

**Montgomery County Board of Education
Audit Committee Minutes**

March 11, 2003

A meeting of the Montgomery County Board of Education Audit Committee was held at the Carver Educational Services Center in room 120 on Tuesday, March 11, 2003. In attendance were:

Members: Mr. Kermit Burnett, Chair
 Mr. Gabe Romero, Member

Guests: Mr. Doug Rowe, Mercer
 Ms. Danielle Trevino, Mercer

Staff: Mr. Larry Bowers, Chief Operating Officer
 Ms. Sue DeGraba, Chief Financial Officer
 Mr. G. Wesley Girling, Director, Insurance and Retirement
 Dr. Stephen Raucher, Director, Department of Transportation
 Mr. Philip McGaughey, Jr., Internal Auditor
 Mr. Steven Watts, Investment Officer, Insurance and Retirement
 Mr. Roland Ikheloa, Ombudsman/Staff Assistant, Board of Education

The meeting was called to order by Mr. Burnett at 4:45 p.m.

Report of the Actuarial Valuation of the Investment Trust

Mr. Rowe and Ms. Trevino gave a presentation on the actuarial valuation of the Investment Trust. Total contributions for 1999 were stable and saw a decline in the 2001–2002 investments, but should start to recover. Several areas were discussed by the committee members, including the change in interest rate assumption of eight percent and the impact of market fluctuation. The actuarial consultants shared that some of the outcomes were due to changes to pension benefits, improved employee benefits, length of service, and improved recorded keeping,

Inspector General's Follow-up Report on Transportation

MCPS staff reviewed the Inspector Generals' follow-up report on the Montgomery County Public Schools Bus Transportation Program. The original report was done in 2000. The follow-up report focused on the 19 findings from the original performance audit, in which MCPS agreed to implement various corrective actions. Only two findings had financial implications—phone line reimbursement and maintenance of buses.

The meeting was adjourned at 5:47 p.m.

Recorder: Becky Gibson