

# Audit Report

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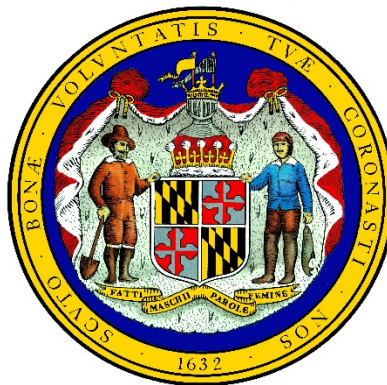
## Morgan State University

February 2026

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### Public Notice

**In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.**



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**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

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**DEPARTMENT OF LEGISLATIVE SERVICES**  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

February 6, 2026

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of Morgan State University (MSU) for the period beginning May 1, 2021 and ending June 30, 2025. MSU operates under a Board of Regents and offers baccalaureate, masters, and doctoral degree programs. MSU has been officially designated by State law as Maryland's preeminent public urban research university.

Our audit disclosed that MSU continued to obtain unarmed security guard services under an expired emergency contract from March 2016 without seeking subsequent competition, a condition noted but not corrected from our prior report. As of June 2025, since the initial emergency procurement, MSU's payments to this vendor totaled approximately \$29.4 million. During the current audit period, MSU continued to obtain unarmed security guard services from the vendor without a competitive procurement or a formal contract. Furthermore, MSU could not support the basis for the rates being paid to the vendor which were significantly higher than the hourly rate in the 2016 contract and the rates paid by two other State agencies for similar services.

Our audit also identified concerns with MSU's procurement processes. In this regard, MSU did not always publish solicitations and/or awards, obtain Board of Public Works approval, secure vendor proposals and bids, and submit certain required annual reports. For example, our review of 14 procurements totaling \$69.3 million (each over \$100,000), disclosed that MSU did not publish the solicitations and/or awards for 8 procurements totaling \$37.4 million. The failure to publish the solicitation and award is significant because 3 of these procurements were awarded based on a single proposal/bid. These conditions

were caused, at least in part, because MSU's *Procurement Policies and Procedures* had not been updated since 2005 and did not accurately reflect current procurement requirements and practices.

We also found that MSU did not always ensure invoices were properly supported, goods and services were received, and vendors were paid timely. For example, our test of 56 invoices totaling \$21 million disclosed that MSU paid 5 invoices totaling \$583,000 prior to the related goods or services being received including 3 totaling \$267,900 for which the goods and services still had not been received as of October 2025. In addition, for 4 other invoices totaling \$297,400, MSU did not have adequate documentation to support amounts invoiced and paid were consistent with the related contracts. Similar conditions were commented upon in our two preceding audit reports dating back to January 2019 but were not sufficiently corrected.

In addition, MSU did not have comprehensive procedures to ensure criminal background checks were properly completed for dining and catering services and unarmed security guard vendor employees. As a result, MSU did not identify one unarmed security guard employee who had a criminal background and was assigned to work at MSU. MSU was not aware of the individual's conviction for possession of narcotics with intent to distribute before we brought it to their attention. Upon being notified, MSU and the vendor investigated this matter that resulted in the immediate termination of the vendor's employee in December 2025.

We also noted that MSU did not ensure that employees who were terminated or left State service were promptly removed from the payroll, resulting in improper payments to at least eight former employees totaling approximately \$150,000. For example, MSU identified that it paid a retired employee \$51,000 for seven months after leaving State service, but as of November 2025, \$48,000 had not been recovered.

Furthermore, our audit disclosed a cybersecurity-related finding. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the finding from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before the report is made available to the public. The term "cybersecurity" is defined in the State Finance and Procurement Article, Section 3.5-301(c), and using our professional judgment we have determined that the redacted finding falls under the referenced definition. The specifics of the cybersecurity finding were

previously communicated to those parties responsible for acting on our recommendations.

MSU's response to this audit is included as an appendix to this report. Consistent with State law, we have redacted the elements of MSU's response related to the cybersecurity audit finding. We reviewed the response to our findings and related recommendations, and have concluded that the corrective actions identified are sufficient to address all issues.

We wish to acknowledge the cooperation extended to us during the audit by MSU.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor



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## Background Information

### Agency Responsibilities

Morgan State University (MSU), which is designated as the State's preeminent public urban research university, offers baccalaureate, masters, and doctoral programs. MSU is governed by a Board of Regents appointed by the Governor with the advice and consent of the Maryland Senate. Based on MSU's records, its student population for the Fall 2025 semester totaled 11,559, including 9,554 undergraduate students and 2,005 graduate students.

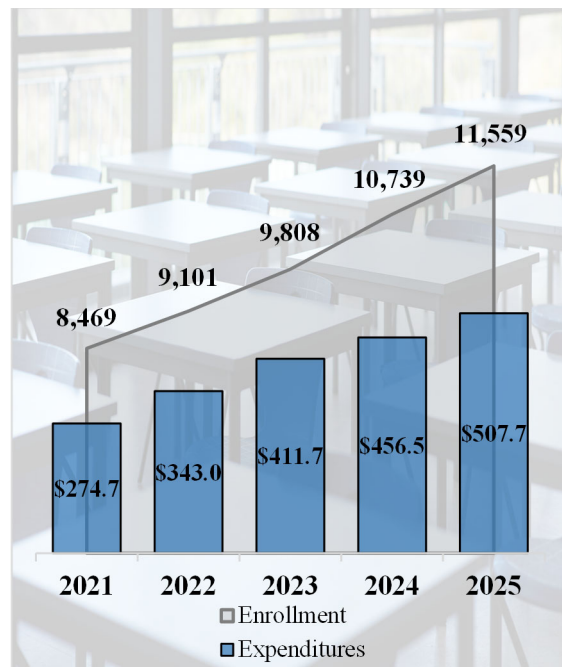
As depicted in Figure 1, MSU's expenditures increased annually between fiscal years 2021 and 2025 from approximately \$274.7 million to \$507.7 million.

According to MSU management, this increase in expenditures was primarily due to the annual increase in student enrollment (also shown in Figure 1) which increased operational costs including salaries for personnel and maintenance for its facilities, and increased spending on research activities in the pursuit of achieving a Very High Research Activity<sup>1</sup> (R1) status.

MSU's budget is funded by unrestricted revenues, such as tuition and fees, a State general fund appropriation, and restricted revenues, such as federal grants and contracts (see Figure 2).

During the period of June 30, 2021 through June 30, 2025, MSU had vacancy rates that ranged from 9.5 percent to 12.5

**Figure 1**  
**MSU Expenditures and Enrollment**  
**Fiscal Years 2021 through 2025**  
(dollar amounts in millions)



Source: MSU enrollment and State financial records

<sup>1</sup> An R1 university is a doctoral university that has the highest level of research activity, according to the Carnegie Classification of Institutions of Higher Education. To achieve this status, a university must meet specific criteria, including spending at least \$50 million annually on research and awarding at least 70 doctoral degrees a year.

percent. As of June 30, 2025, approximately 11.9 percent of the total 1,882 positions were vacant. These vacancies may have contributed, at least in part, to the findings in this report.

**Figure 2**  
**MSU Positions, Expenditures, and Funding Sources**

| Full Time Equivalent Positions as of June 30, 2025 |                      |
|----------------------------------------------------|----------------------|
|                                                    | Positions            |
| Filled                                             | 1,658                |
| Vacant                                             | 224                  |
| <b>Total</b>                                       | <b>1,882</b>         |
| Fiscal Year 2025 Expenditures                      |                      |
|                                                    | Expenditures         |
| Salaries, Wages and Fringe Benefits                | \$222,382,257        |
| Technical and Special Fees                         | 41,666,497           |
| Operating Expenses                                 | 243,670,687          |
| <b>Total</b>                                       | <b>\$507,719,441</b> |
| Fiscal Year 2025 Funding Sources                   |                      |
|                                                    | Funding              |
| Unrestricted <sup>2</sup>                          | \$394,815,197        |
| Restricted <sup>3</sup>                            | 112,904,244          |
| <b>Total</b>                                       | <b>\$507,719,441</b> |

Source: State financial records and MSU personnel records

According to the Department of Budget & Management's fiscal year 2025 Capital Budget *White Book*, MSU had authorized capital improvement projects with budgeted funds totaling approximately \$372.8 million during the period from fiscal year 2021 to fiscal year 2025. The two largest authorized capital budgets during this period totaled \$159.7 million and \$122.2 million for the design and construction of the Health and Human Services Building and Science Center, respectively. Construction of the Health and Human Services Building began in

<sup>2</sup> Includes general fund, tuition and fees, and other sources such as Auxiliary Services and the Historically Black Colleges and Universities Settlement.

<sup>3</sup> Includes federal grants, contracts and other gifts.

October 2021 and was completed in October 2024; construction for the Science Center began in May 2025 and is expected to be completed by August 2028.

### Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the ten findings contained in our preceding audit report dated September 22, 2022. See Figure 3 for the results of our review.

| <b>Figure 3</b><br><b>Status of Preceding Findings</b> |                                                                                                                                                                                                                                                                           |                                               |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Preceding Finding</b>                               | <b>Finding Description</b>                                                                                                                                                                                                                                                | <b>Implementation Status</b>                  |
| Finding 1                                              | MSU did not adequately monitor the vendor responsible for disbursing student refunds to ensure the refunds were properly issued and unissued refunds were returned.                                                                                                       | Not Repeated                                  |
| Finding 2                                              | MSU did not independently verify the propriety of adjustments to student room and board charges, certain of which were not processed in accordance with MSU policy.                                                                                                       | Not Repeated                                  |
| Finding 3                                              | Reviews of changes to student residency status were either not documented or not independent; and certain changes were not subject to review because system output reports used for this purpose were incomplete.                                                         | Not Repeated                                  |
| Finding 4                                              | MSU did not adequately review deferred payment plan agreements to ensure they were proper.                                                                                                                                                                                | Not Repeated                                  |
| Finding 5                                              | MSU did not periodically ensure that all eligible delinquent accounts were referred to the State's Central Collection Unit within the required time period.                                                                                                               | Not Repeated                                  |
| Finding 6                                              | MSU did not conduct comprehensive reviews of honors scholarship awards to ensure the awards were proper, and did not take required action when students did not maintain their eligibility. As a result, certain awards were overstated or issued to ineligible students. | Not Repeated                                  |
| Finding 7                                              | MSU did not procure certain goods and services in accordance with its policies and procedures, and did not ensure related goods and services were received and amounts invoiced were proper.                                                                              | <b>Repeated</b><br>(Current Findings 1 and 3) |

| <b>Figure 3</b><br><b>Status of Preceding Findings</b> |                                                      |                              |
|--------------------------------------------------------|------------------------------------------------------|------------------------------|
| <b>Preceding Finding</b>                               | <b>Finding Description</b>                           | <b>Implementation Status</b> |
| Finding 8                                              | Redacted cybersecurity-related finding. <sup>4</sup> | Status Redacted <sup>4</sup> |
| Finding 9                                              | Redacted cybersecurity-related finding. <sup>4</sup> | Status Redacted <sup>4</sup> |
| Finding 10                                             | Redacted cybersecurity-related finding. <sup>4</sup> | Status Redacted <sup>4</sup> |

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<sup>4</sup> The finding description as well as the implementation status of this cybersecurity-related finding has been redacted for the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

# Findings and Recommendations

## Procurement and Disbursements

### Background

Effective July 1, 2004, legislation was passed that generally exempts Morgan State University (MSU) from State law governing procurement subject to the development of policies and procedures and approval by the MSU Board of Regents and Board of Public Works (BPW). MSU's *Procurement Policies and Procedures* was approved by the Morgan State University Board of Regents and BPW in 2005.

According to State and MSU records, approximately 6,200 purchase orders totaling \$747.5 million (including capital construction activity) were issued and 46,000 payments totaling \$875.3 million were made between the period of May 1, 2021 and June 30, 2025.<sup>5</sup>

Our review of procurements and disbursements included the following:<sup>6</sup>

- We judgmentally selected and reviewed the procurements of 4 contracts collectively valued at \$39.4 million for services related to the demolition and construction of the Science Center, maintenance of a roadway by the stadium, and campus security/safety equipment.
- We reviewed unarmed security guard services with related payments totaling approximately \$20.2 million during the audit period, which included 7 payments totaling \$694,000 that were tested.
- We reviewed 12 change orders totaling \$22.1 million for a vendor contracted in May 2020 to provide dining and catering services.
- We tested certain procurement attributes for 11 other contracts totaling \$32.7 million for services relating to campus transportation, security systems, information technology, facility maintenance, and construction.
- We analyzed activity by procurement method to determine whether certain limits or thresholds were exceeded, and whether MSU complied with certain procurement requirements.

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<sup>5</sup> There were timing differences which accounted for the payments exceeding the purchase order amounts. That is, payments were made during the referenced period which related to purchase orders from prior periods.

<sup>6</sup> The vendors and activity selected for testing were based on materiality, significance of the services provided, or to follow up on issues identified by the Office of Legislative Audits (OLA) in the preceding audit.

- We reviewed MSU’s contract monitoring and disbursements processes for four contracts (from the first bullet) with expenditures totaling \$20.3 million as of June 30, 2025, of which 9 payments totaling \$6.5 million were tested.
- We also tested 44 disbursements totaling \$13.8 million relating to a variety of goods and services such as purchases with research grant funds, dining and catering services, and student housing.

#### **Finding 1**

**MSU continued to obtain unarmed security guard services under an expired emergency contract from March 2016 without seeking subsequent competition. In addition, MSU could not support the hourly rates billed by the vendor.**

#### **Analysis**

MSU continued to obtain unarmed security services under an expired contract. The initial contract was an emergency procurement in March 2016 and expired in October 2016 with payments totaling \$667,627. MSU continued to use the services of this vendor without competition through the improper use of an Intergovernmental Cooperative Purchasing Agreement (ICPA) between November 2016 and June 2023 with payments totaling \$16.2 million which was addressed in our prior audit report of MSU.<sup>7</sup> As depicted in Figure 4, payments totaled \$29.4 million since the initial contract through June 30, 2025. Our current review disclosed the following:

**Figure 4**  
**Payments to Unarmed Security**  
**Guard Vendor**  
**March 1, 2016 to June 30, 2025**

| Procurement Method    | Period                            | Payments            |
|-----------------------|-----------------------------------|---------------------|
| Emergency             | March 1, 2016 to October 31, 2016 | \$667,627           |
| Improper use of ICPA  | November 1, 2016 to June 30, 2023 | 16,169,267          |
| None                  | July 1, 2023 to June 30, 2025     | 12,544,914          |
| <b>Total Payments</b> |                                   | <b>\$29,381,808</b> |

Source: State and MSU financial records

- During the current audit period, MSU continued to obtain unarmed security services from the vendor with related payments totaling \$20.7 million without competitive procurement or a formal contract. In addition, although MSU obtained BPW retroactive approval for use of the vendor through June 30, 2023, MSU did not receive approval for \$12.5 million in payments made subsequent to the approval. While MSU attempted to competitively procure

<sup>7</sup> Our preceding audit found that MSU was not eligible to use the ICPA, services were not competitively procured, and a contract was not executed.

these services during the audit period, we were advised that these procurements were cancelled due to procedural issues, such as the solicitation being under the wrong procurement method and lacking legal sufficiency.

- MSU could not support the basis for the rates being paid to the vendor which were significantly higher than the \$19 hourly rate in the 2016 contract and rates paid by two other State agencies for similar services. For example, our review of rates for unarmed security officers under four competitively procured contracts at two State agencies (including one university) disclosed that as of May 31, 2025, the hourly rate of \$27.20 paid by MSU for an unarmed security officer was 19.8 percent higher than the \$22.70 average rate paid on the other contracts.<sup>8</sup>

MSU's *Procurement Policies and Procedures* generally require competitive procurements, as well as executed contracts with certain specific terms and conditions (including the scope of the contract, compensation, and method of payment), for purchases over \$100,000. The *Policies and Procedures* also require BPW approval for service contracts valued over \$1 million.

A similar condition regarding MSU not competitively procuring or obtaining BPW approval for unarmed security guard services was commented upon in our preceding audit report. MSU's response to that report indicated that by December 2022, it would issue a competitive procurement and obtain appropriate approvals including the BPW.

### **Recommendation 1**

**We recommend that MSU**

- a. competitively procure and execute contracts in accordance with its policies and procedures (repeat);**
- b. obtain BPW approval as required, including retroactive approval for the unarmed security guard services noted above (repeat); and**
- c. evaluate hourly rates being billed for unarmed security guard services, and take appropriate action.**

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<sup>8</sup> MSU is billed for different positions including security officer, sergeant, and lieutenant.

**Finding 2**

**MSU did not always publish solicitations and/or awards, obtain BPW approval, secure vendor proposals and bids submitted and stored electronically, and submit certain required annual reports. In addition, MSU's *Procurement Policies and Procedures* had not been updated since 2005 and did not accurately reflect current procurement requirements and practices.**

**Analysis**

MSU did not always publish solicitations and/or awards, obtain BPW approval, secure vendor proposals and bids submitted and stored electronically, and submit certain required annual reports. In addition, MSU's *Procurement Policies and Procedures* had not been updated since 2005 and did not accurately reflect current procurement requirements and practices.

- MSU did not publish the solicitations and/or awards for procurements over \$100,000 as required. For example, our review of 14 competitive procurements totaling \$69.3 million (each over \$100,000), disclosed that MSU did not publish the solicitations and/or awards for 8 procurements totaling \$37.4 million. MSU's *Procurement Policies and Procedures* require publishing of solicitations and notice of the related award (for example on MSU's Procurement Office Bid Board and/or *eMaryland Marketplace Advantage*) for contracts that exceed \$100,000. Publication of contract solicitations and awards helps ensure that goods and services are procured in the most cost advantageous manner and promotes transparency.

The failure to publish the solicitations and awards is significant because 3 of these procurements were awarded based on a single proposal/bid, including 2 totaling \$6.3 million for which neither the solicitation or award were published and 1 totaling \$3.4 million for which the award was not published.

- MSU did not obtain required BPW approval for 1 procurement for security services totaling \$1.3 million, and for 12 change orders for dining and catering services that effectively increased the contract's original term amount by \$22.1 million. For example, in May 2020, BPW approved the dining and catering services contract totaling \$45 million for the original contract term of June 1, 2020 to May 31, 2025, however MSU incurred and paid for expenditures totaling \$63.2 million during this period. MSU issued 7 change orders so invoices could be paid, however MSU never obtained BPW approval or disclosed the increase in expenditures. MSU procurement personnel advised the increase in expenditures and need for change orders was as a result of the increase to student enrollment, and did not believe BPW

approval was needed once the original amounts were approved. However, State procurement law requires BPW approval for contracts and modifications valued over \$1 million.

- MSU did not secure vendor proposals and bids submitted and stored electronically. For three competitive sealed proposal procurements tested totaling \$36.6 million relating to construction services, MSU specifically directed vendors to submit their proposal and bid documents directly to a procurement officer's email account. Our review disclosed that MSU did not require the vendors to password protect the documents, and MSU did not document for all three procurements that the proposals were opened by at least two MSU employees. Consequently, bid/proposal information could be accessed prior to opening date and improperly disclosed to other prospective candidates without detection. MSU's *Procurement Policies and Procedures* require that bids and proposals are maintained in a secure place until opening, and that the procurement officer ensure appropriate procedures are in place for the opening of proposals.
- MSU did not submit annual reports to the Governor and General Assembly as required by State law listing all sole source, emergency and expedited procurements exceeding \$100,000. According to agency records, MSU awarded 87 purchase orders totaling \$59.6 million between May 1, 2021 and June 30, 2025 that should have been reported.

These conditions were caused, at least in part, because MSU's *Procurement Policies and Procedures*, last approved by MSU's Board of Regents and BPW in 2005, did not accurately reflect current procurement requirements (such as the dollar thresholds for the type of procurements and approval requirements) and processes. During the previous audit MSU management advised that new procurement policies and procedures would be presented by December 2022 to the Board of Regents and BPW.

## **Recommendation 2**

**We recommend that MSU**

- ensure that all applicable solicitations and contract awards are published,**
- obtain BPW approval for contracts and change orders over \$1 million,**
- ensure contract proposals and bids are adequately secured prior to being opened,**
- submit the required annual procurement report to the Governor and General Assembly, and**
- update the *Procurement Policies and Procedures* to reflect current procurement requirements and practices.**

### **Finding 3**

**MSU did not always ensure invoices were properly supported, goods and services were received, and did not always pay vendors timely.**

#### **Analysis**

MSU did not always ensure invoices were properly supported, goods and services were received, and did not always pay vendors timely.

- MSU paid for goods and services without ensuring that payments were proper and related goods and services were received. Specifically, our test of 56 invoices totaling \$21 million<sup>9</sup> disclosed that MSU paid 5 invoices totaling \$583,000 prior to the related goods or services being received, including 3 totaling \$267,900 for which the goods and services still had not been received as of October 2025. In addition, for 4 other invoices totaling \$297,400, MSU did not have adequate documentation to support amounts invoiced and paid were consistent with the related contracts. For example, MSU paid a \$166,100 invoice for unarmed security services in May 2025 and either did not retain or could not locate documentation (such as daily logs of hours and locations worked) to support these charges.
- MSU did not appear to always pay vendors timely. Specifically, we analyzed fiscal years 2022 through 2025 payments recorded on State and MSU accounting records and noted that 19 percent of invoices were paid from 60 days<sup>10</sup> to more than one year from the date of the invoice. According to MSU management, the untimely payments were generally the result of vendors not submitting invoices to the accounts payable unit, and the departments responsible for review not submitting approved invoices to the accounts payable unit timely. However, MSU did not record the dates invoices were received and accordingly we could not verify these assertions.

The Comptroller of Maryland's *Accounting Policies and Procedures Manual* requires agencies to document that the services have been rendered prior to payment. The *Manual* further requires that invoices be stamped with the date the invoice was received, and the date goods or services were received. In addition, State regulations require agencies to submit the invoices to the Comptroller of Maryland within 25 days of receipt so that they can be paid within 30 days of receipt, as required by State law.

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<sup>9</sup> We selected payments for testing based on materiality that included a variety of goods and services such as equipment, housing, consulting, security, and construction activity.

<sup>10</sup> Our analysis used the date of invoice to payment to evaluate the timeliness and therefore we allowed for 60 days to be conservative.

A similar condition regarding insufficient verification of vendor billings was included in our two preceding audit reports dating back to January 2019. In response to the September 2022 report, MSU indicated it would enhance policies and procedures to confirm and document proper receipt and acceptance of related goods and services by December 2022.

### **Recommendation 3**

**We recommend that MSU**

- a. verify that all goods and services have been received, and obtain adequate support to ensure amounts invoiced and paid are proper and consistent with the related contract (repeat);**
- b. ensure invoices are stamped with the date the invoice was received; and**
- c. pay vendors in a timely manner.**

## **Criminal Background Checks**

### **Finding 4**

**MSU did not ensure that criminal background checks were completed for certain contractors, resulting in one individual with a previous conviction for possession of narcotics with intent to distribute working on campus.**

### **Analysis**

MSU did not have comprehensive procedures to ensure criminal background checks were properly completed for dining and catering services and unarmed security guard vendor<sup>11</sup> employees. According to agency records, as of October 2025, there were 244 dining and catering services and 186 unarmed security vendor employees assigned to MSU. The dining and catering services contract required the vendor to obtain and submit the results of the background checks and although MSU did not have a written contract with the unarmed security vendor, we were advised by MSU management that the vendor was expected to perform background checks of its employees.<sup>12</sup>

Our review disclosed that MSU could not document its review of background checks for the dining and catering services vendor, and did not attempt to obtain the results from the unarmed security guard vendor. MSU also did not require or obtain ongoing updates (referred to as alerts) of subsequent criminal activity for either vendor. In response to our request, MSU contacted the dining and catering

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<sup>11</sup> The unarmed security guard vendor was discussed in Finding 1.

<sup>12</sup> Our comparison to unarmed security guard contracts at other State agencies including a university had a similar requirement for background checks described in the dining and catering services contract above.

services vendor who advised that background checks were performed for all 10 employees tested but could only provide documentation for 6 of 10 employees. The vendor indicated that they no longer had documentation of the background checks for the remaining 4 employees due to their document retention practices.

For the unarmed security guard vendor, we obtained a list of employees assigned to MSU as of October 2025 and matched these individuals against Department of Public Safety and Correctional Services conviction records for the period September 2019 to April 2024. Our match identified one vendor employee that was assigned to work at MSU who was convicted of possession of narcotics with intent to distribute in April 2023. MSU was not aware of the conviction before we brought it to their attention. As a result, the employee was still working at MSU as of October 2025 based on the vendor's assignment roster. Upon being notified, MSU and the vendor investigated this matter that resulted in the immediate termination of the vendor's employee in December 2025.

#### **Recommendation 4**

**We recommend that MSU**

- a. ensure the dining services and unarmed security guard vendors obtain criminal background checks for all employees, including the four employees noted above;**
- b. require the dining services and unarmed security guard vendors to receive alerts of subsequent criminal activity by their employees and timely report such activity to MSU; and**
- c. take appropriate action for any vendor employees with criminal backgrounds.**

## **Payroll**

#### **Finding 5**

**MSU did not ensure that employees who were terminated or left State service were promptly removed from the payroll, resulting in improper payments to at least eight former employees totaling approximately \$150,000.**

#### **Analysis**

MSU did not ensure that employees who were terminated or left State service were removed timely from the payroll. According to State records, during the period from May 1, 2021 to June 30, 2025, there were 598 employees terminated from MSU. We obtained a Statewide Personnel System (SPS) report of MSU employee terminations processed during this period and compared the termination date entered in SPS to the date that the termination was processed in SPS which

identified 264 employees whose terminations were processed one or more days after the termination date.

We reviewed 14 of these employees with delays between the effective date of the termination and the SPS termination date ranging from 37 days to more than 12 months, and that appeared to have regular earning payments subsequent to their termination date. Our review disclosed that the untimely processing of the terminations resulted in 8 employees receiving improper payments totaling approximately \$150,000 subsequent to their termination date.

MSU was unaware of 6 of these employees, and had not taken action to recover the improper payments which totaled approximately \$95,000. For another employee, MSU identified approximately \$51,000 in payments made for seven months after the employee retired in June 2023 but as of November 2025, had not recovered approximately \$48,000 of these funds. The remaining employee was paid approximately \$4,000 after leaving State service which was recovered in November 2022, six months after the payment was made.

#### **Recommendation 5**

**We recommend that MSU**

- a. implement procedures to ensure timely posting in SPS of employees who are terminated; and**
- b. investigate payments to employees after termination, including those noted above, and in consultation with legal counsel pursue recovery of any improper payments as deemed appropriate.**

### **Information Systems Security and Control**

We determined that the Information Systems Security and Control section, including Finding 6 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following finding, including the analysis, related recommendations, along with MSU’s responses, have been redacted from this report copy.

#### **Finding 6**

**Redacted cybersecurity-related finding.**

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of Morgan State University (MSU) for the period beginning May 1, 2021 and ending June 30, 2025. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine MSU's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included purchases and disbursements, construction, grants, student accounts receivable, financial aid, cash receipts, payroll, and information systems security and control. We also determined the status of findings in our preceding audit report.

Our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of MSU's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including MSU.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of May 1, 2021 and ending June 30, 2025, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of MSU's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do

not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data), as well as from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from MSU's financial system for the purpose of testing certain areas, such as payroll, purchases, disbursements, financial aid, and student accounts receivable. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

MSU's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to MSU, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect MSU's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to MSU that did not warrant inclusion in this report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(c), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.” Based on that definition, and in our professional judgment, we concluded that a finding in this report falls under that definition. Consequently, for the publicly available audit report all specifics as to the nature of the cybersecurity finding and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of the cybersecurity finding has been communicated to MSU and those parties responsible for acting on our recommendations in an unredacted audit report.

MSU's response to our findings and recommendations is included as an appendix to this report. Depending on the version of the audit report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MSU regarding the results of our review of its response.

## APPENDIX



*Office of the President*

February 6, 2026

Mr. Brian S. Tanen, CPA, CFE  
Legislative Auditor  
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, MD 21201

Dear Mr. Tanen,

I have enclosed Morgan State University's responses to your draft report for the audit period beginning May 1, 2021 and ending June 30, 2025. We appreciate the collaboration and recommendations your team has provided.

Kind Regards,

David K. Wilson  
President

Enclosure

cc: The Honorable Kweisi Mfume, Chairman, Board of Regents  
General Larry R. Ellis, Vice-Chairman and Chair of the Audit Committee, Board of Regents  
Shirley M. Malcom, Ph.D., Chair, Finance and Facilities Committee, Board of Regents  
Mr. E. David LaChina, Executive Vice President and CFO for Finance and Administration  
Mr. Vinnie A. John, Associate Vice President and COO for Finance and Administration  
Ms. Deborah A. Flavin, Associate Vice President for Finance and Administration  
Dr. Hongtao Yu, Provost and Senior Vice President for Academic Affairs  
Dr. Kara M. Turner, Senior Vice President for Enrollment Management and Student Success  
Dr. Timothy Summers, Vice President for Technology and CIO  
Dr. Letitia Williams, Interim Vice President for Student Affairs  
Dr. Don-Terry Veal, Vice President, State and Federal Relations and Chief of Staff  
Mr. Abraham Mauer, Director for the Office of Internal Audit and Management Review

# Morgan State University

## Agency Response Form

### Procurement and Disbursements

#### Finding 1

MSU continued to obtain unarmed security guard services under an expired emergency contract from March 2016 without seeking subsequent competition. In addition, MSU could not support the hourly rates billed by the vendor.

We recommend that MSU

- a. competitively procure and execute contracts in accordance with its policies and procedures (repeat);
- b. obtain BPW approval as required, including retroactive approval for the unarmed security guard services noted above (repeat); and
- c. evaluate hourly rates being billed for unarmed security guard services, and take appropriate action.

| Agency Response                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |            |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------|
| Analysis                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |            |
| Please provide additional comments as deemed necessary.              | While the University recognizes the concerns identified with the historical administration of unarmed security guard services, significant corrective actions and procurement reforms have been implemented to remedy these issues. These include ongoing staff training, streamlining workflows, implementing standard operating procedures, and using templates and documentation tools to ensure consistent compliance, transparency, and sound procurement practices across the University.                                                                                                                                                                                                                 |                            |            |
| Recommendation 1a                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Estimated Completion Date: | 12/17/2025 |
| Please provide details of corrective action or explain disagreement. | While the University had made multiple attempts during the audit period to competitively award unarmed security guard services, these attempts were canceled due to procedural challenges (IFB 22-PRO-0025-S and RFP 23-PRO-0018-S). However, in December 2025, MSU resolved this condition by competitively awarding a cooperative agreement approved by BPW on November 19, 2025, leveraging a National Association of State Procurement Officials (NASPO) ValuePoint vehicle that fully complies with State and MSU procurement laws and policies. This action directly addressed every element of the finding by replacing the expired contract with a competitively sourced and fully compliant agreement. |                            |            |
| Recommendation 1b                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Estimated Completion Date: | 12/03/2025 |

# Morgan State University

## Agency Response Form

|                                                                             |                                                                                                                                                                                                                                                                                                                                                             |                                   |            |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|
| <b>Please provide details of corrective action or explain disagreement.</b> | On December 3, 2025, BPW granted retroactive approval for the unarmed security guard services for the period 7/1/2023 through 11/20/2025. As noted in Recommendation a, BPW approved a competitively awarded contract for Unarmed Security Guard Services on 11/19/2025.                                                                                    |                                   |            |
| <b>Recommendation 1c</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                       | <b>Estimated Completion Date:</b> | 12/03/2025 |
| <b>Please provide details of corrective action or explain disagreement.</b> | As part of the NASPO negotiation and award process, MSU conducted a thorough cost and price analysis, including benchmarking and negotiating labor rates most favorable to the State of Maryland and the University. This was documented in the NASPO contract negotiation memo and will be used to monitor hourly rates and invoicing on an ongoing basis. |                                   |            |

# Morgan State University

## Agency Response Form

### Finding 2

MSU did not always publish solicitations and/or awards, obtain BPW approval, secure vendor proposals and bids submitted and stored electronically, and submit certain required annual reports. In addition, MSU's *Procurement Policies and Procedures* had not been updated since 2005 and did not accurately reflect current procurement requirements and practices.

We recommend that MSU

- a. ensure that all applicable solicitations and contract awards are published,
- b. obtain BPW approval for contracts and change orders over \$1 million,
- c. ensure contract proposals and bids are adequately secured prior to being opened,
- d. submit the required annual procurement report to the Governor and General Assembly, and
- e. update the *Procurement Policies and Procedures* to reflect current procurement requirements and practices.

| Agency Response                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |            |
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| Analysis                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |            |
| Please provide additional comments as deemed necessary.              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |            |
| Recommendation 2a                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Estimated Completion Date: | 12/01/2025 |
| Please provide details of corrective action or explain disagreement. | The University has updated and enhanced the functionality of its electronic procurement bid board, now consistently publishing all applicable solicitations and awards there and/or on the eMaryland Marketplace Advantage (eMMA) portal. Please note that factors such as procurement category, method, and dollar threshold guide which tool is used. For a time during the audit period, the University relied on contacting multiple vendors directly, after extensive research to identify as many organizations as possible that offer the necessary goods and services, to solicit proposals and notify bidders of awards. The University has now expanded its procedures to post solicitations and awards on public-facing websites in accordance with its approved policy, thereby promoting greater competition and strengthening compliance, as recommended. |                            |            |
| Recommendation 2b                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Estimated Completion Date: | 1/30/2026  |

# Morgan State University

## Agency Response Form

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|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------|
| <b>Please provide details of corrective action or explain disagreement.</b> | The University's understanding of the guidance received from BPW regarding successive change orders requiring approval is the reason BPW was not sought. The auditors obtained written clarification from BPW that this approval is required, and the University will ensure it is secured in such instances going forward.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                   |           |
| <b>Recommendation 2c</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Estimated Completion Date:</b> | 3/31/2026 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>The University will:</p> <ul style="list-style-type: none"> <li>Standardize the method for submitting and receiving competitive sealed bids and proposals via a secure electronic procurement platform or a secure file-transfer method that requires encryption and password protection, with passwords transmitted separately.</li> <li>Update the solicitation instructions to explicitly require vendors to password-protect all electronic bid and proposal documents.</li> <li>Implement documented dual-control opening procedures that require all competitive sealed bids and proposals to be officially opened by at least two authorized employees, evidencing the date and time of opening, names and titles of employees present, and confirmation that proposals remained secure until the official opening.</li> <li>Update procedures to include explicit guidance on electronic bid submission, security controls, and documentation standards, ensuring alignment with evolving electronic procurement practices.</li> <li>Train procurement staff on secure electronic procurement practices and documentation requirements. Additionally, supervisory reviews will be enhanced to verify compliance with bid security and opening procedures prior to contract award.</li> </ul> |                                   |           |
| <b>Recommendation 2d</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Estimated Completion Date:</b> | 6/30/2026 |
| <b>Please provide details of corrective action or explain disagreement.</b> | The University will submit the required reports annually, as recommended. Please note that the University was unaware of these specific reporting requirements and regularly submits various reports to multiple agencies. Furthermore, we were advised that the Department of General Services (DGS), which oversees and facilitates procurement reporting for the State of Maryland, was unaware that higher education institutions are required to submit these specific reports, and that peer higher education institutions were similarly unaware. In any event, this will be corrected immediately.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                   |           |
| <b>Recommendation 2e</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Estimated Completion Date:</b> | 8/31/2026 |

# Morgan State University

## Agency Response Form

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|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Please provide details of corrective action or explain disagreement.</b> | The University is iteratively updating the procurement policy and procedures (P&P) document and plans to submit the final draft version to senior management and counsel for internal review and approval. Once the internal management approval process is finalized, we will submit the P&P document to the Board of Regents and BPW for approval. |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Morgan State University

## Agency Response Form

### **Finding 3**

**MSU did not always ensure invoices were properly supported, goods and services were received, and did not always pay vendors timely.**

**We recommend that MSU**

- a. verify that all goods and services have been received, and obtain adequate support to ensure amounts invoiced and paid are proper and consistent with the related contract (repeat);**
- b. ensure invoices are stamped with the date the invoice was received; and**
- c. pay vendors in a timely manner.**

| <b>Agency Response</b>                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                   |           |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------|
| <b>Analysis</b>                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                   |           |
| <b>Please provide additional comments as deemed necessary.</b>              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                   |           |
| <b>Recommendation 3a</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Estimated Completion Date:</b> | 4/30/2026 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>The University has developed a formal Contract Technical Representative (CTR) Guide to train end-users and contract administrators on their post-award responsibilities. The CTR Guide standardizes requirements for:</p> <ul style="list-style-type: none"><li>• Inspection and acceptance of goods and services</li><li>• Verification that deliverables meet contract terms</li><li>• Documentation of receipt prior to invoice approval</li><li>• Monitoring of contract performance</li><li>• Invoice review and validation</li></ul> <p>In addition, standardized templates have been created to ensure clear visibility and documentation of the inspection and acceptance process prior to approving invoices, providing an auditable trail that links receipt of goods and services to payment authorization.</p> <p>The University will develop and administer a robust training program to ensure that the current Contract Technical Representatives comply with the CTR Guide.</p> |                                   |           |
| <b>Recommendation 3b</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Estimated Completion Date:</b> | 4/30/2026 |

# Morgan State University

## Agency Response Form

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|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------|
| <b>Please provide details of corrective action or explain disagreement.</b> | Overall, the University's process for approving invoices will be updated to include a dated received reference as well as a date authorized reference. In addition, the training program referenced above will incorporate the requirement for CTRs to stamp the invoice with the date it was physically received and/or attach or reference the email received with the invoice.                                                                                                                                                                                                          |                                   |           |
| <b>Recommendation 3c</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Estimated Completion Date:</b> | 4/30/2026 |
| <b>Please provide details of corrective action or explain disagreement.</b> | <p>The training program referenced above will emphasize the timely processing of vendor invoices. More specifically, the University will:</p> <ul style="list-style-type: none"><li>● Define and assign explicit responsibilities to the departmental Contract Technical Representatives who will be held accountable for reviewing, approving, documenting, and submitting invoices to Accounts Payable in a timely manner.</li><li>● Provide targeted training to departmental staff on invoice processing requirements, timeliness expectations, and documentation standards.</li></ul> |                                   |           |

# Morgan State University

## Agency Response Form

### Criminal Background Checks

#### Finding 4

MSU did not ensure that criminal background checks were completed for certain contractors, resulting in one individual with a previous conviction for possession of narcotics with intent to distribute working on campus.

We recommend that MSU

- a. ensure the dining services and unarmed security guard vendors obtain criminal background checks for all employees, including the four employees noted above;
- b. require the dining services and unarmed security guard vendors to receive alerts of subsequent criminal activity by their employees and timely report such activity to MSU; and
- c. take appropriate action for any vendor employees with criminal backgrounds.

| Agency Response                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |           |
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| Analysis                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |           |
| Please provide additional comments as deemed necessary.              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |           |
| Recommendation 4a                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Estimated Completion Date: | 1/30/2026 |
| Please provide details of corrective action or explain disagreement. | <p>The University will ensure that the dining services and unarmed security guard vendors obtain criminal background checks for all employees.</p> <p>The University immediately contacted the unarmed security guard vendor about the individual employee who failed the background check, and that employee's assignment was promptly terminated. Subsequently, the vendor demonstrated to the University that it follows a rigorous background check process in partnership with a third-party and the Maryland State Police, and that the isolated incident was due to a clerical error. The University agrees with the recommendation and will implement a documented process to independently verify that the unarmed security guard vendor conducts a proper criminal background check of its employees assigned to MSU. The University will perform the same for other vendors it identifies as necessary, based on a formal risk assessment.</p> <p>Although the University's process has always been to inspect the dining service provider's criminal background check records to ensure they are</p> |                            |           |

# Morgan State University

## Agency Response Form

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|                                                                             | completed properly, the method for evidencing this review and documenting it was lacking. As a result of the audit, the University has implemented a new form and now documents its review of the service provider's criminal background checks to ensure they are properly performed by the vendor. The University will continue to do so going forward. |                                   |           |
| <b>Recommendation 4b</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                     | <b>Estimated Completion Date:</b> | 1/30/2026 |
| <b>Please provide details of corrective action or explain disagreement.</b> | Although the current dining service and unarmed security contracts do not require the vendors to receive and relay ongoing monitoring alerts to the University, we will work with those organizations to implement this requirement going forward.                                                                                                        |                                   |           |
| <b>Recommendation 4c</b>                                                    | Agree                                                                                                                                                                                                                                                                                                                                                     | <b>Estimated Completion Date:</b> | 1/30/2026 |
| <b>Please provide details of corrective action or explain disagreement.</b> | As noted above, the University immediately worked with the vendor and had the employee in question terminated. This represents an isolated incident and is not expected to recur. In the unlikely event that an employee with a failed background check is discovered, the University will take swift remedial action, as recommended by the auditors.    |                                   |           |

# Morgan State University

## Agency Response Form

### Payroll

#### Finding 5

MSU did not ensure that employees who were terminated or left State service were promptly removed from the payroll, resulting in improper payments to at least eight former employees totaling approximately \$150,000.

We recommend that MSU

- a. implement procedures to ensure timely posting in SPS of employees who are terminated; and
- b. investigate payments to employees after termination, including those noted above, and in consultation with legal counsel pursue recovery of any improper payments as deemed appropriate.

| Agency Response                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |           |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------|
| Analysis                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |           |
| Please provide additional comments as deemed necessary.              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |           |
| Recommendation 5a                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Estimated Completion Date: | 3/31/2026 |
| Please provide details of corrective action or explain disagreement. | <p>As a result of the audit, the University will implement the following procedures to reduce the risk of overpayments to an acceptable level.</p> <ul style="list-style-type: none"><li>● Publish formal employee separation guidance, which requires immediate notification to HR of terminations, resignations, retirements, and non-renewals.</li><li>● Track and report on the average difference between the last day worked and HR notification date for follow-up action and escalation, as warranted.</li><li>● For non-faculty employees, payment is not issued without an approved timesheet. Access to timesheets for terminated employees is promptly revoked.</li><li>● Monitor SPS posting lags and test corresponding payments for appropriateness and accuracy on a test basis.</li><li>● Require department chairs to regularly certify that faculty employees listed are active and no known separations are pending. The frequency will be determined and established.</li></ul> |                            |           |
| Recommendation 5b                                                    | Agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Estimated Completion Date: | 3/31/2026 |

# Morgan State University

## Agency Response Form

|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Please provide details of corrective action or explain disagreement.</b> | One of the eight former employees cited above has returned the overpayment. The University is in the process of finalizing the collection procedures and will initiate collection for the seven individuals and will make all necessary efforts to ensure that the overpayments are repaid in accordance with the Maryland State Central Collection Unit's (CCU) Standards for Administrative Collection of Claims. Furthermore, the University is conducting a second review of separated employees with a significant SPS posting lag and final payout to ensure they are accurate. |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# **Morgan State University**

## **Agency Response Form**

### **Information Systems Security and Control**

The Office of Legislative Audits (OLA) has determined that the Information Systems Security and Control section, including Finding 6 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the following finding, including the analysis, related recommendations, along with MSU’s responses, have been redacted from this report copy, MSU’s responses indicated agreement with the finding and related recommendations.

|                                                                    |
|--------------------------------------------------------------------|
| <b>Finding 6</b><br><b>Redacted cybersecurity-related finding.</b> |
|--------------------------------------------------------------------|

**Agency Response has been redacted by OLA.**

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