
AGENDA FOR PUBLIC SESSION

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|---|----------------------------|
| Call to Order | Chair McMillen |
| 1. Approval of Prior Committee Minutes (action) | Mr. McMillen |
| 2. FY 2026 Audit Committee Objectives (information) | Ms. Clark |
| 3. SB & Co, LLC – FYE 6/30/2026 Independent Audit Scope (information) | Ms. Booker |
| 4. Update of USM Enterprise Risk and Crisis Management (information) | Ms. Herbst
Mr. Eismeier |
| 5. Office of Legislative Audit Activity – Published Audit Reports (information) | Ms. Clark |
| 6. Follow up of Action Items from Previous Meetings (information) | Ms. Clark |
| 7. Adjourn/Convening Closed Session (action) | Mr. McMillen |

TOPIC: Approval of Prior Audit Committee Minutes (action)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: June 8, 2026

SUMMARY: The Audit Committee will review the public and closed meeting minutes from its March 24, 2026 meeting and determine whether they accurately reflect the meeting and actions taken.

ALTERNATIVE(S): The committee may defer approval or suggest corrections.

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: Approve the meeting minutes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Jessica Clark



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Open Session
March 24, 2026

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

Regents in attendance included: Mr. McMillen (Chair), Ms. Gooden, Ms. Edwards, Mr. Hasan, Mr. Hur, Ms. Lewis, and Mr. Wood. Also present were: USM Staff – Chancellor Perman, Mr. Acton, Mr. Brown, Mr. Cather, Ms. Clark, Ms. Denson, Mr. Eismeier, Mr. Hayes (phone – open session only), Ms. Herbst, Dr. Masucci, Mr. Mosca, Mr. Sandler, Ms. Wilkerson and Ms. Wrynn; Office of the Attorney General – Ms. Boyle; SB & Co. (USM’s Independent Auditor) – Ms. Booker and Mr. Mark.

The following agenda items were discussed:

1. Approval of Prior Committee Minutes (action)

Motion to approve prior committee minutes – Open Session
[Moved by Ms. Lewis, seconded by Mr. McMillen, unanimously approved.]

Motion to approve prior committee minutes – Closed Session
[Moved by Ms. Gooden, seconded by Mr. McMillen, unanimously approved.]

The Regents approved the minutes from the prior meeting.

2. USM's Half Year (12/31/2025) Financial Statements & Financial Comparison Analysis to Peer Institutions and Financial Dashboard (information)

USM’s Director of Financial Reporting/Comptroller presented:

- Key Points Associated with USM's Half Year (12/31/2025) Financial Statements
- Financial Comparison Analysis to Peer Institutions

3. Affiliated Foundation and Business Entity Policy Compliance Status (information)

USM’s Comptroller presented an update of the compliance status Affiliated Foundations and Business Entities at USM institutions.

4. Update Regarding FY 2025 Single Audit & Enrollment Reporting (information)

USM external auditor, Ms. Booker, presented a status update on the Single Audit.

5. Update of USM Enterprise Risk and Crisis Management (information)

USM's Associate Vice Chancellor for Information Technology/CIO presented an update of USM institutions' enterprise risk management activities.

6. Office of Legislative Audit Activity - Published Audit Reports (information)

USM's Vice Chancellor for Accountability presented an update on audits presently conducted at USM institutions by the Office of Legislative Audit.

7. Activity Follow up of Action Items from Previous Meetings (information)

USM's Vice Chancellor for Accountability presented a status update of action items from prior audit committee meetings.

8. Convene to Closed Session

Mr. McMillen read aloud and reference 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 Ms. Gooden, seconded by Mr. McMillen, unanimously approved.]

The closed session convened at approximately 10:54 a.m.



**BOARD OF REGENTS
COMMITTEE ON AUDIT**
Minutes from Closed Session
March 24, 2026

Mr. McMillen 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. Gooden, seconded by Mr. McMillen; unanimously approved.] The closed session commenced at approximately 10:54 a.m. This meeting was conducted via videoconference.

Regents in attendance included: Mr. McMillen (Chair), Ms. Gooden, Ms. Edwards, Mr. Hasan, Mr. Hur, Ms. Lewis, and Mr. Wood. Also present were: USM Staff – Chancellor Perman, Mr. Acton, Mr. Brown, Mr. Cather, Ms. Clark, Ms. Denson, Mr. Eismeier, Ms. Herbst, Dr. Masucci, Mr. Mosca, Mr. Sandler, Ms. Wilkerson and Ms. Wrynn; Office of the Attorney General – Ms. Boyle; SB & Co. (USM’s Independent Auditor) – Ms. Booker and Mr. Mark.

The following agenda items were discussed:

1. USM’s Associate Vice Chancellor for Information Technology/CIO provided an update of USM’s Cyber Security Environment. (§3-305(b)(10)).
2. Chief of the Higher Education Division of OAG provided an update of USM Legal Matters from OAG. (§3-305(b)(12)).
3. USM’s Vice Chancellor for Accountability provided an update of the Office of Legislative Audits’ activity currently in process. (§3-305(b)(13)).
4. USM’s Vice Chancellor for Accountability provided an update of the Office of Internal Audit’s Audit Plan of Activity for Calendar Year 2026. (§3-103(a)(1)(i)).
5. USM’s Vice Chancellor for Accountability discussed reported allegations received by the Office of Internal Audit through its Fraud Hotline. (§3-305(b)(12)).
6. The Committee members met separately with the Independent Auditors and the Vice Chancellor for Accountability. (§3-103(a)(1)(i)).

Closed session adjourned at 11:43 a.m.

TOPIC: FY 2026 Audit Committee Work Plan & Objectives (information)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: June 8, 2026

SUMMARY: Attached is a schedule of the Audit Committee's (Committee) FY 2026 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.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Jessica Clark

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

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 Vice Chancellor for Accountability 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 Vice Chancellor for Accountability to discuss any matters that the committee or the VC 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 the Single Audit.				x			Yes
16	Discuss the scope of external auditors' review of internal control over financial reporting.		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 2026**

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 12/31/25 six month Financial Statements				x			Yes
Other								
22	Regularly report to the Board of Regents about Committee activities.	x	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		Yes
29	Receive updates of Cybersecurity environment and emerging risks.	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		In Process
31	Review analysis of Office of Legislative Audit Findings	x			x	x		Yes

TOPIC: SB & Co, LLC – FYE 6/30/2026 – Independent Auditor Planning

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 8, 2026

SUMMARY: Materials attached.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Jessica Clark



Certified Public
Accountants &
Business Advisors

UNIVERSITY SYSTEM OF MARYLAND PLANNING MEETING WITH THE AUDIT COMMITTEE



UNIVERSITY SYSTEM
of MARYLAND

Fiscal Year Ending June 30, 2026

June 8, 2026



Engagement Team Leadership



Gray Smith, CPA
Client Service Partner

- Over 40 years of public accounting experience
- Graduate of Hampton University
- Chief Executive Officer of the firm
- Former member of Federal Accounting Standards Advisory Board
- Former Arthur Andersen and Ernst & Young Partner
- Former Andersen College and University East Coast Lead



Monique Booker, CPA
Engagement Partner

- Over 30 years of public accounting experience
- Graduate of Hampton University
- Leads SBC's education sector
- Current member of AICPA's Executive Committee of Government Audit Quality Center
- Former member of AICPA's Auditing Standards Board
- Former Arthur Andersen Senior Manager



Stephen Mackall, CPA
Audit Partner

- Over 13 years of public accounting experience
- Graduate of Towson University
- Former Manager at KPMG, LLP



Richard Lee, CPA
Engagement Senior Manager

- Over 10 years of public accounting experience
- Graduate of Purdue University
- Former Senior Manager at KPMG, LLP

Audit Approach



- **Central Testing**
 - Cash & investments
 - Debt and worker's compensation
 - Appropriations
 - Net Pension liability
 - OPEB liability
- **3 Levels of Institution Testing (Rotation)**
 - Audit
 - Review
 - Analytical
- **Significant Risk Items at Institutions**
 - Grant accounting
 - TBD
- **Federal Grant Compliance**
 - Rotation of single audit institutions

Level of Testing by Scope

Level	Understand Control Environment	Understand Effectiveness of the Design of Controls	Testing Effectiveness of Key Controls	Understand Financial Close Process	Financial Misstatement Analysis	Substantive Testing	Evaluate General IT Controls	Evaluate Applications IT Controls
Audit	X	X	X	X	X	X	X	X
Review	X	X		X	X	X*		
Analytical				X	X	X*		

* Certain substantive testing for high risk/problem areas

Scope and Location of Testing



Institution	2026 Scope of Work				2025 Scope of Work				2025 Totals	
	Audit	Review	Analytical	Single Audit	Audit	Review	Analytical	Single Audit	Assets	Operating Revenues and State Appropriations
Bowie State University			X			X			\$ 550,461,518	\$ 187,460,839
Coppin State University		X					X		355,655,107	99,015,233
Frostburg State University			X				X		330,491,073	108,504,500
Headquarters (cash, investments, debt)			X				X		629,899,960	31,137,012
Salisbury University	X			X		X			594,144,995	208,786,858
Towson University	X			X		X			1,580,328,234	505,213,950
University of Baltimore	X			X			X		302,577,391	133,459,968
University of Maryland Center for Environmental Science			X				X		102,489,916	59,238,142
University of Maryland Eastern Shore			X			X			317,121,327	158,739,005
University of Maryland Global Campus		X			X			X	566,535,387	456,392,484
University of Maryland, Baltimore		X			X			X	1,882,048,209	1,502,208,995
University of Maryland, Baltimore County		X			X			X	1,082,929,792	632,504,653
University of Maryland, College Park	X			X	X			X	4,086,088,965	2,672,736,375

	Audit		Review		Analytical		Total
Total Assets	\$ 6,563,139,585	53%	\$3,887,168,495	31%	\$1,930,463,794 *	16%	\$12,380,771,874
Total Operating Revenues and State Appropriations	\$ 3,520,197,151	52%	\$2,690,121,365	40%	\$ 545,079,498	8%	\$ 6,755,398,014

*Approximately \$805 million of the assets of analytical institutions represents 42% of assets of the analytical institutions that will be substantively tested centrally

Engagement Timeline



Timing	Event
April	Planning meeting with System Headquarters
June	Audit Committee planning meeting
June/July	Preliminary fieldwork, including preliminary single audit testing
July	Meet with management to discuss preliminary results
July/August	Single audit testing, enrollment testing and IT environment review
September/October	Final fieldwork
October/November	Exit conference with institutions regarding findings and recommendations
November	Meet with Audit Committee to review Financial Statement draft and observations
December	Audit Committee presentation on financial results
December/January	Complete single audit testing and findings
March	Audit Committee presentation on single audit results

Assessment of Control Environment

Area	Points to Consider
Control Environment	<ul style="list-style-type: none"> ▪ Key executive integrity, ethics, and behavior ▪ Control consciousness and operating style ▪ Commitment to competence ▪ Exercise oversee responsibility ▪ Organizational structure, responsibility, and authority ▪ Enforce accountability ▪ HR policies and procedures
Risk Assessment	<ul style="list-style-type: none"> ▪ Define objectives and risk tolerances ▪ Identify, analyze, and respond to risk ▪ Assess fraud risk ▪ Identify, analyze, and respond to change ▪ Mechanisms to anticipate, identify, and react to significant events ▪ Processes and procedures to identify changes in GAAP, business practices, and internal control
Control Activities	<ul style="list-style-type: none"> ▪ Design control activities ▪ Design activities for the information system ▪ Implement control activities ▪ Existence of necessary policies and procedures ▪ Clear financial objectives with active monitoring ▪ Logical segregation of duties ▪ Periodic comparisons of book-to-actual and physical count-to-books ▪ Adequate safeguards of documents, records, and assets ▪ Assess controls in place

Assessment of Control Environment (cont.)

Area	Points to Consider
Information and Communication	<ul style="list-style-type: none"> ▪ Use quality information ▪ Communicate internally ▪ Communicate externally ▪ Adequate performance reports produced from information systems ▪ Information systems are connected with business strategy ▪ Commitment of HR and finance to develop, test, and monitor IT systems and programs ▪ Business continuity and disaster plan for IT ▪ Established communication channels for employees to fulfill responsibilities ▪ Adequate communication across organization
Monitoring	<ul style="list-style-type: none"> ▪ Perform monitoring activities ▪ Remediate deficiencies ▪ Periodic evaluations of internal controls ▪ Internal audit function ▪ Implementation of improvement recommendations

Evaluation of Key Processes

Process	Function
Treasury	<ul style="list-style-type: none"> ▪ Cash Management ▪ Investment Accounting ▪ Investment Monitoring ▪ Investment Valuation ▪ Investment Policy ▪ Reconciliation ▪ Debt Accounting
Estimation	<ul style="list-style-type: none"> ▪ Methodology ▪ Information ▪ Calculation
Financial Reporting	<ul style="list-style-type: none"> ▪ Accounting Principles and Disclosure ▪ Component Unit and Affiliate Monitoring ▪ Closing the Books ▪ General Ledger and Journal Entry Processing ▪ Verification and Review of Results ▪ Report Preparation
Purchase Cards/Travel and Entertainment Reimbursement	<ul style="list-style-type: none"> ▪ Card Issuance and Collection ▪ Training ▪ Purchase Accounting and Approval ▪ Monitoring ▪ Purchase Approval ▪ Travel and Entertainment Reimbursement

Evaluation of Key Processes (cont.)

Process	Function
Expenditures	<ul style="list-style-type: none"> ▪ Purchasing ▪ Receiving ▪ General Ledger Coding ▪ Accounts Payable and Cash Disbursement
Payroll	<ul style="list-style-type: none"> ▪ Hiring ▪ Attendance Reporting ▪ Payroll Accounting and Processing ▪ Payroll Disbursements ▪ Separation ▪ Contract Management
Revenue	<ul style="list-style-type: none"> ▪ Billing ▪ Cash Receipts ▪ Revenue Recognition ▪ Cutoff
Fixed Assets	<ul style="list-style-type: none"> ▪ Physical Custody ▪ Asset Accounting ▪ Depreciation ▪ Retirement Obligations ▪ Asset Retirement and Disposal ▪ Project Management

Evaluation of Key Processes (cont.)

Process	Function
Inventory	<ul style="list-style-type: none"> ▪ Physical Custody ▪ Inventory Accounting ▪ Valuation
Information Technology	<ul style="list-style-type: none"> ▪ Logical Access Controls ▪ Program Changes ▪ System Operations ▪ System Migration ▪ Physical and Environmental Controls ▪ Back-up and Recovery ▪ Networks and Communication ▪ Cloud Service Providers ▪ Encryption ▪ System Maintenance/Software Versions ▪ Information Technology Policy Framework ▪ Cybersecurity Preparedness ▪ Graham Leach Bliley Act (GLBA) ▪ Third Party Processors

Evaluation of Key Processes (cont.)

Process	Function
Grant Compliance	<ul style="list-style-type: none">▪ Acceptance▪ Grant Oversight▪ Compliance▪ Reporting▪ Monitoring▪ Accounting▪ Billing and Collection▪ Grant Close Out

New GASB Pronouncements

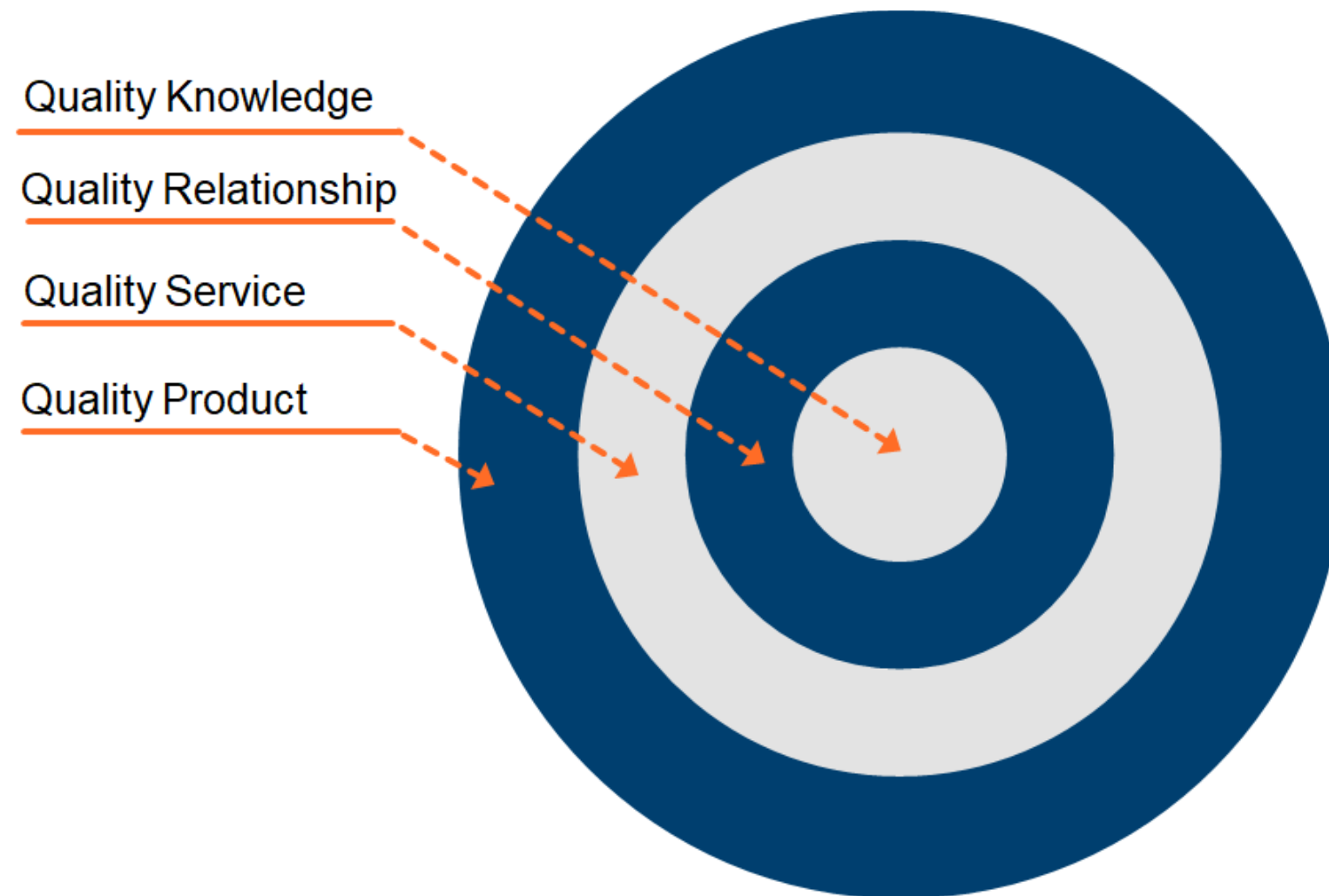
- *GASB 103 – Financial Reporting Models (effective FY2026)*
 - Improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.
 - Outlines requirements for information in and presentation of MD&A, unusual or infrequent items, and Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. No significant changes to existing requirements.
- *GASB 104 – Disclosure of Certain Capital Assets (effective FY2026)*
 - Requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed.
 - Also requires additional disclosures for capital assets held for sale.

New GASB Pronouncements (cont.)



- *GASB 105 – Subsequent Events (effective FY2027)*
 - Improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.
 - This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

SBC Client Service Model



Your Expectations and Communications of Us

Risk areas that are concerns to you

Prior audit or reporting issues you wanted to discuss with us

Significant current year transactions and concerns to you

Expectations of us

Communications with you

Engagement Team

Contact Information



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Knowledge,
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Client Service.

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TOPIC: Update on USM's Enterprise Risk and Crisis Management

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: June 8, 2026

SUMMARY:

Update of top five institutional ERM risks will be discussed at the October meeting.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca (443) 367-0035

TOPIC: Update of Office of Legislative Audit Activity (information)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: June 8, 2026

SUMMARY:

Since the Committee's March 2026 meeting, the Office of Legislative Audits (OLA) has not issued any audit reports on University System of Maryland institutions.

OLA is currently working on its audit at UMES. There are no other active OLA audits of USM institutions.

Attachment.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Jessica Clark

USM
Summary of Audit Findings per
Office of Legislative Audits
As of 05/12/26

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	Total
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCES	UMCP	UMES	UMGC	USMO	
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

TOPIC: Follow up of Action Items from Prior Meetings (information)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: June 8, 2026

SUMMARY:

Register of Open Action Items from Prior Audit Committee Meetings is attached.

ALTERNATIVE(S): none

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Jessica Clark

USM Board of Regents
 Action Items From Prior Audit Committee Meetings

Action Item

Status

From March 2026 Audit Committee Meeting

1.	Discussion of Top 5 risks (ERM) from each institution	Will be discussed during the October 2026 meeting.
----	---	--

From December 2025 Audit Committee Meeting

1.	At the next IT security update to the Audit Committee, provide an assessment of where Institutions are regarding these three best practices: (1) vulnerability patch management. Having a standard and efficient process to keep track of and identify vulnerabilities within your systems and software as they emerge. (2) Social engineering awareness and training. Improve that human weakest link since it's the vast majority of where compromises happen. Threat actors are using valid credentials that they get from users and are able to install information, stealing malware, often on someone's personal device. Teaching users and having a higher level of security awareness and training is important. (3) Examining cloud resources and data repositories and identifying and reviewing the configurations that you currently have to ensure that data is not exposed to the open web or to the public that is not meant to be. Perform a review of your cloud resources and data repositories to make sure that they're sufficiently locked down the way they should be with least privilege access.	In process. USMO Cybersecurity
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From June 2025 Audit Committee Meeting

1.	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.
2.	Request that next year's ERM report provide an update as to how the institutions are handling privacy (PII) issues.	USMO ERM

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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Note: Action items concluded prior to the March 2026 BOR Audit Committee meeting are not included in this schedule.

TOPIC: Adjourn/Convening Closed Session (action)

COMMITTEE: Committee on Audit

DATE OF COMMITTEE MEETING: June 8, 2026

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: June 8, 2026

Time: Approximately 11:00 AM

Location: Zoom

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

(1) To discuss:

- (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - (ii) Any other personnel matter that affects one or more specific individuals.
- (2) To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) To consider the investment of public funds.
- (6) To consider the marketing of public securities.
- (7) To consult with counsel to obtain legal advice.
- (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, review of the office of internal audit's CY 2026 plan of activity, meeting separately with independent auditor's engagement partner and USM's VC of

accountability; and discussion of IT security matters that pose vulnerabilities of networks, critical IT infrastructure and information resources;

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 2026 internal audit plan of activity. (§ 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).