that pose vulnerabilities, Legislative audit matters that are ongoing and, therefore, confidential; discussion of investigative matters which may lead to criminal prosecution or legal action; calendar year 2021 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 USM's cybersecurity that would constitute a risk vulnerability of networks, critical IT infrastructure and information resources. (§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 2021 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)).