
AGENDA FOR PUBLIC SESSION

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| Call to Order | Chair McMillen |
| | |
| 1. Review of BOR Charge Policies (action) | Mr. Mosca |
| <ul style="list-style-type: none">• Committee on Audit Charter• Committee on Audit Bylaws | |
| | |
| 2. FY 2026 Audit Committee Work Plan (information) | Mr. Mosca |
| | |
| 3. Completed Office of Legislative Audit Activity (information) | Mr. Mosca |
| | |
| 4. Open Action Items from Prior Meetings (information) | Mr. Mosca |
| | |
| 5. Adjourn/Convening Closed Session (action) | Mr. McMillen |

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Review of BOR Charge Policies (action)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: October 10, 2025

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. Last revised November 22, 2019. Committee on Audit (Attachment B). No modifications are currently recommended.

Procedures for Review of USM BOR Bylaws and Policy

BYLAWS:

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

BOR POLICIES:

5. All BOR policies should be reviewed on a 4-year cycle.
6. Each policy should be assigned to a BOR committee(s); assigned policies should be relevant to the committee's mission.
7. 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).
8. Policy reviews should include an update of policies, as needed, as well as the elimination of unneeded policies and/or merger of policies.
9. Policies may be reviewed out of cycle if problems arise with the policy implementation or to implement best practices.
10. 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.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION:

The Audit Committee recommends that the Board of Regents approve the BOR Policies/Bylaws that pertain to the Committee on Audit's charge.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca (443) 367-0035

**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.

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.

USM BOR Policy Review Schedule
 Committee on Audit
 October 10, 2025

Policy Number	Policy Name	Last Updated	Last Reviewed	Next Committee Review Date
1-7.00	Policy on Public Ethics of Members of the Board of Regents	Aug-99	Dec-22	FY 2027
VIII-7.10	Policy on Reporting Suspected or Known Fiscal Irregularities	Jun-17	Oct-25	FY 2027
VIII-7.11	Policy on the Communication of Suspected Fraud, Unethical and Illegal Business Activity	Apr-25	Mar-25	FY 2029
VIII-7.20	Policy on External Audits	Jun-18	Apr-24	FY 2028
VIII-7.30	Policy on Responses to Legislative Audits	Jun-18	Apr-24	FY 2028
VIII-7.50	USM Office of Internal Audit Charter	Apr-22	Mar-22	FY 2027
VIII-20.00	Policy on Enterprise Risk Management	Oct-19	Oct-19	FY 2026
VIII-21.00	Policy on Crisis Management	Oct-19	Oct-19	FY 2026
VI-1.50	Policy on the Reporting of Suspected Child Abuse and Neglect	Dec-11	Oct-25	FY 2025
Charter	Committee On Audit	Oct-21	Oct-24	FY 2025
Bylaws	Committee On Audit	Oct-19	Oct-24	FY 2025

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: FY 2026 Audit Committee Work Plan (information)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: October 10, 2025

SUMMARY:

Attached is a schedule of the Audit Committee's FY 2026 work plan. The objectives of the work plan are 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

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca (443) 367-0035

**USM BOR Audit Committee
Annual Work Plan
FY 2026**

Objective		When Performed Audit Committee Meetings					
		Oct	Dec	Mar	June	As Needed	Completed
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 Vice Chancellor for Accountability 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 Vice Chancellor for Accountability to discuss any matters that the committee or the VC 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.				x		
15	Review and discuss the results of Single Audit.			x			
16	Discuss the scope of external auditors' review of internal controls over financial reporting.		x				

**USM BOR Audit Committee
Annual Work Plan
FY 2026**

Objective		When Performed Audit Committee Meetings					
		Oct	Dec	Mar	June	As Needed	Completed
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				
20	Review FYE Financial Dashboard Indicators		x				
21	Review 12/31/25 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	Update Regarding ERM and Crisis Management		x		x	x	
29	Receive updates of Cybersecurity environment and emerging risks.	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		
31	Review analysis of Office of Legislative Audit Findings	x			x		

TOPIC: Completed Office of Legislative Audit Activity (information)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: October 10, 2025

SUMMARY:

Since the Committee's June 2025 meeting, the Office of Legislative Audits (OLA) has issued audit reports on:

- University of Maryland, College Park (Summarized in Attachment A)

<https://ola.maryland.gov/Search/Report?keyword=&agencyId=5a8ac903cc9d721804e011b6&dateFrom=&dateTo=>

- University of Maryland, Baltimore (Summarized in Attachment B)

<https://ola.maryland.gov/Search/Report?keyword=&agencyId=5a8ac903cc9d721804e011b4&dateFrom=&dateTo=>

- University of Baltimore (Summarized in Attachment C)

<https://ola.maryland.gov/Search/Report?keyword=&agencyId=5a8ac903cc9d721804e011b0&dateFrom=&dateTo=>

Attachment D is a systemwide summary of audit findings in OLA's most recent reports for each institution.

There are no active OLA Audits of USM institutions.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca (443) 367-0035

Summary Analysis of Report Findings in OLA's Audit of UMCP

The Office of Legislative Audits (OLA) issued its final report for its audit of UMCP in June 2025. OLA reports seven findings. The three Cybersecurity findings are fully redacted. One finding is classified as repeated from their prior report issued in 2022.

The reported findings are summarized as follows:

Finding 1: Corporate Purchasing Cards (PCards)

OLA States that UMCP did not consolidate procurements of certain purchases, which circumvented oversight and transparency requirements. OLA also notes instances where cardholder transaction logs were not reviewed and approved in a timely manner.

Finding 2: Cybersecurity Related Finding (Redacted)

Finding 3: Cybersecurity Related Finding (Redacted)

Finding 4: Cybersecurity Related Finding (Redacted)

Finding 5: Research Grants and Contracts

OLA states that UMCP policy and procedures did not require written justification when a non-competitive process was used to select individuals and entities to work on research grants.

Finding 6: Research Grants and Contracts

OLA states that UMCP did not ensure that amounts invoiced by individuals and entities working on research grants were proper and in accordance with the grant agreement. UMCP disagrees that this is a requirement.

Finding 7: Payroll (Repeat)

OLA states that timesheets were not always signed by employees and approved by supervisory personnel as required by USM policy.

OLA notes that from January 2021 through January 2024, there were 6,073 instances related to 1,112 employees for timesheets with no employee signature and documented supervisory approval.

Summary Analysis of Report Findings in OLA's Audit of UMB

The Office of Legislative Audits (OLA) issued its final report for its audit of UMB in August 2025. OLA reports five findings. There were no Cybersecurity findings reported, and one finding is classified as repeated from OLA's prior report issued in 2023.

The reported findings are summarized as follows:

Finding 1: Research Grants and Contracts

OLA states that UMCP policy and procedures did not require written justification when a non-competitive process was used to select individuals and entities to work on research grants.

Finding 2: Research Grants and Contracts

OLA states that UMB did not have adequate procedures and controls to mitigate potential conflicts of interest on research grants.

Finding 3: Research Grants and Contracts

OLA states that UMB did not ensure that amounts invoiced by individuals and entities working on the research grants were proper and in accordance with the grant agreement. Support documentation in these conditions should be improved.

Finding 4: Research Grants and Contracts

OLA states that UMB did not refer certain delinquent grant receivable balances to the State's Central Collection Unit as required.

Finding 5: Procurements and Disbursements

OLA states that UMB did not ensure its use of contracts procured by other entities was in the best interest of UMB and did not ensure the propriety of amounts invoiced.

Summary Analysis of Report Findings in OLA's Audit of UBalt

The Office of Legislative Audits (OLA) issued its final report for its audit of UBalt in September 2025. OLA reports six findings. Two of the findings are Cybersecurity related and are fully redacted. Two findings are classified as repeated from OLA's prior report issued in 2021.

The reported findings are summarized as follows:

Finding 1: Cybersecurity Related (redacted).

Finding 2: Cybersecurity Related (redacted).

Finding 3: Student Accounts Receivable (repeat)

OLA states that UBalt did not review student accounts placed in pending payment status and did not restrict the ability to remove holds on student accounts. As a result, students with outstanding balances may have been improperly allowed to register for classes contrary to USM policy.

Finding 4: Student Accounts Receivable

Ola states that UBalt did not independently review changes made to student residency status to ensure the change was proper and supported.

Finding 5: Payroll (repeat)

OLA states that Ubalt did not use available system output reports of leave adjustments to ensure that adjustments were proper and subject to independent supervisory review.

Finding 6: Cash Receipts

OLA states that UBalt did not restrictively endorse and record certain collections upon receipt and did not always deposit collections timely.

USM Summary of Audit Findings per Office of Legislative Audits As of 9/15/25	OLA Report Issued:														
	4/17/2025	11/6/2023	9/11/2024	3/5/2024	3/22/2024	9/3/2025	8/19/2025	10/11/2024	2/5/2024	6/6/2025	12/15/2022	8/20/2024	9/11/2024		
	BSU	CSU	FSU	SU	TU	Uball	UMB	UMBC	UMCES	UMCP	UMES	UMGC	USMO	Total	
Fiscal Compliance															
Business Initiatives/Relationships	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00	
Cash	-	1.00	1.00	-	-	1.00	-	-	-	-	-	1.00	1.00	5.00	
Center and Institutes	-	-	-	-	-	-	-	-	-	-	-	-	1.00	1.00	
Conflict of Interest	-	-	-	-	-	-	1.00	-	-	-	-	-	-	1.00	
Corporate Purchasing Cards	-	-	-	-	-	-	-	-	-	1.00	-	-	-	1.00	
Financial Account Reconciliations	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	
Financial Aid Adjustments	-	-	0.50	-	-	-	-	-	-	-	-	-	1.00	1.50	
Financial Aid Awards Without Written Eligibility Criteria	-	2.00	-	-	-	-	-	-	-	-	-	-	-	2.00	
Food Services Contract	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	
Grants Accounts Receivable	-	-	-	-	-	-	1.00	-	-	-	-	-	-	1.00	
Payroll	-	-	1.00	-	-	1.00	-	1.00	-	1.00	-	-	-	4.00	
Procurement / Contract Monitoring	-	1.00	3.00	-	-	-	1.00	-	-	-	-	4.00	1.00	10.00	
Research Grants and Contracts	-	-	-	-	-	-	2.00	-	-	2.00	-	-	-	4.00	
Student Accounts Receivable	1.00	-	0.50	-	-	1.00	-	-	-	-	0.50	-	-	3.00	
Student Residency Verification	-	1.00	1.00	-	-	1.00	-	-	-	-	0.50	1.00	-	4.50	
IT Areas															
Redacted 1	-	-	-	1.00	-	-	-	-	-	-	-	-	-	1.00	
Redacted 2	1.00	-	-	-	1.00	1.00	-	1.00	-	1.00	2.00	-	-	7.00	
Redacted 3	1.00	-	-	1.00	-	1.00	-	-	-	1.00	1.00	-	2.00	7.00	
Redacted 4	-	-	-	-	-	-	-	-	-	1.00	-	-	-	1.00	
Total number of findings per OLA Audit report	3.00	5.00	7.00	2.00	1.00	6.00	5.00	2.00	-	7.00	6.00	7.00	6.00	57.00	
														57.00	

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Open Action Items from Prior Meetings (information)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: October 10, 2025

SUMMARY:

Review of the USM Policy on conducting criminal background checks for new employees (Policy – Attachment B). General aspects of the policy include:

1. Mandatory Criminal Background Checks:
 - Employment in a program involving minors.
 - Employment in programs serving adult dependent populations.
 - Employment in the transportation of hazardous materials
2. Permissive Criminal Background Checks for any employee. Examples:
 - Contact with minors.
 - Financial responsibilities.
 - Access to controlled substances.
 - Access to hazardous materials.
 - Other sensitive job duties.

There are exceptions to hiring individuals with a criminal background history given the nature of the crime and job conditions.

Attachment A: Register of Open Action Items from Prior Audit Committee Meetings.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca (443) 367-0035

USM Board of Regents
 Action Items From Prior Audit Committee Meetings
 10-Oct-25

Action ItemStatus**From June 2025 Audit Committee Meeting**

1.	Review USM Policy on conducting background checks for new employees.	Included in October 2025 Audit Committee meeting.
2.	Suggestion that a centralized system be created to capture various incidents related to campus safety, cybersecurity, etc. the data can then be reviewed to identify trends so you can make a decision where investment should be made to minimize those incidents that are happening.	To Be taken back to the Universities ERM Group. In process.
3.	Request that next year's ERM report provide an update as to how the institutions are handling privacy (PII) issues.	In Process.

From March 2025 Audit Committee Meeting

1.	Monitor BSU's student accounts receivables.	Ongoing.
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From June 2024 Audit Committee Meeting

1.	Monitor Progress of UMGC's OLA audit results.	Update provided at October 2024, December 2024 and June 2025 Audit Committee meetings. Ongoing.
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From April 2024 Audit Committee Meeting

1.	Invite Mandiant to make a presentation to audit committee at a future meeting. Include discussion regarding vulnerability trends.	In process.
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Note: Action items concluded prior to the June 2024 BOR Audit Committee meeting are not included in this schedule.

USM Bylaws, Policies and Procedures of the Board of Regents

VII – 1.15 - POLICY ON CRIMINAL BACKGROUND CHECKS FOR FACULTY AND STAFF EMPLOYEES

(Approved by the Board of Regents, April 15, 2016)

I. PURPOSE AND SCOPE

- A. Purpose: To establish minimum standards for the appropriate acquisition and use of criminal background records in order to support safe and secure campus environments.
- B. Scope: Applies to all regular and contractual faculty and regular and contingent staff, student employees (including students in federal and other work-study programs), and applicants for employment.

II. DEFINITIONS

- A. Commercial Criminal Background Check: A criminal background check completed by a commercial entity through a review of publicly available law enforcement, court and other records, including international records as appropriate. A commercial criminal background check typically is based upon identifying information regarding the individual, but does not utilize fingerprints.
- B. Criminal Justice Information System (CJIS) Record History: A criminal background check completed by the Maryland Department of Public Safety and Correctional Services of all criminal history information regarding an individual maintained by the CJIS Central Repository, consistent with the requirements of the Maryland Annotated Code (Md. Code Ann.), Criminal Procedure Article, Sections 10-201 et seq. A CJIS record history is based upon national and state criminal history records and uses an individual's fingerprints and other identifying information.
- C. Minor: An individual under the age of 18.
- D. Permissive Criminal Background Check: A commercial criminal background check or CJIS Record History that is not required by law, but is permitted at an institution's discretion.
- E. Program Involving Minors: For the purposes of this policy, a program or event hosted by or closely associated with the institution in which:
 - 1. The program's purpose is to provide benefit, service or activity to or for minors;
 - 2. Institution personnel have significant roles or regular contact with minors; and
 - 3. Not including spontaneous gatherings, single social events or academic courses open to and attended by both minors and adults.

III. ACQUISITION OF CRIMINAL BACKGROUND RECORDS

- A. **Mandatory Criminal Background Checks.** Under state and federal law, institutions are required to obtain and review pre-employment CJIS criminal background checks for their employees under the following circumstances:
1. **Certain Programs Involving Minors.** Institutions must require pre-employment CJIS Record History checks of employees of certain programs involving minors operated by the institutions, as required by Md. Code Ann., Family Law, Section 5-561, including, but not limited to:
 - a. Child care centers;
 - b. Public primary and secondary school programs;
 - c. Recreation centers or programs primarily serving minors; and
 - d. Day or residential camps, as defined in COMAR Title 10, Subtitle 16, primarily serving minors.
 2. **Other Activities Requiring Background Checks for Institution Employees.** In addition to the programs described in Section III.A.1, above, institutions are required to obtain and review pre-employment CJIS Record History checks for certain individuals employed in the following circumstances:
 - a. **Programs Serving Adult Dependent Populations.** Under federal and state law (42 U.S.C.A. Section 12645(g) and Md. Code Ann., Health-General, Section 19-902), a CJIS Record History check is required for employees who work in adult dependent care programs. Examples include programs serving the elderly and dependent adults and adult dependent individuals with disabilities.
 - b. **Employment in the Transportation of Hazardous Materials.** CJIS Record History checks are required for all employees who have a commercial driver's license with a State-issued hazardous materials endorsement, consistent with federal and state law, including 49 U.S.C.A. Section 5103a and Md. Code Ann., Transp. Article, Section 16-815.
- B. **Permissive Criminal Background Checks**
1. In addition to the circumstances under which an institution must obtain and review a criminal background check, described in section III.A, above, institutions also have the discretion to require background checks of other employees, applicants, and institution volunteers.
 2. Each institution shall have standards and processes for guiding the acquisition of permissive criminal background checks.
 3. An institution may elect to obtain criminal background checks with respect to any position. Examples include:
 - a. Employees in facilities and programs other than those for which such background checks are mandatory, if the employee's duties involve contact with minors,

- b. Institution volunteers who have access to minors in institution activities and programs, and
- c. Employees with:
 - i. Financial responsibilities, including access to cash and authority to expend institution resources;
 - ii. Access to controlled substances; or
 - iii. Other sensitive job duties.
- 4. Prohibited Actions. An institution may not inquire into the criminal background of an applicant for employment until after the institution provides the applicant an opportunity for an interview. Md. Code Ann., State Personnel and Pensions Article, Section 2-203.

IV. PROPER USE OF CRIMINAL BACKGROUND CHECKS

- A. Criminal Background Check Considerations. An institution's use of background checks in making employment decisions must be tailored to meet legitimate business needs, taking into consideration at least:
 - 1. The nature and extent of the employee's past criminal activities;
 - 2. The time elapsed since the activities took place; and
 - 3. The nature, duties and functions of the job.
- B. Nondiscrimination. The use of criminal background checks in an institution's employment decisions must be impartial, with no difference in their acquisition or use based on race, sex, religion, ethnicity, sexual orientation, gender identity, or other factors that might promote or imply discriminatory practice.
 - 1. Even a neutral policy or practice regarding background checks that has the potential to have a disparate impact on a class of individuals must be:
 - a. Related to specific job duties, and
 - b. Consistent with business necessity.
 - 2. No employee may be excluded from employment based upon generalized institution policies or practices regarding the use of criminal background checks without an individual assessment that includes the factors described in this section.
- C. Arrest Records. An institution may not deny employment to an applicant based solely on a record of arrest in the absence of a conviction, other criminal penalty or substantiation of facts underlying the arrest which relate to the applicant's fitness to perform the duties of the job.

D. Commercial Background Checks. If an institution denies employment based upon background check information provided by a commercial vendor that qualifies as a Consumer Reporting Agency (CRA) under the federal Fair Credit Reporting Act, the institution shall:

1. Notify the applicant/employee in writing, and
2. Provide the applicant/ employee with a copy of the FCRA's report and a summary of the individuals FCRA rights.

V. CONTRACTS WITH VENDORS THAT OPERATE PROGRAMS FOR MINORS

- A. Mandatory Background Checks. Institution contracts with vendors that operate camps, recreational or educational programs, child care centers or other services to minors on campus must require the vendor's compliance with mandatory background check requirements of this policy and state and federal law.
- B. Permissive Background Checks. Such contracts may also require commercial criminal background checks as appropriate to protect the interests of the institution and the individuals served by the institution, consistent with the requirements of his policy.

VI. INSTITUTION RESPONSIBILITIES

No later than January 1, 2017, each institution shall:

- A. Develop standards and procedures for the acquisition and use of criminal background checks, consistent with this policy;
- B. Develop procedures for maintaining confidential records of background check results, consistent with applicable federal and state legal requirements;
- C. Provide training to employees who interview and hire employees regarding the appropriate methods for acquiring, using and maintaining background check information; and
- D. Establish a process by which an individual denied employment or other opportunity at the institution due to the results of a criminal background check may contest the accuracy of the records upon which the denial was based.

Note: This policy should be cross-referenced with the following other USM Policies:

- VI - 1.50 - Policy on the Reporting of Suspected Child Abuse and Neglect
- VII - 1.01 - Policy on Recruitment and Selection
- VII - 1.24 - Policy on Termination with Prejudice

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: Adjourn/Convening Closed Session (action)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: October 10, 2025

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 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): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca (443) 367-0035



STATEMENT REGARDING CLOSING A MEETING
OF THE USM BOARD OF REGENTS

Date: October 10, 2025

Time: Approximately 1:45 PM

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.
- (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:

Discussion of personnel matters as these arise related to matters on the closed session agenda; discussion of legal matters with Counsel of the Higher Education Division of the Maryland Office of the Attorney General and receipt of legal advice; discussion of legislative audit matters that are confidential by statute as these are ongoing; discussion of investigative matters involving actual or potential criminal conduct which may lead to criminal prosecution, meeting separately with independent auditor's engagement partner and USM's VC of accountability; discussion of IT security matters that pose

vulnerabilities of networks, critical IT infrastructure and information resources; and update of 2025 internal audit plan of activity.

REASON FOR CLOSING:

- 1) To maintain the confidentiality of personnel matters involved in various topics on the closed session agenda, including legal advice, investigations of possible criminal activity and ongoing legislative audits (General§3-305(b)(1))
- 2) To maintain confidentiality and attorney-client privilege regarding legal advice received from the OAG's Higher Education Division (§3-305(b)(7));
- 3) To maintain confidentiality of discussions of investigations involving possible criminal behavior, which 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 maintain confidentiality of USM's cybersecurity to avoid disclosing risk vulnerability of networks, critical IT infrastructure and information resources; (§3-305(b)(15);
- 5) To carry out an administrative function: discussion of calendar year's 2025 audit plan of activity by the USM Office of Internal Audit (§ 3-103(a)(1)(i);
- 7) To carry out an administrative function: the Committee's separate meeting with the VC of Accountability and independent auditors (§3-103(b)(1)(ii).