

MINUTES OF THE BOARD OF EDUCATION OF HOWARD COUNTY AUDIT COMMITTEE

March 13, 2007

The Audit Committee of the Board of Education of Howard County met in public on Wednesday, March 13, 2007, at 11:00 a.m., in Board Room B, located at 10910 Route 108, Ellicott City, Maryland. The following were present:

Patricia S. Gordon, Chairman, BOE Audit Committee
Lawrence H. Cohen, BOE Audit Committee
Ellen Flynn Giles, BOE Audit Committee
Raymond H. Brown, Chief Operating Officer
John J. Connors, Internal Auditor
Susan A. Shown, Recording Secretary

The meeting was called to order by Committee Chairman Patricia S. Gordon, and the agenda was approved. The Internal Auditor provided an overview of recent and current activities.

➤ **March 2006-Present**

- 8 School fiscal/administrative audits completed.
 - 3 Elementary (Deep Run ES, Elkridge ES, Cradlerock School)
 - 3 Middle (Murray Hill MS, Mayfield Woods MS, Mount View MS)
 - 2 High (Oakland Mills HS, Long Reach HS)
- Internal control review – Warehouse inventory.

➤ **Audits focus on school operations and internal controls for:**

- Payroll attendance reporting.
- Inventorying and safeguarding IT/AV equipment.
- Purchasing Cards – Propriety of expenditures and recordkeeping.
- School activity funds (fundraisers, donations, receipts, and propriety of disbursements).

➤ **Audit reports issued and recommendations monitored by the Internal Auditor until corrective action is taken.**

- HCPSS management has been very responsive to reports and has taken prompt action to address weaknesses (e.g. gate receipts/tickets, payroll issues, safeguarding receipts) and to communicate weaknesses to schools so that they can be addressed systemically.
- Best practices are also identified and communicated to HCPSS management for consideration (e.g. improved receipt/deposit process).

➤ **General Observations**

- High school bookkeepers (full-time responsibility) vs. principal secretaries (time divided among many responsibilities) (quality of records, timely deposits, payroll).
- Audit role is also becoming that of a consultant.

➤ **Focus on being proactive**

- Participate in bookkeeper training, part of Operations Executive Leadership and HCPSS Cross Functional Teams, invited to speak with Athletic Activities Managers and supervisory custodial staff.
- Work with special education staff on DAP fiscal operations.
- Advise on audit issues (e.g. required Legislative Audit).

- **Audits in Progress** – Current criteria for selection (+/- 15,000) in Bank Balance during SY 2005-2006.

Mr. Connors will develop the 2007-2008 Audit Plan for next Audit Committee meeting and then submit for approval by the Board of Education.

Next Audit Committee meeting: June 5, 2007, 11:00 a.m.

The meeting was adjourned by the Chairman at 12:14 p.m.