



**BOARD OF REGENTS
COMMITTEE ON AUDIT**

Minutes from Open Session
December 14, 2020

Ms. Fish called the meeting of the Committee on Audit of the University System of Maryland Board of Regents to order at 10:00 a.m. This meeting was conducted via videoconference.

Regents in attendance included: Ms. Fish (Chair), Ms. Gooden (*ex-officio*), Mr. Gossett, Mr. Pope, Ms. Edwards, and Mr. Wood. Also present were: USM Staff – Chancellor Perman, Ms. Ames, Mr. Brown, Ms. Denson, Mr. Eismeier, Mr. Gonzalez, Mr. Hayes (phone), Ms. Herbst, Mr. Kamsu, Mr. Lurie, Mr. McDonough, Mr. Mauriello, Mr. Mosca, Mr. Page, Mr. Venturella, Ms. White, and Ms. Wilkerson; Office of the Attorney General -- Ms. Langrill; CliftonLarsonAllen LLP (USM’s Independent Auditor) – Ms. Bowman and Mr. Gauthier.

The following agenda items were discussed:

1. Information & Discussion – USM Internal Audit’s Information Technology, Construction, and Fraud Auditors

USM’s Director of Internal Audit introduced the Internal Audit’s information technology audit manager and team members, construction audit manager, fraud audit manager, and executive administrative assistant to the Audit Committee.

2. Information & Discussion – Financial Dashboard Indicators

USM’s Controller presented FY 2020 financial dashboard indicators, which provided insights into each USM institution’s financial strength. The dashboard also provided a comparison of each institution’s performance to the prior year’s results.

3. Information and Discussion - USM Audited Financial Statements

USM’s independent auditor presented FY 2020 financial statements, which included an unmodified (unqualified) opinion. The independent auditor noted:

- No material weaknesses in internal controls were discovered;
- No instances of fraud were discovered as a result of their audit procedures;
- The auditor received full cooperation from management.

The independent auditor had no management recommendations for the Audit Committee.

The independent auditor conveyed the results of their agreed-upon procedures which tested enrollment information provided to the Maryland Higher Education Commission (MHEC).

These procedures provided a statistically reliable conclusion [90% confidence interval] that the enrollment information reported to MHEC was accurate.

4. Information – Completed Office of Legislative Audit Activity

UMS's Director of Internal Audit reported that, since the October 30, 2020 audit committee meeting, the Office of Legislative Audit has not issued any reports for the University System of Maryland.

5. Information & Discussion - Follow up of Action Items from Prior Meetings

USM's Director of Internal Audit provided a status update of action items from prior meetings.

6. Reconvene to Closed Session

Ms. Fish read aloud and referenced the Open Meetings Act Subtitle 5, §3-305(b) which permits public bodies to close their meetings to the public in special circumstances.

[Moved by Mr. Pope, seconded by Mr. Wood; unanimously approved.]

The closed session commenced at approximately 11:41 a.m.



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Ms. Fish read aloud and referenced the Open Meetings Act Subtitle 5, §3-305(b) which permits public bodies to close their meetings to the public in special circumstances. [Moved by Mr. Pope, seconded by Mr. Wood and unanimously approved.] The closed session commenced at 11:41 a.m. This meeting was conducted via videoconference.

Regents in attendance included: Ms. Fish (Chair), Ms. Gooden, Mr. Gossett, Mr. Pope, Ms. Edwards, and Mr. Wood. Also present were: USM Staff – Chancellor Perman, Mr. Brown, Ms. Denson, Mr. Eismeier, Ms. Herbst, Mr. Mosca, Mr. Page, Ms. White, and Ms. Wilkerson; Office of the Attorney General -- Ms. Langrill; and CliftonLarsonAllen LLP (USM’s Independent Auditor) – Ms. Bowman and Mr. Gauthier.

The following agenda items were discussed:

1. The Assistant Vice Chancellor for IT and Interim CIO of the University System of Maryland provided an update of USM’s IT Security Environment. (§3-305(b)(10)).
2. USM’s Director of Internal Audit presented the proposed Internal Audit Plan of Activity for Calendar Year 2021. The Committee approved the plan [Moved by Mr. Gossett, seconded by Mr. Pope and unanimously approved]. (§3-103(a)(1)(i)).
3. USM’s Director of Internal Audit provided an update of engagement additions, cancellations and completions to Internal Audit’s Audit Plan of Activity for Calendar Year 2020. (§3-103(a)(1)(i)).
4. USM’s Director of Internal Audit provided a status update of reported criminal allegations received by Internal Audit. (§3-305(b)(12)).
5. USM’s Director of Internal Audit provided an update on Office of Legislative Audit activity currently in process. (§3-305(b)(13)).
6. The Committee members met separately with the Independent Auditors and the Director of Internal Audit. (§3-103(a)(1)(i)).

Closed session adjourned at 12:11 p.m.