



Wes Moore GOVERNOR

Aruna Miller LT. GOVERNOR

Charles Glass, Ph.D., P.E. EXECUTIVE DIRECTOR

## **BOARD OF DIRECTORS AUDIT COMMITTEE MEETING MINUTES**

**October 23, 2025**

**LOCATION:** Headquarters/Video Call

**TIME:** 9:31 a.m.

### **COMMITTEE**

**MEMBERS PRESENT:** Moalie Jose, P.E., Chair (video)  
Sean Coleman, Esq., Board Secretary  
Andrew Kelson, designee for Rebecca Flora, AICP (video)  
Shelley L. Heller, Board Chair (video)  
Charles Glass, Ph.D., P.E., Executive Director

### **COMMITTEE**

**MEMBERS ABSENT:**

**OTHERS PRESENT:**

Brendon Baatz, Board Treasurer (video)	Winsome Condra, Internal Audit
Priscilla Carroll, Esq. (video)	Casey Powers IT (video)
Pamela Fuller, Board Clerk	Monique Booker, SB & Company (video)
Hament Patel, Finance	

## **CALL TO ORDER**

Ms. Jose called the meeting to order at 9:31 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 May 22, 2025. No corrections or objections were noted, and the minutes were unanimously approved.

### **SB & COMPANY FY25 AUDIT PLAN**

Ms. Monique Booker of SB & Company presented the results of the Fiscal Year 2025 external audit of the Maryland Environmental Service. Ms. Booker provided an overview of the audit scope and methodology, explaining that the audit was conducted in accordance with applicable auditing standards and focused on MES's financial statements, internal controls, and compliance with relevant laws and regulations. She summarized the audit process, including planning activities, fieldwork, and coordination with MES management. They are issuing an unmodified, unqualified opinion, which is the best available outcome. The single-audit and indirect cost audit are still in the testing phase. There were no material weaknesses noted. This is a risk-based audit, not a fraud audit, but no fraud was detected.

Ms. Booker discussed the auditors' observations and audit findings, including matters related to financial reporting, internal control considerations, and compliance requirements. She addressed any reportable conditions or recommendations, if applicable, and described how such matters were communicated to management. Ms. Booker also reviewed management's responses to audit observations and noted any corrective actions taken or planned.

In addition, Ms. Booker reviewed required communications to the Audit Committee, including auditor independence, significant accounting policies, estimates, and judgments, as well as any significant difficulties encountered during the audit. She confirmed SB & Company's continued independence in connection with the FY25 audit.

Committee members asked questions and discussed the audit results with Ms. Booker, including topics related to internal controls, financial reporting processes, and overall audit conclusions.

Ms. Booker left the meeting at 10:12 a.m.

### **INTERNAL AUDIT REPORT**

Ms. Winsome Condra presented an update on Internal Audit activities, including audits currently in progress, upcoming audit work, staffing updates, risk assessment planning, and billable project activity.

Ms. Condra reported that multiple audits were underway at various stages, including reviews related to contract management, site management, retiree medical reimbursement, biosolids billing, procurement card activity, and safety communication and implementation processes. Audits were noted to be in the planning, testing, or reporting phases, as appropriate.

Ms. Condra advised the Committee that the Fiscal Year 2026 audit schedule had been developed and that planning was underway for the Fiscal Year 2027 and Fiscal Year 2028 risk assessment and audit plan, with results anticipated to be presented to executive leadership and the Board in May 2026.

A staffing update was provided, including the addition of a Lead Internal Audit Specialist, strengthening Internal Audit resources and capacity.

Ms. Condra also summarized billable project activity, reporting on Internal Audit support provided to external projects, including COVID close-out work and procurement and water infrastructure finance activities.

## **OLD/NEW BUSINESS**

Mr. Baatz raised the topic of artificial intelligence (AI) and requested that MES begin considering agency-level actions related to the use, governance, and oversight of AI technologies.

Mr. Baatz emphasized the increasing prevalence of AI tools across public and private sector organizations and noted the potential relevance of such technologies to MES operations. He encouraged management to evaluate how AI may be used responsibly to improve efficiency, decision-making, and service delivery, while also recognizing the need for appropriate controls.

Mr. Baatz requested that MES explore next steps, which may include assessing current or potential AI use within the agency, identifying risks and opportunities, and considering whether formal policies, guidelines, or governance structures should be developed to ensure appropriate oversight, data protection, and alignment with public sector obligations.

The Committee indicated that the matter would be taken under advisement and that any future consideration of AI use at MES would need to be evaluated within the context of existing information technology controls, security requirements, and public sector responsibilities. No formal action or policy direction was taken at the meeting.

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The discussion concluded with an understanding that the issue may be revisited at a future meeting, as appropriate, following further evaluation or at the request of the Committee.

The next Audit Committee meeting is scheduled for Thursday, May 21, 2026, at 9:30 a.m.

**ADJOURNMENT**

The meeting adjourned at 10:39 am.

  
Moalie Jose (May 22, 2026 09:23:33 EDT)

**MOALIE JOSE  
CHAIR, AUDIT COMMITTEE**






# Minutes - Audit Comm - October 2025

Final Audit Report

2026-05-22

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