

Montgomery County Board of Education Audit Committee Minutes

October 30, 2006

A meeting of the Montgomery County Board of Education Audit Committee was held at the Carver Educational Services Center in Room 120 on Monday, October 30, 2006. In attendance were:

Members: Mr. Steve Abrams, Chair
Dr. Charles Haughey, Member
Mr. Gabe Romero, Member

Guests: Mr. Colin W. Bracis, Mercer Human Resource Consulting
Mr. Doug L. Rowe, Mercer Human Resource Consulting
Mr. Malcolm Taylor, Clifton Gunderson LLP

Staff: Mr. Larry Bowers, Chief Operating Officer
Ms. Sue DeGraba, Chief Financial Officer
Mr. Sherwin Collette, Executive Assistant to the Deputy Superintendent for
Information and Organizational Systems
Mr. Robert Doody, Controller
Mr. Wes Girling, Director, Benefits Strategy and Vendor Relations
Mr. John Kevin, Investment Specialist
Mr. Roland Ikheloa

The meeting was called to order by Mr. Abrams at 5:10 p.m.

Inspector General's Annual Report

The audit committee reviewed the annual report of the Office of Inspector General. Upon reviewing the report, the committee members found discrepancies between what occurred during the year and what the Inspector General's report reflected. The committee looked at the jurisdiction of the Inspector General according to the laws and practices of the State of Maryland. They found that the Inspector General's findings on the Seven Locks Elementary School project did not constitute a financial audit and therefore he had no authority on this issue.

The committee chair asked the committee if a response to the Inspector General was needed. Suggestions were made to include the following in the response to the Inspector General: 1) be specific with the information; and 2) ask for more clarification.

The committee agreed that this issue should come to the full Board for consideration to address this issue in November prior to responding to the Inspector General's report.

Financial Statements

Clifton Gunderson LLP presented their management letter to the audit committee members. The company is satisfied that the new Financial Management System should help to ensure security

of computer controls. A concern with the old system was cafeteria accounts only being reconciled annually; with the new system in place, that process would be done monthly.

Actuarial Report

The purpose of the annual actuarial valuation report is to determine recommended contribution, measure system's actuarial soundness, review prior year's experience, and provide GASB disclosure and expense information. The audit committee reviewed the report submitted by Mercer Human Resource Consulting.

The meeting was adjourned by Steve Abrams at 6:02 p.m.

Recorder: Becky Gibson