

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

January 15, 2004

A meeting of the Montgomery County Board of Education Audit Committee was held at the Carver Educational Services Center in Room 120 on Thursday, January 15, 2004. In attendance were:

Members: Mrs. Patricia O'Neill, Chair
 Mr. Gabe Romero, Member

Staff: Mr. Larry A. Bowers, Chief Operating Officer
 Dr. Frieda Lacey, Chief of Staff
 Ms. Sue DeGraba, Chief Financial Officer
 Mr. Philip McGaughey, Jr., Internal Auditor
 Mr. Roland Ikheloa, Ombudsman/Staff Assistant, Board of Education

Mr. Reginald Felton, Member, was absent.

The meeting was called to order by Mrs. O'Neill at 6:00 p.m.

Due to principals' concerns regarding loss of revenue that may result from recent Board of Education actions to further curtail vending machine purchases in the schools, this meeting of the audit committee was put on the calendar. Staff provided information on the Independent Activity Fund (IAF) accounts and where funds are received (theater, athletic events, fundraisers, etc.) and what these monies are used for (Weekly Readers, scholarship funds, etc.). Over \$30 million flows through the Montgomery County Public Schools IAF accounts every year. All schools carry over funds each year, ranging from \$2,000-\$600,000, with no restrictions on the amount of carryover. However, scholarship money does have restrictions.

Audit committee members were concerned that cuts in vending machines would hurt some schools that rely heavily on the revenue. Some suggestions to help would be to increase the activity fee by \$5.00 per student or increase the budget to prevent increasing the activity fee. Currently, information is not collected on all aspects of vending machine revenue. It was suggested that a pilot be created that would help monitor vending machine revenue and get principals to work with staff to find out where revenues are spent to find out if schools would suffer for loss of revenue.

The meeting was adjourned at 7:00 p.m.

Recorder: Becky Gibson