



**UNIVERSITY SYSTEM OF MARYLAND
BOARD OF REGENTS - AUDIT COMMITTEE
OPEN MEETING AGENDA**

June 4, 2024

1. [Information and Discussion – FY 2024 Audit Committee Objectives](#) Mr. Mosca

 2. [Information & Discussion - Single Audit Terminology and Summary of Single Audit Findings – FY23 and FY22](#) Ms. Denson

 3. [Information & Discussion - CliftonLarsonAllen LLP, Audit Approach For FYE 6/30/2024 Independent Audit and Single Audit](#) Ms. Bowman

 4. [Information & Discussion – Update of USM Enterprise Risk Management and Crisis Management Activity](#) Mr. Eismeier
Ms. Herbst

 5. [Information - Office of Legislative Audit Activity – Published Audit Reports](#) Mr. Mosca

 6. [Information & Discussion – Review of Presidents, Chancellor, and Board of Regents CY 2023 Annual Financial Disclosure Compliance](#) Mr. Mosca

 7. [Information & Discussion - Follow up of Action Items from Previous Meetings](#) Mr. Mosca

 8. [Approval - Convene to Closed Session](#) Mr. Pope
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Information and Discussion – FY 2024 Audit Committee Objectives

TOPIC: Information & Discussion – FY 2024 Audit Committee Work Plan & Objectives

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 4, 2024

Attached is a schedule of the Audit Committee’s (Committee) FY 2024 work plan and objectives. The objectives are designed to assist the Committee in fulfilling the requirements of its Charter and Bylaws. The schedule also identifies the objectives addressed at each Audit Committee meeting throughout the year.

On the whole, the Committee has met its objectives and fulfilled its requirements as defined in its Charter and Bylaws.

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 2024**

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

**USM BOR Audit Committee
Annual Work Plan
FY 2024**

Objective	When Performed Audit Committee Meetings						Completed	
	Oct	Dec	Jan	Mar	June	As Needed		
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	Yes	
	Financial Reporting							
19	Review FYE Consolidated Financial Statements	x	x	x			Yes	
20	Review FYE Financial Dashboard Indicators		x				Yes	
21	Review 12/31/23 six month Financial Statements				x		Yes	
	Other							
22	Regularly report to the Board of Regents about Committee activities.	x	x		x	x	Yes	
23	Confirm annually that all responsibilities outlined in the committee's charter have been carried out.					x	Yes	
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	Yes	
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	Yes	
26	Review policies pertaining to Audit Committee	x	x		x		Yes	
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	N/A
28	Update Regarding ERM and Crisis Management		x			x	x	Yes
29	Receive updates of Cybersecurity environment and emerging risks.	x	x		x	x	x	Yes
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				x		Yes
31	Review analysis of Office of Legislative Audit Findings					x		Yes

Information & Discussion - Single Audit Terminology and Summary of Single Audit Findings – FY23 and FY22

TOPIC: Information – Single Audit Terminology and Summary of Single Audit Findings – FY23 and FY22

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 9, 2023

SUMMARY:

The Single Audit Report includes a Schedule of Expenditures of Federal Awards and a Schedule of Findings and Questioned Costs. The auditors perform procedures to determine the accuracy of the amounts reported and compliance of the terms of the grant agreement by the institutions. Findings related to internal control over compliance are described as a deficiency, significant deficiency, material weakness or material noncompliance. For each finding, the Institution is required to submit a corrective action plan, including the steps to correct the issue, identifying the responsible person and the date the corrective action plan will be implemented.

Attached is a summary of the FY23 Single Audit Findings and the FY22 Single Audit Findings that have not been corrected, including a brief description of the finding and when the corrective action plan is expected to be implemented.

The summary also includes the classification of the findings as assessed by the auditors, as a deficiency, significant deficiency, material weakness or material noncompliance. The definition of these terms are as follows:

Deficiency in internal Control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Examples – lack of timely cash deposits, lack of preparation of account reconciliations.

Significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Example – reporting not done on a timely basis, institution not reporting expenditures as required (cumulative vs quarterly reporting)

Material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Example – \$50 million in expenditures reported as research and development expenses that should have been reported as other expenditures. This is a material weakness because of the dollar amount of the error and if not corrected, the appropriate compliance procedures would not have been performed.

Control findings are evaluated for noncompliance and if noncompliance is identified, is the noncompliance material?

Material noncompliance is noncompliance which is systemic leading to a failure to be able to meet a compliance requirement, or noncompliance resulting in questioned costs greater than 5% of the total program costs.

ALTERNATIVE(S): This is an information item.

FISCAL IMPACT: This is an information item.

CHANCELLOR'S RECOMMENDATION: Information item

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

FY22 SINGLE AUDIT FINDINGS

Finding Number	Assistance Listing #	Repeat Finding	Federal Program	Institution	Internal Control		Compliance	Compliance Requirements	Corrective Action Date
					Material Weakness	Significant Deficiency			
2022-005	93.067	No	Global AIDS	UMB	x		x	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	November-23
2022-006	93.067	No	Global AIDS	UMB		x	x	Reporting	November-23
2022-009	84.425	2021-007	Education Stabilization Fund (ESF)	BSU		x	x	Suspension and Debarment	April-24
2022-009	84.425	2021-007	Education Stabilization Fund (ESF)	CSU		x	x	Suspension and Debarment	May-23
2022-010	84.425	2021-006	Education Stabilization Fund (ESF)	BSU		x	x	Reporting - HEERF	July-23
2022-012	84.063 84.268	No	Student Financial Assistance Cluster	BSU		x	x	Special Tests and Provisions – NSLDS Enrollment Reporting	July-23
2022-013	84.063 84.268	No	Student Financial Assistance Cluster	BSU		x	x	Special Tests and Provisions – NSLDS Enrollment Reporting - Timely Reporting	July-23
2022-015	84.063 84.007 84.268 84.379	No	Student Financial Assistance Cluster	BSU		x	x	Special Tests and Provisions - R2T4	December-23
2022-016	84.268	No	Student Financial Assistance Cluster	FSU		x	x	Special Tests and Provisions - Direct Loan Reconciliation	November-23

FY23 SINGLE AUDIT FINDINGS

Finding Number	Assistance Listing #	Repeat Finding	Federal Program	Institution	Internal Control		Compliance	Compliance Requirements	Corrective Action Date
					Material Weakness	Significant Deficiency			
2023-012	84.031	No	Higher Education Institutional Aid	BSU	x		x	Allowable Activities/Allowable Costs - Payroll	May-24
2023-013	84.031	No	Higher Education Institutional Aid	CSU	x		x	Allowable Activities/Allowable Costs - Payroll	July-24
2023-015	84.031 84.425	2022-009	Higher Education Institutional Aid Education Stabilization Fund (ESF)	BSU, CSU, UMES		x		Suspension and Debarment	April - May 24
2023-017	84.425	No	Education Stabilization Fund (ESF)	BSU		x	x	Cash Management	April-24

**Information & Discussion - CliftonLarsonAllen LLP,
Audit Approach For FYE 6/30/2024 Independent Audit
and Single Audit**

TOPIC: CliftonLarsonAllen LLP. – Audit Approach for FYE 2024 Independent Audit and Single Audit

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 4, 2024

SUMMARY:

Materials attached.

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION:

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None.

DATE:

SUBMITTED BY: David Mosca



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University System of Maryland FY 2024 Audit Committee Meeting

June 4, 2024

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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Agenda

Scope and Deliverables

FY23

FY24

Single Audit Plan Overview

Financial Audit Plan Overview

Emerging Issues and Pronouncements





Your Service Plan

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Scope of Services and Deliverables - FY23 Status

Opinion on financial statements for the year ending June 30, 2022 *Issued January 2024*

Single audit testing as part of the State of Maryland Single Audit Report *Issued by April 15, 2024*

Governance communication letter *Issued January 2024*

Campus enrollment agreed-upon procedures *Expected Issuance in April 2024*

Howard P. Rawlings Scholarship Programs agreed-upon procedures *Due by June 1, 2024*



FY23 Single Audit

- Major Programs
 - Education Stabilization Fund ALN 84.425
 - Higher Education Institutional Aid 84.031

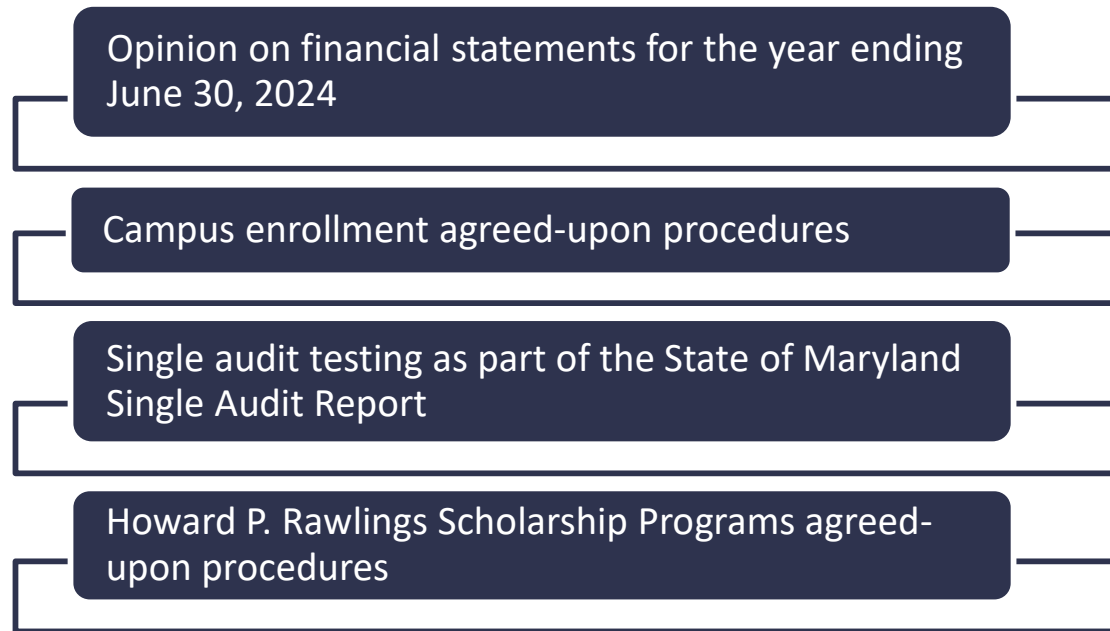


FY23 Single Audit Findings

Finding Number	Assistance Listing #	Repeat Finding	Federal Program	Institution	Internal Control		Compliance	Qualified Opinion	Compliance Requirement
					Material Weakness	Significant Deficiency			
2023-012	84.031	No	Higher Education Institutional Aid	BSU	X		X	X	Allowable Cost and Activities - Payroll
2023-013	84.031	No	Higher Education Institutional Aid	CSU	X		X	X	Allowable Cost and Activities - Payroll
2023-015	84.425, 84.031	2022-009	Education Stabilization Fund (ESF); Higher Education Institutional Aid	CSU, BSU, UMES		X			Suspension and Debarment
2023-017	84.425	No	Education Stabilization Fund (ESF)	BSU		X	X		Reporting - Overdrawing of Funds



Scope of Services and Deliverables - FY24



Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
FY24 Audit Prelim			FY24 Financial Audit- Final								
FY24 Enrollment				FY24 Single Audit							
									FY24 MHEC H.P. Rawlings		





Single Audit Approach

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Single Audit Major Programs

Education Stabilization Fund

- Designated High Risk

Higher Ed Institutional Aid

- High Risk Finding in FY23

TBD

- Based on Statewide Major Program Selection



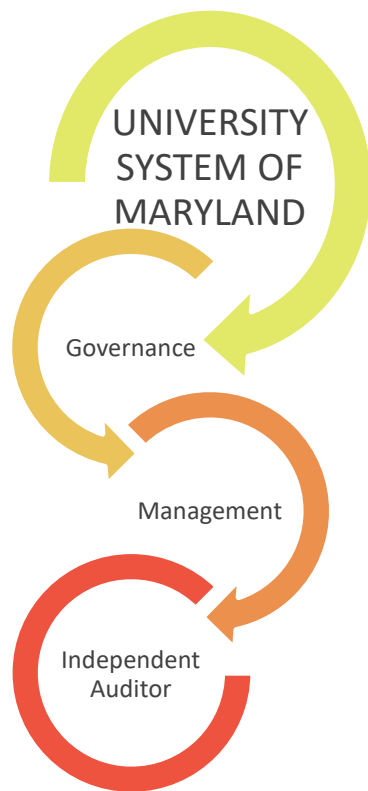


Financial Audit Approach

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Responsibilities



Responsibilities of Parties Involved

Governance

Strategic Direction

Accountability, including financial reporting

Management

Internal Controls

Accounting Policies

Management Decisions

Fair Presentation of Financial Statements

Programs to Prevent and Detect Fraud

Independent Auditor

Opinion on Fair Presentation of Financial Statements

Audit in Accordance with GAAS and GAGAS

Reasonable, not Absolute Assurance

Understanding of Internal Controls

Risk Based Audit Approach



Audit Areas to Emphasize

SAS 143-145, Risk
Assessment
Updates and IT
Approach

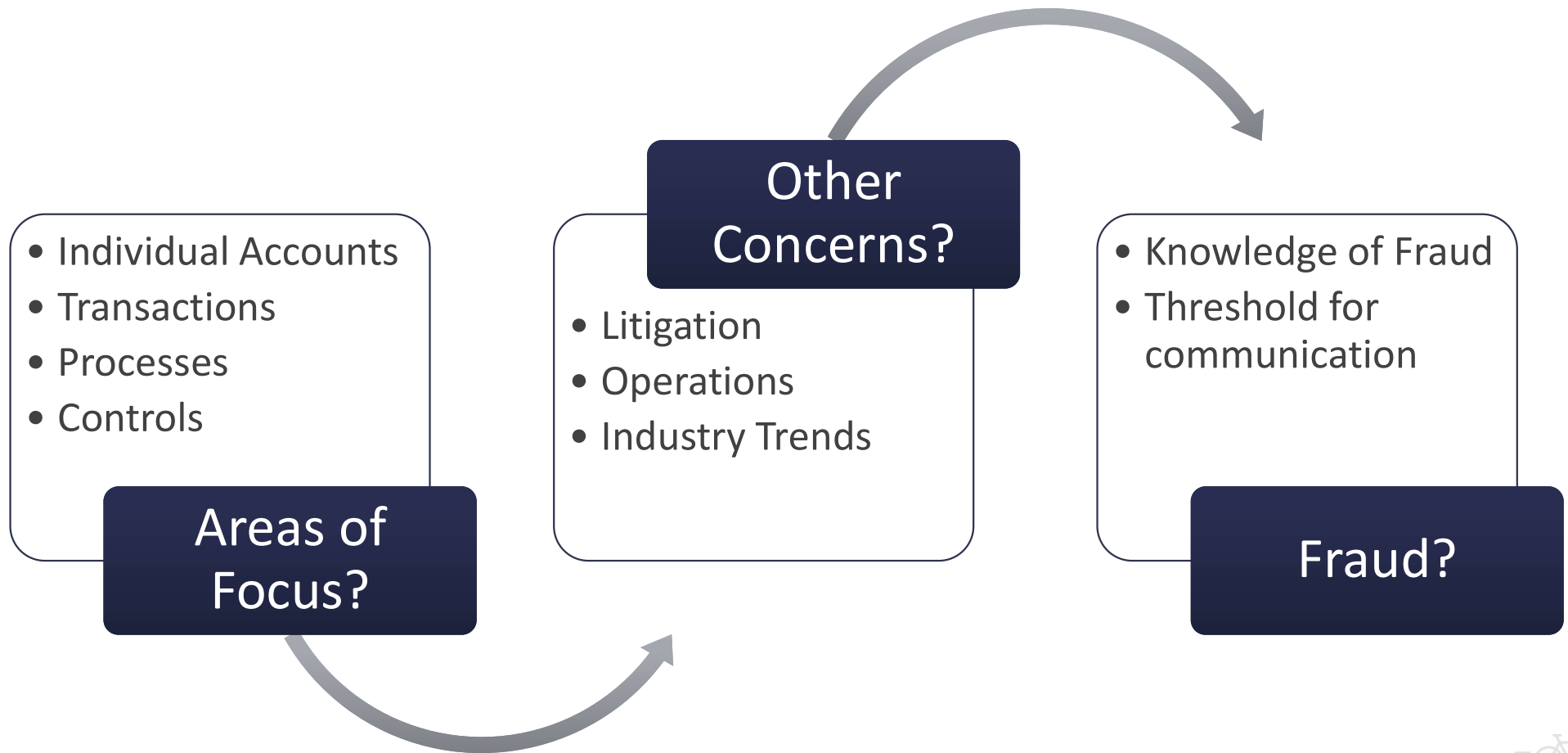
GASB 96, *SBITAs*
Year 2

Workday
Implementations

Education
Stabilization Fund-
funding is ending



Input From Governance





Emerging Issues and Recent Pronouncements

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SIGNIFICANT AUDIT CHANGES

What changed

Auditing standards (SAS 143-145) were modernized for evolving business environment

Effective for 2023 year-end audits

New requirements

Enhanced risk assessment and understanding of estimates

Deeper IT understanding; more inquiries; data requests and testing

Audit impact

More time evaluating controls; more use of IT specialists

Potential for additional recommendations

Greater impact on complex IT systems



Create Opportunities

New Accounting Standards

Accounting for Changes and Error Corrections

- Government Accounting Standards Board Statement No. 100
 - Provides specific guidance for disclosures of changes in accounting principles, accounting estimates, reporting entity and correction of errors.
 - Requires disclosing line items affected by the change even if the beginning balances remain unchanged
 - Effective June 30, 2024



Inflation Reduction Act and Opportunities for Higher Ed



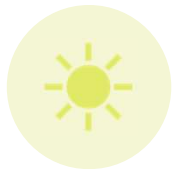
New building construction and renovations



Fleet electrification and charging infrastructure



HVAC improvements



Solar panel installations



Battery storage



Capital project forecasting



Digital helps businesses in 3 ways...



Software systems and infrastructure



Data, automation and AI solutions



Cyber Security and business risk



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Information & Discussion – Update of USM Enterprise Risk Management and Crisis Management Activity

TOPIC: Update of USM's Enterprise Risk and Crisis Management Activity

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 4, 2024

SUMMARY:

Verbal update to be provided.

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE ACTION: none

DATE:

BOARD ACTION: none

DATE:

SUBMITTED BY: David Mosca

Information - Office of Legislative Audit Activity – Published Audit Reports

TOPIC: Update of Office of Legislative Audit Activity

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 4, 2024

Since the Committee's April 2024 meeting, the Office of Legislative Audits (OLA) has not issued audit reports of USM institutions.

OLA Engagements Currently Active:

- Bowie State University,
- University of Maryland, Baltimore,
- University of Maryland College Park,
- University System of Maryland Office,
- Frostburg State University,
- University of Maryland Baltimore County, and
- University of Maryland Global Campus.

attachments

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None

DATE:

SUBMITTED BY: David Mosca

Current Reports

OLA Report Date	Institution	Required disclosures to BPW not completed	Unmonitored Revenues	Interagency Agreements (USM = lack of policy)	Procurement by Other Agencies (USM = lack of policy)	Disbursements Finding: Approvals, Contract Compliance, Support	Procurement Finding: Bidding, Contract Execution	Grand Total
09/30/19	USMO			1				1
08/05/20	ESU			1	1	1		3
05/12/21	BSU					1	1	2
12/03/21	UB						1	1
09/27/22	UMCP						1	1
12/15/22	UMES		1					1
11/06/23	CSU	1						1
Grand Total		1	1	2	1	2	3	10

USM
Summary of Audit Findings per
Office of Legislative Audits
As of May 20, 2024

OLA Report Issued:

	5/12/2021	11/6/2023	8/5/2020	3/5/2024	3/22/2024	12/3/2021	3/1/2023	1/17/2020	2/5/2024	9/27/2022	2/5/2024	11/6/2019	9/30/2019	
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCES	UMCP	UMES	UMGC	USMO	Total
Fiscal Compliance														
Cash Receipts	-	1.00	1.00	-	-	-	1.00	1.00	-	-	-	-	-	4.00
Center and Institutes	-	-	-	-	-	-	-	-	-	-	-	-	1.00	1.00
Conflict of Interest	-	-	-	-	-	1.00	-	-	-	0.50	-	-	-	1.50
Employee Compensation	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00
Financial Account Reconciliations	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00
Financial Aid Adjustments	0.50	-	-	-	-	0.50	1.00	-	-	-	-	-	-	2.00
Financial Aid Awards Without Independent Review	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50
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
Interagency Agreements	-	-	-	-	-	-	-	-	-	-	-	-	1.00	1.00
N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll	-	-	-	-	-	1.00	1.00	1.00	-	2.00	-	-	-	5.00
Procurement / Contract Monitoring	0.50	1.00	2.00	-	-	-	-	-	-	0.50	-	-	-	4.00
Purchases and Disbursements	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50
Student Accounts Receivable	-	-	-	-	-	1.00	-	1.00	-	-	0.50	-	-	2.50
Student Refund Validity Not Confirmed and Issuance Not Verified	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50
Student Residency Verification	-	1.00	-	-	-	-	1.00	-	-	1.00	0.50	1.00	-	4.50
Verification of Financial Aid Application Data Without Independent Review	-	-	-	-	-	0.50	-	-	-	-	-	-	-	0.50
Verification of Vendor Safeguarding Student Sensitive Personal Information (SOC 2 Report)	0.50	-	-	-	-	1.00	-	-	-	-	-	-	-	1.50
IT Areas														
Application System Security	-	-	-	1.00	-	-	-	-	-	-	-	1.00	-	2.00
Database Security	-	-	1.00	-	-	-	-	-	-	-	-	-	-	1.00
Logical Access Security	2.00	-	1.00	-	1.00	2.00	-	-	-	1.00	2.00	-	-	9.00
Network Security	1.00	-	-	1.00	-	-	1.00	1.00	-	2.00	1.00	1.00	1.00	9.00
Personally Identifiable Information	1.00	-	-	-	-	-	-	-	-	-	-	-	-	1.00
Total number of findings per OLA Audit report	7.00	5.00	5.00	2.00	1.00	7.00	6.00	4.00	-	7.00	6.00	4.00	3.00	57.00
														57.00

**Information & Discussion – Review of Presidents,
Chancellor, and Board of Regents CY 2023 Annual
Financial Disclosure Compliance**

TOPIC: Review of Presidents', Chancellor's and Regents' Financial Disclosure Forms

COMMITTEE: Audit

DATE OF BOARD OF REGENTS MEETING: June 4, 2024

In accordance with Md. Education Code Ann. §12-104(p), the Board of Regents (BOR) Bylaws and the BOR Committee on Audit's Charter, the Office of Internal Audit has completed its review of the calendar year 2023 financial disclosure statements from the University Presidents (Attachment A), the Chancellor (Attachment A) and the Board of Regents (Attachment B). We noted that one former Regent had not completed their disclosure as of May 28, 2024.

In October 2021, the State enacted modifications to two of the reporting sections (Schedule C: Ownership in Business Enterprises and Schedule D: Gifts) and added Schedule I: Relationship with State or Local Government, Quasi-Governmental Entity or University of Maryland Medical System (UMMS).

The changes to Schedules C and D are highlighted below. Schedule I is summarized as follows:

You must report any and all relationships with the University of Maryland Medical System (UMMS) or by the state (other than their BOR service), a local government, or a quasi-governmental entity should disclose that relationship. Regents who have a financial interest in or are employed by an entity doing business with UMMS or state or local government or a quasi-governmental entity, such as a regent employed by a law firm performing legal services for the entity or a regent employed by a construction company performing a construction project for the entity, should also disclose that relationship.

The Ethics Commission counsel has stated that those regents (and employees) who serve on the UMMS Board pursuant to Md. Code, Educ. § 13-304 are not required to be disclosed on Schedule I. However, in the interest of transparency and to avoid potential complaints from the public such service should be disclosed. Regents may wish to disclose the service on Schedule I or Schedule X of the form.

The following subjects make up the reporting requirements, which are also summarized in attachments A and B. There are no sections J through W.

Schedule A: Real Property (This section is not required to be completed by the Regents)

You must disclose:

1. Property owned directly, both commercial and residential.
2. Property leased or rented as a tenant, both commercial and residential.
3. A place of residence without a formal agreement, if you provided any monetary contributions to the household.
4. Property owned jointly or through a partnership, limited liability partnership, or limited company in which you held an interest.

Schedule B: Securities (This section is not required to be completed by the Regents)

You must disclose:

1. Shares of stock you own directly or as a part of an Individual Retirement Account (IRA), including a Roth IRA.
2. Bonds issued by corporate entities.
3. Mutual funds and exchange-traded funds (ETFs), ONLY IF they consist primarily of holdings and stock interests in a specific sector regulated by your governmental unit.

Schedule C: Ownership in Business Entities

You must report each interest you held during the reporting period, in business entities that you owned in whole or part, directly or indirectly, jointly and severally, WHETHER OR NOT that entity did business with the State. Pursuant to §5-607(a-1) of the Public Ethics Law, an individual who is required to disclose the name of a business under this section shall disclose any other names that the business is trading as or doing business as. This schedule concerns the reporting of ownership in business entities, other than stocks (which are reported on Schedule B).

You must disclose ownership in a:

1. Corporation
2. Partnership
3. Limited liability partnership (LLP) (Limited Liability Partnership)
4. Limited liability company (LLC) (Limited Liability Company)
5. Sole proprietorship

You are not required to disclose ownership in a sole proprietorship if:

1. The entity did not do business with the State; **AND**
2. You did not earn an income from the entity.

Schedule D: Gifts

You must report each gift you received during the reporting period, along with all gifts given to another person at your direction. You are not required to report a gift received from a member of your immediate family or your parent(s), or any kind of political campaign contributions. Please answer all questions related to each gift or upload a listing of all your gifts with their complete description.

You must disclose gifts with a value of more than \$20, or multiple gifts from the same donor if the gifts had a cumulative value of \$100 or more. Include gifts from:

1. A regulated lobbyist;
2. An entity engaged in activity regulated or controlled by the State;
3. An entity that otherwise did business with the State; or
4. An association or any entity acting on behalf of an association that is engaged only in representing counties or municipal corporations.

For Legislative Staff ONLY:

You need not disclose if you attended a special meal or reception to which a qualifying legislative unit (i.e. all members, either house, a standing committee or a county or regional delegation officially designated for disclosure purposes by the presiding officers) was invited, and the meal/beverage was consumed in the presence of the donor or sponsor.

Schedule E: Debts and Liabilities

You must disclose:

1. Debts you owe to entities if they did business by sales, purchases, contract, or lease of at least \$5,000 with your governmental unit during the reporting period.
 - Typical debts to report are installment loans, mortgages, car loans, or other time-fixed liabilities owed to financial institutions such as banks, credit unions, mortgage companies, and similar entities.
 - Other reportable debts could include those owed to other entities, including merchants, contractors, etc.
2. Debts you owe to entities if the entity was regulated by your governmental unit *Example: Department of Labor, Licensing, and Regulation (DLLR) filers must disclose mortgages owed to financial institutions regulated by the Commissioner of Financial Regulation as that Office is within DLLR.*
3. Debts you owe to regulated lobbyists.
4. Debts your spouse owes, ONLY IF you were involved in the transaction that gave rise to the debt.
5. Debts your dependent children owe, ONLY IF you were involved in the transaction that gave rise to the debt.

Schedule F: Employment and Offices Held

You must disclose:

1. Any outside employment where you earned a salary, WHETHER OR NOT your employer did business with the State.
2. Any unsalaried positions you held, such as an officer or director of a for-profit or not-for-profit organization, but ONLY IF the entity did business with the State.

Schedule G: Spouse

You must report each place of salaried employment held by your spouse during the reporting period, WHETHER OR NOT your spouse's employer did business with the State. You must also report unsalaried offices, directorships, or similar positions for your spouse with any entity that did business with the State. You must also report any solely or partially owned business from which your spouse earned income.

Lobbying Disclosure: If your spouse was a regulated lobbyist with the State during the reporting period, you must also identify each client that engaged your spouse for lobbying purposes.

Schedule H: Dependent Children

You must report each place of salaried employment held by your dependent children during the reporting period, subject to the conditions below. You must also report unsalaried offices, directorships, or similar positions for your dependent children with any entity that did business with the State. You must also report any solely or partially owned business from which your children earned income.

The statement may not include a minor child's employment or business interests unless the employment or business interests are with:

1. The State.
2. An entity regulated by your governmental unit.
3. An entity that has contracts in excess of \$10,000 with your governmental unit.

Schedule I: Relationship with State or Local Government, Quasi-Governmental Entity or University of Maryland Medical System (UMMS)

You must report any and all relationships with UMMS, a governmental entity of the State or a local government in the State, or a **quasi-governmental** entity of the State or local government in the State. For each interest disclosed, including any **attributable** interest, please include the name of the agency, the services performed, and the consideration earned from the financial relationship.

For the purposes of this schedule, a relationship is defined as:

1. Any receipt of compensation for representation of UMMS, a governmental entity of the State or a local government in the State, or a **quasi-governmental** entity of the State or local government in the State.
2. Any financial or contractual relationship, with UMMS, a governmental entity of the State or a local government in the State, or a **quasi-governmental** entity of the State or local government in the State.
3. Any transaction with UMMS, a governmental entity of the State or a local government in the State, or a **quasi-governmental** entity of the State or local government in the State, involving a monetary consideration.

Schedule X: Other

Schedule X is an optional schedule if you have other interests or transactions that have not been disclosed on the previous schedules and which you feel should be disclosed. This is also the chance to add more explanation or clarification to any of your responses on other schedules.

If you served as a member of a State board or commission during the reporting period, please list the name of that board or commission.

(Attachments)

FISCAL IMPACT: Uncertain

CHANCELLOR'S & COMMITTEE ON AUDIT'S RECOMMENDATION:

BOARD ACTION

none

DATE:

**The University System of Maryland
Office of Internal Audit
Summarized Review of State Ethics Commission Financial Disclosures - USM Presidents
Calendar Year 2023**

		Disclosure Sections									
		A	B	C	D	E	F	G	H	I	X
		Real Property	Securities	Business Ownership	Gifts	Debts & Liabilities	Employment and Offices Held	Spouse	Dependent Children	Relationship with Govt. or UMMS	Other
Dr. Heidi Anderson		Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Aminta H. Breaux		Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A	N/A
Dr. William Dennison		Y	N/A	Y	N/A	N/A	Y	N/A	N/A	N/A	N/A
Dr. Gregory W Fowler		Y	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A	N/A
Dr. Mark Ginsberg		Y	Y	N/A	N/A	N/A	Y	Y	N/A	N/A	N/A
Dr. Peter Goodwin		Y	Y	N/A	Y	N/A	Y	Y	N/A	N/A	Y
Dr. Bruce Jarrell		Y	Y	N/A	N/A	N/A	Y	N/A	N/A	Y	N/A
Dr. Anthony Jenkins		Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Ronald Nowaczyk		Y	N/A	N/A	Y	N/A	Y	Y	N/A	N/A	N/A
Dr. Jay Perman		Y	Y	N/A	N/A	Y	Y	N/A	N/A	Y	Y
Dr. Mealnie Perreault		Y	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A
Dr. Darryll Pines		Y	Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A
Dr. Carolyn Ringer Lepre		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Kim Schatzel		Y	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hon. Kurt Schmoke		Y	Y	N/A	N/A	N/A	Y	Y	N/A	N/A	N/A
Dr. Valerie Sheares Ashby		Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Y = Included a Disclosure(s)
N/A = No Disclosure was Made

Auditor's Note - There were no inappropriate conflicts of interests or inappropriate disclosures identified in any of the forms reviewed.
Auditor's Note 2 - There are no sections J - W in the Financial Disclosure Form

The University System of Maryland
Office of Internal Audit
Summarized Review of State Ethics Commission Financial Disclosures - USM Regents
Calendar Year 2023

		Disclosure Sections									
		A	B	C	D	E	F	G	H	I	X
		Real Property	Securities	Business Ownership	Gifts	Debts & Liabilities	Employment and Offices Held	Spouse	Dependent Children	Relationship with Govt. or UMMS	Other
Kevin Anderson		Y	N/A	Y	N/A	N/A	N/A	Y	N/A	N/A	N/A
Kevin Atticks		Y	Y	Y	N/A	N/A	Y	Y	N/A	N/A	Y
Gary Lee Attman		Y	Y	N/A	N/A	Y	Y	Y	N/A	Y	N/A
Andrew J. Bartenfelder		Y	Y	Y	N/A	Y	Y	N/A	N/A	N/A	N/A
Hugh Breslin		N/A	N/A	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ellen Rafferty Fish		N/A	N/A	N/A	N/A	N/A	Y	Y	N/A	N/A	N/A
Robert Michael Gill		Y	Y	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Goefrey J. Gonella		Y	N/A	Y	N/A	N/A	Y	Y	N/A	Y	Y
Linda R. Gooden		N/A	Y	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A
Michelle Gourdine		N/A	N/A	N/A	N/A	N/A	Y	Y	N/A	N/A	N/A
Anwer Hasan		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Farah Helal		N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A
Robert Hur		N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A
Isiah Leggett		Y	Y	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Edward McDonald		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charles McMillen		N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A
Yehuda Neuberger		N/A	N/A	Y	N/A	N/A	N/A	Y	N/A	N/A	Y

Julianne Oberg											
Ayotola Oludayo		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Josiah Parker		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Louis M. Pope		N/A	N/A	Y	N/A	N/A	Y	N/A	N/A	N/A	N/A
Robert D. Rauch		Y	Y	Y	N/A	Y	Y	Y	N/A	N/A	N/A
Steven Sibel		N/A	N/A	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrew Smarick		N/A	N/A	N/A	N/A	N/A	Y	Y	N/A	N/A	Y
Robert Lee Wallace		N/A	N/A	Y	N/A	N/A	Y	Y	N/A	N/A	N/A
William T. Wood		N/A	N/A	Y	N/A	N/A	Y	N/A	N/A	N/A	N/A

Y = Included a Disclosure(s)
 N/A = No Disclosure was Made

Auditor's Note - There were no inappropriate conflicts of interests or inappropriate disclosures identified in any of the forms reviewed.
 Auditor's Note 2 - There are no sections J - W in the Financial Disclosure Form

Information & Discussion - Follow up of Action Items from Previous Meetings

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

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: April 2, 2024

SUMMARY:

Attachment A: Register of Open Action Items From 2022 – 2024 Audit Committee Meetings.

Attachment B: Agreed upon Procedures - Enrollment Reporting. Information Regarding Race Category Exceptions

attachment

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 2022 - 2024 Audit Committee Meetings
 4-Jun-24

Action Item

Status

From April 2024 Audit Committee Meeting

1.	Modify comparison report of USM characteristics with other institutions that have the same bond rating (UMGC endowment per student, footnotes, and report heading - peers vs. institutions with same rating).	Annual report for March 2025 meeting.
2.	Provide updated status of single audit report findings.	Included in June 2024 meeting.
3.	Enrollment reporting. Provide more information regarding race categories.	Included in June 2024 meeting.
4.	Invite Mandiant to make a presentation to audit committee at a future meeting. Include discussion regarding vulnerability trends.	In process.
5.	Verify outsourcing of firm to monitor UMBC's Title IX function per terms of settlement with DOJ.	Outsourcing approved by BOPW in April 2024. Work estimated to begin in summer of 2024 and funded by DOJ.

From December 2023 Audit Committee Meeting

1.	USM to ask members of ERM group to submit weapons policy ahead of next ERM meeting. USM to report back to Audit Committee the existence/non-existence of a weapon policy at each USM institution.	In process.
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From June 2023 Audit Committee Meeting

1.	Include annual discussion of Single Audit terminology and impact of findings.	Included in Committee's 2023 annual work plan. Scheduled for June 2024 meeting.
2.	Provide Committee with semiannual updates on ERM and Crisis Management.	Included in Committee's December 2023 meeting and scheduled for June 2024 meeting.

Note: Action items concluded prior to the April 2024 BOR Audit Committee meeting are not included in this schedule.

FY23 Enrollment Report Findings

ATTACHMENT B

	<u>BSU</u>	<u>CSU</u>	<u>FSU</u>	<u>SU</u>	<u>TU</u>	<u>UB</u>	<u>UMB</u>	<u>UMBC</u>	<u>UMCP</u>	<u>UMES</u>	<u>UMGC</u>
<i>All Registered Students</i>											
1. Actual enrollment as of the institutional freeze date	-	3	-	-	-	-	-	-	-	-	-
2. Race Category	3	1	-	-	1	1	-	-	-	5	-
3. Tuition status category	1	1	-	-	-	-	-	-	-	-	-
<i>First Time, Full Time</i>											
4. Actual enrollment as of the institutional freeze date	-	1	-	-	-	-	N/A	-	-	-	-
5. First-time, full-time status	1	-	-	-	- ^{50/56}	-	N/A	-	-	10	-

RACE CATEGORY SUMMARY									
UNI	STUDENT ID	US CITIZEN	RACE	TUITION STATUS	ATTENDANCE CATEGORY	STUDENT LEVEL	DEGREE SOUGHT	ACADEMIC PROGRAM	NOTES
BSU	2182642	YES	BLACK	OUT OF STATE	PART-TIME	SENIOR	BACHELORS	050601	No application received. Per Keisha Ridley, the university was unable to find one on
BSU	2224830	YES	UNKNOWN	MD RESIDENT	FULL-TIME	FRESHMAN	BACHELORS	080200	Student application reported black as a race, but the university reported the student
BSU	2193082	YES	BLACK	MD RESIDENT	FULL-TIME	SOPHOMORE	BACHELORS	200101	University reports the student as black, but the student application does not report a
CSU	000308313	YES	UNKNOWN	MD RESIDENT	PART-TIME	JUNIOR	BACHELORS	082300	CLA noted the student indicated their race to be white on their application but was reported as "Unknown" on the student roster. CSU was unable to provide an explanation as to why this difference occurred.
TU	0746296	YES	UNKNOWN	OUT OF STATE	PART-TIME	GRADUATE	MASTERS	080100	Student reported race as black on application but the university reports the student as
UB	3119713	YES	UNKNOWN	MD RESIDENT	PART-TIME	UNCLASSIFIED UNDERGRAD	NON-DEGREE	909901	Student race was misreported due to an input error. Per discussion with Natasha Walker, this was because the student application was on paper and the person responsible for input misread the race category. Exception noted.
UMES	1303772	YES	UNKNOWN	MD RESIDENT	FULL-TIME	JUNIOR	BACHELORS	050200	CLA noted the MHEC roster indicates the student's race is unknown, however, the application & peoplesoft system does have a race listed. For graduate students at the time of original acceptance, there was an error in UMES systems for reporting race.
UMES	1290277	YES	ASIAN	OUT OF STATE	PART-TIME	GRADUATE	DOCTORATE (FIRST PROF)	121100	CLA noted that the students application does not have a race listed, however, the university has a race listed.
UMES	1303806	YES	UNKNOWN	MD RESIDENT	FULL-TIME	GRADUATE	DOCTORATE (FIRST PROF)	121100	CLA noted the MHEC roster indicates the student's race is unknown, however, the application & peoplesoft system does have a race listed. For graduate students at the time of original acceptance, there was an error in UMES systems for reporting race.
UMES	1301997	YES	UNKNOWN	MD RESIDENT	FULL-TIME	SENIOR	BACHELORS	092503	CLA noted the MHEC roster indicates the student's race is unknown, however, the application & peoplesoft system does have a race listed. For graduate students at the time of original acceptance, there was an error in UMES systems for reporting race.
UMES	1318170	YES	UNKNOWN	MD RESIDENT	FULL-TIME	FRESHMAN	BACHELORS	010100	CLA noted the MHEC roster indicates the student's race is unknown, however, the application & peoplesoft system does have a race listed. For graduate students at the time of original acceptance, there was an error in UMES systems for reporting race.

Approval - Convene to Closed Session

TOPIC: Convening Closed Session

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 4, 2024

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: 6-4-2024

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: June 4, 2024
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
 - [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) [x] 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, potential legal action or personnel action;; meeting separately with independent auditor's engagement partner and USM's VC of accountability; IT security

matters that pose vulnerabilities of networks, critical IT infrastructure and information resources; and calendar year 2024 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 that would constitute a 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 2024 audit plan of activity by the USM Office of Internal Audit (§ 3-103(a)(1)(i); and
- 6) To carry out an administrative function: the Committee's separate meeting with the VC of Accountability and independent auditors (§3-103(b)(1)(ii).