

BOARD OF DIRECTORS AUDIT COMMITTEE MEETING MINUTES

May 22, 2025

LOCATION: Headquarters/Video Call

TIME: 9:35 a.m.

COMMITTEE

MEMBERS PRESENT: Moalie Jose, Chair (video)
Brendon Baatz, Treasurer (video)
Shelley L. Heller, Board Chair (video)
Charles Glass, Ph.D., P.E., Executive Director

COMMITTEE

MEMBERS ABSENT: Dereck E. Davis, State Treasurer

OTHERS PRESENT: James Johnson, Jr., Ph.D., P.E. Winsome Condra
Priscilla Carroll, Esq. (video) Kanishk Sharma
Pamela Fuller Casey Powers (video)
Hament Patel Monique Booker, SB & Company
(video)

CALL TO ORDER

Ms. Jose called the meeting to order at 9:35 a.m. Some Board members and staff were present at Maryland Environmental Service (MES) Headquarters, and other Board members and staff participated via Zoom video call. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Jose requested a discussion or a motion for the approval of the minutes of the Audit Committee meeting of October 24, 2024. No corrections or objections were noted, and the minutes were unanimously approved.

SB & COMPANY FY25 AUDIT PLAN

Ms. Booker from SB & Company reviewed the FY25 audit plan. The scope of services will include an audit of the FY25 financial statements, single audit, schedule of indirect costs, and availability year-round for consultation. She reviewed the key phases of the audit process and the projected timeline. The planning has already begun, and preliminary fieldwork is scheduled to begin in June. The final report will be ready by the end of October. The risk-based audit approach focuses on risk, controls, and account misstatements. The engagement team was identified, and contact information was provided. There were no questions.

Ms. Booker left the meeting at 9:55 a.m.

PROCUREMENT POLICIES

Ms. Winsome presented two procurement policies that have arisen out of the PIT process. The policies are projected to go live by July 1, and training will be provided.

The Procurement Policy (Proc 1.01) clarifies the regulations and provides more elaboration on procedures. One aim of the policy is to prevent purchase orders from being issued after an invoice arrives.

The P-Card Policy (Proc. 1.02) details the criteria and controls for purchasing cards. It addresses the roles and duties of employees. Quarterly audits of p-card purchasing will be conducted.

Ms. Heller moved to recommend approval of both policies; Mr. Baatz seconded. The motion passed unanimously.

INTERNAL AUDIT REPORT

Ms. Winsome presented the Internal Audit (IA) quarterly report.

Audit 24-01 Duplicate payment review was completed on December 18, 2024. It assessed Accounts Payable controls to manage duplicate invoices submitted by vendors and mitigate the risk of duplicate payments. Review of the supplier information will be conducted annually.

Audit 25-01 Poplar Island Contract Management Review and Audit 25-02 Midshore II site management review will begin in July and should be completed by August 2025.

Special Audit SP25-01 Review of the Maintenance Staff Tasks was completed in December. It examined maintenance management practices from July 2023 to August 2024. A lack of strong controls was identified. Corrective actions have been implemented to rectify the discrepancies, including standard operating procedures for logbook entries, photo documentation, and GPS in the work trucks.

The following audits are planned for FY25/26:

**Board of Directors
Audit Committee Meeting
May 22, 2025
Page 3**

- 26-01 – Review of safety communication and implementation processes – Montgomery County Material Recycling Facility (MRF) and grinding lot.
- 26-02 – Inventory management review – Masonville
- 26-03 – Review of marketing contract management processes
- 26-04 – Review of the reimbursable contractor agreements

MES IA staff have also completed billable work on several projects. The Maryland Department of Emergency Management Covid Close-out project will be completed in September. Staff continue to assist the Maryland Department of the Environment with Procurement and Water Infrastructure Finance Administration (WIFA) process improvements.

OLD/NEW BUSINESS

The next Audit Committee meeting is scheduled for Thursday, October 23, 2025, at 9:30 a.m.

ADJOURNMENT

The meeting adjourned at 10:20 am.



[Moalie Jose \(Oct 23, 2025 14:12:58 EDT\)](#)

**MOALIE JOSE
CHAIR, AUDIT COMMITTEE**