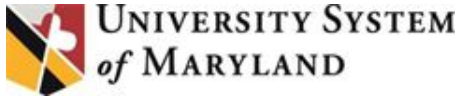




**BOARD OF REGENTS - AUDIT COMMITTEE  
OPEN SESSION MEETING AGENDA**

**December 15, 2022**

1. Information & Discussion – Update - FY 2022 Independent Audit of USM’s Financial Statements Ms. Bowman
  2. Information & Discussion – Affiliated Foundation Compliance Checklist Ms. Denson  
Ms. Herbst
  3. Action, Information & Discussion – Review of Policies Pertaining to the Audit Committee Mr. Mosca
    - Policy I - 7.00 – Policy on Public Ethics of Member of the BOR
    - Policy VIII – 7.10 – Policy on Reporting Suspected or Known Fiscal Irregularities
    - Policy VIII – 7.11 – Policy on the Communication of Suspected Fraud, Unethical and Illegal Business Activity
  4. Information – Update from Enterprise Risk and Crisis Management Work Group Ms. Herbst  
Mr. Eismeier
  5. Information – Completed Office of Legislative Audit Activity Mr. Mosca
  6. Information & Discussion - Follow up of Action Items from Prior Meetings (Update of Policies on Fundraising Foundations and Business Entities) Mr. Mosca  
Ms. Skolnik
  7. Action - Convene to Closed Session Ms. Fish
-



**BOARD OF REGENTS**

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

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**TOPIC:** Status Update of the FY 2022 Independent Audit of USM's Financial Statements

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 15, 2022

Verbal update to be provided.

**FISCAL IMPACT:** none

**CHANCELLOR'S RECOMMENDATION:** none

COMMITTEE ACTION: None

DATE:

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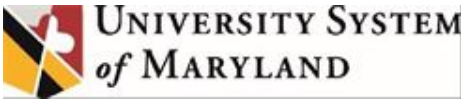
BOARD ACTION: None

DATE:

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SUBMITTED BY: David Mosca

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**BOARD OF REGENTS**

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

**TOPIC:** Information – Affiliated Foundation Compliance Checklist

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 15, 2022

**SUMMARY:**

The University System of Maryland recognizes seventeen legally separate not for profit organizations as affiliated foundations. Affiliated foundation status enables USM institutions the right to allow affiliated foundations a license, or right to use the institution’s name in fundraising materials. The checklist provides a status summary of materials collected and reviewed as required under BOR Policy IX-2.00 Policy on Affiliated Foundations.

Audited financial statements for each affiliated foundation are available upon request.

Included is a set of talking points and an analysis showing the status of collection of materials required to be provided to USM annually by October 31. The materials required under the Board of Regents policy each satisfy control objectives such as assurance as to compliance with state ethics law requirements, or that affiliated foundations are not competing with the institution on contract and grant opportunities, or that financial information needed for the System’s audited financial statements is provided in a timely fashion.

**FISCAL IMPACT:** Information item

**CHANCELLOR’S RECOMMENDATION:** Information item

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca



**Key points associated with FY 2022 Affiliated Foundation Checklist:**

**1. Use of Internal Auditors**

University of Baltimore Foundation was audited by USM Internal Audit in FY22. Frostburg State University Foundation and University of Maryland, Baltimore County Research Park Corporation, used institution staff to review internal controls within their organization.

The smaller entities will be subject to the revised Business Entity Policy upon Board of Regent approval. The draft policy does not require the use of internal auditors.

**2. Ward Museum**

The audit report for the Ward Museum expresses doubt that the entity can continue to operate as a going concern. Salisbury University is considering options on how to address the operations of the museum going forward.

**3. Open items**

The process for collecting BOR policy required materials will continue, and the review completed, over the next 60 days. Per BOR Policy IX-2.00 Policy on Affiliated Foundations:

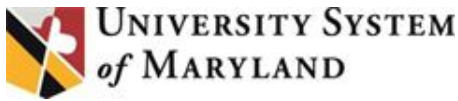
*Should the foundation not submit the required reports within the required time period, the Chancellor and the responsible official shall issue a joint warning to the foundation. Should the foundation not demonstrate satisfactory progress toward immediate compliance, the Board of Regents may revoke its affiliated status or take other appropriate action.*

Audit Committee Meeting - Open Session Agenda

University System of Maryland  
Affiliated Foundation Checklist  
FY2022

Institution	Affiliated Foundation	Net Assets (in \$000s)	Certification of Compliance Signed by Responsible Official	Establishment	Structure	Activities & Business Operations	Audits and Reports						
				IX-2.00 ¶ 4-5	IX-2.00 ¶ 27	IX-2.00 ¶ 27	IX-2.00 ¶ 22	IX-2.00 ¶ 24-25	IX-2.00 ¶ 27				
				Annual Written Agreement with USM or Institution	List of Foundation Officers and Directors	List of All State and Federal Contracts and Grants Managed	Auditors' Management Letter/Auditor's Communication with Those Charged with Governance	Use of Internal Auditor	Annual Financial Audit Report	Annual Audit Report of Transfers Made to USM and/or Institution	Annual Audit Report of Unrestricted Funds Available to Chancellor and/or President	List of USM Employees Who Received Compensation or Other Payments and Amount	
USM	The University System of Maryland Foundation, Inc.	\$ 506,906	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓
UMCP	University of Maryland College Park Foundation, Inc.	\$ 886,241	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓
UMB	The University of Maryland Baltimore Foundation, Inc.	\$ 440,372	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	N/A
TU	Towson University Foundation, Inc.	\$ 101,999	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓
SU	Salisbury University Foundation, Inc.	\$ 95,666	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓
UBalt	University of Baltimore Foundation, Inc.	\$ 88,890	✓	✓	✓	Yes	✓	USM Internal Audit in FY22	✓	✓	✓	✓	N/A
BSU	Bowie State University Foundation, Inc.	\$ 44,754	✓	Interim 7/1-12/31/2021, FY23 Agreement	✓	N/A		USM Internal Audit FY19 through FY21	✓	✓	N/A	✓	N/A
FSU	Frostburg State University Foundation, Inc.	\$ 41,109	✓	✓	✓	N/A	✓	Use of FSU Comptroller's Office	✓	✓	✓	✓	✓
CSU	Coppin State University Development Foundation, Inc.	\$ 17,427	✓	✓	✓	Yes	✓	✓	✓	✓	✓	✓	✓
UMBC	University of Maryland, Baltimore County Research Park Corporation	\$ 10,444	✓	✓	✓	Yes	✓	Use of UMBC Management Advisory Office	✓	✓	✓	✓	N/A
UMCP	The Robert H. Smith School of Business Foundation, Inc.	\$ 10,603	✓	✓	✓	N/A	✓	No	✓	N/A	N/A	✓	N/A
UMCP	The Maryland 4-H Foundation, Inc.	\$ 6,664		✓	✓	Yes	✓	No	✓				
UMB	Medical Alumni Association of the University of Maryland, Inc.	\$ 4,145	✓	✓	✓	N/A	✓	No	✓	✓	N/A	✓	N/A
UMCP	M Club Foundation, University of Maryland, Inc.	\$ 2,837	✓	✓	✓	N/A	✓	No	✓	✓	N/A	✓	✓
BSU	The Maryland Center @ Bowie State University, Inc.	\$ 828		✓		Yes			✓				
UMCP	Harry R Hughes Center for Agro-Ecology, Inc.	\$ 69			✓	Yes	✓	No	Review	N/A	N/A	✓	✓
SU	The Ward Foundation, Inc.	\$ 56	✓	✓	✓	Yes	✓	No	Going Concern	✓	N/A	✓	✓

Key:  
 Followed up and awaiting response and/or documentation  
 Received response and/or documentation and in compliance  
 Non-compliance



**BOARD OF REGENTS**

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

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**TOPIC:** Review of Board of Regents’ Policies that Pertain to the Audit Committee

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 15, 2022

Attached are three Board of Regents (BOR) Policies that pertain to Committee on Audit:

**BOR Policy I-7.00** – Policy on Public Ethics of Members of the Board of Regents (Attachment A).

Recommendation to update reference of “...**Title 15**, Subtitle 5 of the State Government Article, which already governs the Board of regents, and that the policy include a prohibition against a member of the Board of Regents, for compensation, assisting or representing any matter before the General Assembly.” To “...**Title 5**, Subtitle 5...” This modification reflects the 2015 repeal of Title 15 and reinstating it under Title 5.

**BOR Policy VIII-7.10** – Policy on Reporting Suspected or Known Fiscal Irregularities (Attachment B).

No modifications are recommended.

**BOR Policy VIII-7.11** – Policy on the Communication of Suspected Fraud, Unethical and Illegal Business Activity (Attachment C).

No modifications are recommended.

**Procedures for Review of USM BOR Bylaws and Policy**

The Organization and Compensation Committee of the USM BOR adopted the following comprehensive approach for the review of BOR bylaws and policies:

**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.
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:** none

COMMITTEE ACTION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: David Mosca

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## Attachment A

### I-7.00 POLICY ON PUBLIC ETHICS OF MEMBERS OF THE BOARD OF REGENTS

(Approved by the Board of Regents, August 19, 1999)

#### A. Purpose

The purpose of this policy is to comply with Section 12 of Senate Bill 682, Chapter 515 of the Laws of Maryland, 1999, which requires that the Board of Regents adopt a policy to govern the public ethics of Regents, that such policy be consistent with all the applicable provisions of **Title 15 5**, Subtitle 5 of the State Government Article, which already governs the Board of Regents, and that the policy include a prohibition against a member of the Board of Regents, for compensation, assisting or representing any party in any matter before the General Assembly.

#### B. Policy

1. A member of the Board of Regents shall not, for compensation, assist or represent any party in any matter before the General Assembly.
2. Nothing in this policy prohibits the Secretary of Agriculture from carrying out any responsibility of that position.
3. Questions or concerns about compliance with this policy may be brought to the Board of Regents Committee on Audit.

### **PUBLIC ETHICS POLICY GUIDELINES** (Approved by the Board of Regents 10/27/2006)

#### **A. Prohibited Conduct.** A member of the Board shall not:

1. For compensation, communicate with an official or employee of the General Assembly for the purpose of influencing legislative action, except as provided in Section B, below.

## Attachment A

2. Engage in any representation or assistance that may create a conflict of interest or the appearance of a conflict of interest with the Board Member's duties to the University System of Maryland.
3. Intentionally use of the prestige of membership on the Board of Regents for the Board member's gain or the gain of another party.

**B. Conduct Not Prohibited.** The following activities are permitted:

1. Communications with legislators that are conducted as part of one's responsibilities as a member of the Board of Regents.
2. Contact with members or employees of the General Assembly that is directly related to a Board member's own regular business, employment or profession provided that:
  - a. Contact with the legislature is an incidental part of one's business, employment or profession; and
  - b. The contact is made in the manner customary for an employee in that position.
3. Professional assistance in drafting legislation, advising clients regarding the construction or effect of proposed legislation, or other similar assistance that does not involve contact with officials or staff of the General Assembly.
4. Appearances before the General Assembly or a committee of the General Assembly, at the specific request of the legislative body.

## Attachment B

### 287.0 VIII-7.10 - POLICY ON REPORTING SUSPECTED OR KNOWN FISCAL IRREGULARITIES

(Approved by the Board of Regents, June 21, 1990; revised June 22, 2017)

1. The Chief Executive Officer of each institution and component of the University System shall establish a comprehensive internal control structure that ensures financial accountability.
2. As part of a comprehensive internal control structure, the Chief Executive Officer shall establish internal procedures concerning suspected or known fiscal irregularities such as embezzlement, theft, falsification of documents, and financial conflicts of interest. The procedures shall identify the institutional official responsible for determining the appropriate course of action when there is a report of suspected financial misconduct. The official so identified shall immediately notify the Chief Executive Officer, the Chancellor, the System Administration Internal Audit Office, the manager of financial operations where the fiscal irregularity allegedly occurred, and the Office of Attorney General. Irregularities involving the loss of assets with a monetary or fair market value of \$1,000 or less need not be reported to the Chancellor and Internal Audit Office unless they occur in departments that routinely handle cash or cash equivalents, occur in departments that routinely handle other valuable assets such as inventories, accounts receivable, and marketable securities, or involve personnel responsible for major fiscal functions such as payroll, procurement, accounts payable, or bookkeeping.

## Attachment B

3. The responsible official shall immediately investigate the report of alleged misconduct. When a preliminary investigation has been completed, the responsible official will report the findings to the Chief Executive Officer who, in consultation with the Office of Attorney General, shall determine a course of action, e.g., discipline, restitution, or discharge. The determination of the Chief Executive Officer shall be reported to the System Administration Internal Audit Office and the Chancellor. The Office of Attorney General will independently make a determination concerning criminal prosecution.
4. A person who suspects financial misconduct may initially report the suspicion to the Internal Audit Office of System Administration for investigation. Preliminary findings will be reported by the Internal Audit Office to the Chancellor and to the Chief Executive Officer for further action.
5. In no case may University System officials promise known or suspected offenders that the University System will forego criminal prosecution and in no case may the officials enter into written agreements that preclude criminal prosecution.
6. Federal requirements shall be followed if the financial misconduct involves federal grant funds.
7. Every effort shall be made to ensure the confidentiality of any person reporting the suspected financial misconduct, and every effort shall be made to ensure that no retaliation of any kind will be tolerated against any individual who, in good faith, furnishes information about known or suspected fiscal irregularities.

## Attachment C

### VIII-7.11 Policy on the Communication of Suspected Fraud, Unethical and Illegal Business Activity (Approved by the Board of Regents, April 16, 2010)

- I. **Purpose:** The purpose of this policy is to establish the principle that University System of Maryland (USM) employees, students and others in the campus community are strongly encouraged to communicate suspected fraud or other financial irregularities to appropriate authorities in their institution or to the USM's Office of Internal Audit; to establish mechanisms that create a confidential and convenient USM "Hotline" for the reporting of such concerns; and, as a result, to advance the deterrence and detection of fraud, unethical practices, and financial irregularities at USM institutions.
- II. **Scope:** This policy describes a non-retaliatory resource ("the Fraud Hotline") for University stakeholders to report perceived fraud, theft and other suspected unethical or illegal business activity. Fraud generally involves a willful or deliberate act, expression, omission or concealment with the intent of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means.

Other incidents that may be reported to the Fraud Hotline include:

- Forgery or unauthorized alteration of institution documents, including checks, bank drafts, computer files, or any other financial document;
- Misappropriation or theft of funds, securities, supplies, or other assets;
- Fraudulent activity relating to research grants and contracts;
- Impropriety in handling or reporting of money or financial transactions;
- Purposely reporting inaccurate financial information;
- Authorizing or receiving compensation for goods not received or services not performed;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/material to the institution that is not consistent with campus or USM policy;
- Destruction, removal, or inappropriate use of institution records, furniture, fixtures, and equipment; and/or unethical procurement practices.

The Fraud Hotline is not intended to replace existing reporting mechanisms for matters such as employment-related complaints, including complaints of discrimination; sexual and other unlawful harassment; and student academic and residential life problems; and health and safety hazards, and criminal behavior not related to financial irregularities. These matters should continue to be addressed through other, existing institution channels, which may include campus human resources, student affairs or law enforcement offices. Health and safety emergencies should be addressed urgently by contacting 911.

The USM Fraud Hotline is also not intended to supplant individual campus channels of communication for the reporting of suspected financial wrongdoing. Employees vendors are engaged in a fraudulent act are encouraged to report such activity to their supervisor, department head, responsible official, or campus Hotline. The USM

## Attachment C

Fraud Hotline provides an additional option for the confidential communication of such concerns.

**III. Hotline Options and Operations:** The USM provides four mechanisms for reporting suspected or known fraudulent, unethical or illegal activities to the USM Office of Internal Audit:

A. Online: A hotline link provided on the homepage of the USM website and operated by USM's Office of Internal Audit.

B. Telephone: A toll free telephone number operated by the USM's Office of Internal Audit, and voicemail messages recorded on the system are accessible only to the Internal Audit staff.

C. Fax: The Office of Internal Audit's direct fax number, which is accessible only to Internal Audit staff.

D. U.S. Mail: Written communication by U.S. Mail to the headquarters of the Office of Internal Audit. Mail directed to the hotline is received by Internal Audit staff.

Upon receipt of an allegation the Office of Internal Audit will evaluate the submission and determine an appropriate strategy for investigating and resolving the situation. As appropriate, institution officials or the Office of the Attorney General and may be asked to conduct or participate in an investigation. Decisions regarding the appropriate response to a report made on the Hotline are otherwise wholly within the discretion of the Office of Internal Audit.

**IV. Protections for Hotline Reporters:** Persons who make reports to the USM Fraud Hotline will have the following protections:

A. Non-Retaliation: Persons using the USM Fraud Hotline will have the full protections of Maryland's Whistleblower Act for state employees (Maryland Code §§ 5-301 thru 5-13 of the State Personnel and Pensions Article).

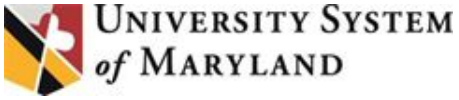
No faculty, administrator, staff, student, or other member of the campus community may be subject to interference, coercion or reprisal for making a fraud hotline report in good faith. The USM and its institutions will not retaliate against any person making a good faith report of an unethical or illegal act, and will not knowingly permit retaliation by any manager, supervisor, faculty, or administrator.

B. Confidentiality: Individuals reporting via the Hotline may choose to identify themselves or remain anonymous. The identity of any person reporting an incident will be used for investigative purposes only and will not be disclosed outside of the investigative team, except under narrow circumstances where disclosure is expressly required by law or necessary to protect the safety of the reporting individual or others. Strict confidentiality otherwise shall be maintained over Hotline documents at all times, and hotline cases should not be discussed with anyone outside of the investigative personnel.

## Attachment C

- V. **Reporting by the Office of Internal Audit:** On an annual basis, the Office of Internal Audit will prepare a USM Hotline Summary Report. The report will be presented to the Board of Regents for review and approval.

The Director of Internal Audit will, on a case-by-case basis, determine if a fraud audit report will be issued for allegations investigated by the Office of Internal Audit. When a report is issued it will include the results of the investigation, and if appropriate, recommendations for further action.



**BOARD OF REGENTS**

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

---

**TOPIC:** Update from ERM and Crisis Management Workgroup

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 15, 2022

The ERM and Crisis Management Workgroup has not met since the Audit Committee's October 2022 meeting.

**FISCAL IMPACT:** none

**CHANCELLOR'S RECOMMENDATION:** none

COMMITTEE ACTION: None

DATE:

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BOARD ACTION: None

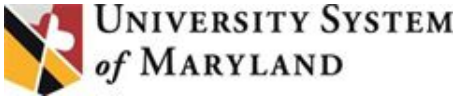
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SUBMITTED BY: David Mosca

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**BOARD OF REGENTS**

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

**TOPIC:** Update of Office of Legislative Audit Activity

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 15, 2022

Since the Committee’s October 2022 meeting, the Office of Legislative Audits (OLA) has not issued any reports.

OLA Engagements Currently Active:

- University System of Maryland Office,
- University of Maryland Eastern Shore,
- Coppin State University; and
- University of Maryland Baltimore.

attachments

**FISCAL IMPACT:** none

**CHANCELLOR’S RECOMMENDATION:** none

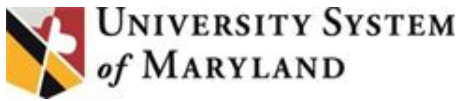
COMMITTEE ACTION: None

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:** December 15, 2022

**SUMMARY:**

See Attachment: Listing of Open Action Items From 2019 – 2022 Audit Committee Meetings.

attachment

**FISCAL IMPACT:** none

**CHANCELLOR'S RECOMMENDATION:** none

COMMITTEE ACTION: none

DATE:

BOARD ACTION: none

DATE:

SUBMITTED BY: David Mosca

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USM Board of Regents  
 Action Items From 2019 - 2022 Audit Committee Meetings  
 10-Jun-22

Action Item

Status

**From October 2022 Audit Committee Meeting**

1.	Include proposed revisions of BOR Policy on Business Entities to Compare to Fundraising Foundation Policy.	Update included in December 2022 Committee Meeting. Policy to be submitted in the January 2023 meeting.
2.	Some recommendations made to finalize BOR Policy on Fundraising Foundations	Policy to be submitted in the January 2023 meeting.

**From June 2022 Audit Committee Meeting**

1.	Update of Fundraising Foundation Policy Development.	Included in October 2022 Committee Meeting.
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**From March 2022 Audit Committee Meeting**

1.	Update of Fundraising Foundation Policy Development.	Included in October 2022 Committee Meeting.
2.	Provide Committee Updates of Prosecution of Former Employee's Theft of Computer Equipment- UMCP	No progress since the June 2022 Meeting.

**From December 2021 Audit Committee Meeting**

1.	Update of Fundraising Foundation Policy Development.	Included in October 2022 Committee Meeting.
2.	Provide Committee an annual analysis report of OLA findings.	Included in FY 2023 Audit Committee Work Plan.

**From June 2021 Audit Committee Meeting**

1.	Obtain review of Fundraising Foundation Policy by the OAG.	Included in October 2022 Committee Meeting.
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**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 October 2022 Committee Meeting.
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**From October 2019 Audit Committee Meeting**

1.	Universities shall submit their ERM plan of implementation to the Audit Committee and annually produce risk dashboards. Internal Audit should audit implementation of ERM.	Ongoing.
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Note: Action items concluded prior to the October 2022 BOR Audit Committee meetings are not included in this schedule.



**BOARD OF REGENTS**

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

**TOPIC:** Convening Closed Session

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 15, 2022

**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.

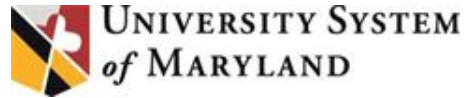
**CHANCELLOR’S RECOMMENDATION:** The Chancellor recommends that the BOR Audit Committee vote to reconvene in closed session.

COMMITTEE ACTION: DATE: 12-15-2022

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: December 15, 2022  
Time: Approximately 10:45 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
  - [ x] (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) [ x ] To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) [ x ] 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) [ x ] 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):

- [ x ] 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 2022 and 2023 internal audit plan of activity; legislative audits currently in progress and the committee meeting separately with the VC of accountability.

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 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's 2022 audit plan of activity and approval of proposed CY 2023 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 meeting with the VC of Accountability (§3-103(b)(1)(ii));